





## Summary of Financial Management Policy Changes 2019

Topic	Section #	Change
Table of Contents		Updated Chapter 9 description to say Surplus Property & Materials  Added a section for definitions
Policy Wide		Updated Administrative Services Department to General Government Office or Finance Officer to be consistent with program budgeting terminology  Updated Department to Unit to be consistent with program budgeting terminology  Updated Assistant Administrative Services Officer to Human Resources/Administrative Generalist due to change in position title  Changed the title of Attachment A to Request for Appropriation or Transfer of Funds  Added the words "End of Chapter" at the bottom of the last page of each chapter  There are various grammar, punctuation, and section numbering changes in the document
Chapter 1 – Introduction & Purpose		Added the word "surplus" to the title of #8
Chapter 1 – Introduction & Purpose		Moved Risk Management to #10 to align with how the sections appear in the document
Chapter 1 – Introduction & Purpose		Added #11 Independent Contractors to the list to reference the section that was added in August 2017
Chapter 1 – Introduction & Purpose		Added #12 Grants Management to the list to reference the section that was added in August 2017
Chapter 1 – Introduction & Purpose		Added #13 Donations & Contributions to the list to reference the section that was added in August 2017
Chapter 2 – Budget	1.8	Moved this section up one level
Chapter 2 – Budget	1.9	Added section to include performance measures in the annual budget
Chapter 2 – Budget	2.1	Removed this section as it no longer applies under program budgeting
Chapter 2 – Budget	2.2	Removed this section as it no longer applies under program budgeting
Chapter 2 – Budget	2.4	Removed this section as it is covered under the new 2.2 section
Chapter 2 – Budget	3.4	Added this section relating to the Council contingency account to clarify how this money can be appropriated
Chapter 2 – Budget	4.2.1	Moved this from a section to a subsection under Revenues
Chapter 2 – Budget	4.2.1.1	Added this subsection to clarify the Statue requirements regarding revenues and depreciation for enterprise fund accounts
Chapter 2 – Budget	4.2.3	Moved this section to a subsection under Revenues

Chapter 2 – Budget	4.3	Change the wording from the “City will” to the “City Council may” to clarify who is authorized to appropriate Lodging Tax revenues and to provide flexibility in its use and added City Sponsored Events as a permissible use
Chapter 2 – Budget	4.4	Removed this section. It is already addressed in section 1.7 of this Chapter
Chapter 2 – Budget	4.5	Removed this section as it was replaced by Chapter 14 in the August 2017 policy update
Chapter 2 – Budget	4.6	Removed this section and related sub-sections due to the repeal of the Ordinance pertaining to the 1-cent tax
Chapter 2 – Budget	4.5	Added this section – this is a GFOA best practices recommendation
Chapter 2 – Budget	6	Removed this section as it was replaced by Chapter 13 in the August 2017 policy update
Chapter 3 – Fund Balance & Reserves	2.2	Changed “Sanitation Fund” to “Solid Waste Fund” to be consistent with the City’s accounting records
Chapter 4 – Capital Assets and Depreciation	2.2	Removed this section – GASB 89 requires that interest cost incurred before the end of a construction period now be recognized as an expense and not included in the historical cost of a capital asset
Chapter 4 Capital Assets and Depreciation	3.5	Changed the time frame for submitting an asset disposal form from 30 days to 10 days to ensure disposals and transfers are processed in the same period as they occurred
Chapter 4 Capital Assets and Depreciation	3.6	Moved this entire section and combined it with Chapter 9
Chapter 5 – Capital Improvements Program	2.2 and 2.3	Removed these sections as repetitive – these definitions are already included in Chapter 4
Chapter 5 – Capital Improvements Program	2.4	Restructured the sentence to be more inclusive of the categories referenced
Chapter 5 – Capital Improvements Program	3.3	Changed the wording to clarify when the approval of proposed capital projects would be approved by Council
Chapter 6 – Debt	1.1.1	Added subsection to include language from the Wyoming Municipal Accounting Handbook
Chapter 6 – Debt	1.2	Removed this section as it is addressed in the changes in section 1.1.1
Chapter 7 - Investments	1.2	Moved this section to Section 2.2
Chapter 7 - Investments	1.5	Moved this section to a bulleted item under 1.4
Chapter 7 - Investments	3.1.3	Added the language “sweep account” holdings to this section to clarify the type of short-term investments the City utilizes
Chapter 7 - Investments	4.3	Removed this section as it is included in Section 2.2
Chapter 7 - Investments	5.1.2	Removed the language referencing broker/dealers as they are not considered authorized depositories under State Statutes
Chapter 7 – Investments	5.2	Added language to include specific investment options allowed under State Statutes
Chapter 7 – Investments	6.1	Clarified that agency holdings are also excluded from the over-concentration requirements and specified the acceptable credit rating for investments  Added sweep accounts as investment option for readily available funds

Chapter 7 – Investments	6.3	Changed the wording from “exceeding to “up to” 10 years.
Chapter 7 – Investments	7	Moved this section to the end of the policy as part of a Definitions section
Chapter 8 – Purchasing	1.4	Added the wording “Credit” and “obtain credit for personal benefit” to this section.
Chapter 8 – Purchasing	1.4.1	Added subsection to clarify that employees are prohibited from using a City vendor account to make personal purchases
Chapter 8 – Purchasing	1.4.2	Added subsection to clarify that employees are prohibited from using a personal discount or rewards card that provides them with cash or other tangible benefits to the employee when making purchases on behalf of the City
Chapter 8 – Purchasing	1.4.3	Added language prohibiting employees from using personal vendor accounts to purchase on behalf of the City
Chapter 8 -Purchasing	1.10	Moved this language to section 3.5 Construction Contracts & Vehicle Purchases
Chapter 8 -Purchasing	1.10.4.4	Added the language that the City will not reimburse sales taxes on employee reimbursements
Chapter 8 -Purchasing	1.11	Added an item for employee travel expenses
Chapter 8 – Purchasing	2	Changed the title of this section to remove “emergency purchasing” as it is covered in section 3.6
Chapter 8 – Purchasing	3.1	Increased the contract amount the City Administrator is authorized to sign from \$10,000 to \$20,000
Chapter 8 – Purchasing	3.5	Deleted this Section as it is addressed in Sections 8 and 10
Chapter 8 – Purchasing	3.6	Added this section to incorporate language from the Wyoming Municipal Accounting Handbook
Chapter 8 – Purchasing	3.7	Added this section to clarify what items the City will and will not purchase for employee’s personal use
Chapter 8 – Purchasing	4.3.1	Added subsection to prohibit employees receiving cash or gift cards in exchange for a vendor credit.
Chapter 8 – Purchasing	4.6	Changed the language “submitted to Administrative Services” to “routed from Accounts Payable to the appropriate employee”  Removed Activity Number from required invoice information. This number is no longer used in the accounting system
Chapter 8 – Purchasing	4.9 and 4.10	This language in these Sections are already included in Sections 4.3 and 4.6
Chapter 8 – Purchasing	4.7	Added the language “after approval during a regular or special City Council meeting”.  Added language stating that the pre-signing of blank checks is prohibited.
Chapter 8 – Purchasing	4.7.1	Added a subsection to address checks that must be issued outside the regular Council approval process due to legal or contractual requirements.
Chapter 8 – Purchasing	4.7.2	Added subsection authorizing the conversion of a check payment to an electronic payment with the approval of the City Administrator

		under certain circumstances through a Council-approved financial institution.
Chapter 8 – Purchasing	4.7.3	Added language prohibiting the use of Paypal or other third-party electronic payment method by employees other than City issued purchase cards.
Chapter 8 – Purchasing	4.9	Added language that payments for City purchases may not be made in cash except as authorized in Section 6 and Section 7 of this chapter.
Chapter 8 – Purchasing	4.13	Moved to subsection 4.7.3
Chapter 8 – Purchasing	5	Changed the title of this Section to Inventory Purchases
Chapter 8 – Purchasing	5.4	Removed the bulleted items for street signs and dumpsters/rollouts and items purchased for the purpose of resale. These have been determined immaterial to the financial statements by the auditor and no longer need to be inventoried.
Chapter 8 – Purchasing	6.1	Added the mini-golf facility as allowed to have a petty cash fund seasonally.
Chapter 8 – Purchasing	6.2	Removed the language regarding forms distributed by the Administrative Services Department. The required form is already identified in the last sentence of this section.
Chapter 8 – Purchasing	7.5	Added language allowing supervised access to confidential funds by General Government personnel for the purpose of internal audits.
Chapter 8 – Purchasing	8.1.1 8.2.1 8.2.2	Added language to clarify the intent of the statute and what constitutes maintenance and emergency work.
Chapter 8 – Purchasing	8.8 through 8.9	Moved these sections up from 8.10 and 8.11
Chapter 8 – Purchasing	8.10 and 8.11	Moved the last sentence from 8.10 to 8.11 and added subsection 8.11.1 to include the language from the Wyoming Municipal Accounting Handbook
Chapter 8 – Purchasing	10	Removed all references to construction contracts as they are already addressed in Section 8
Chapter 8 – Purchasing	10.2	Removed redundant language from this section
Chapter 8 – Purchasing	10.3 and 10.3.1	Changed Project Administrator to Department Head or his/her designee. Removed the sentence regarding the bid package as it is already addressed in Section 8.7 of this chapter.  Moved the warranty requirement to a subsection
Chapter 8 – Purchasing	10.4	Removed this section as advertising is already addressed in Section 10.2
Chapter 8 – Purchasing	10.4 (new)	Incorporated the language from this section in Section 10.3
Chapter 8 – Purchasing	11.9.4	Added subsection to prohibit employees receiving cash or gift cards in exchange for a purchase card credit.
Chapter 8 – Purchasing	11.10.4	Added subsection to prohibit employees from use a City issued purchase card with a personal online shopping account.
Chapter 8 – Purchasing	11.11.4	Added language authorizing the Finance Officer to temporarily suspend a purchase card when an employee is on extended leave.

Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	All	Changed the title of this chapter and moved Section 3.6 from Chapter 4 to this section and reordered the section numbers
Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	1.1	Moved the department head authorization of disposing of non-capital property to Section 2.2  Added authorization for the City Administrator to approve disposals of non-capital property up to \$2,500 without prior Council approval
Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	2.1	Removed the language pertaining to the statue is it is included in Section 3.1  Added the word Surplus in front of property to reference property and materials, added the language “at public auction or through a sealed bid process, traded, or junked.
Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	2.3	Added this section to address the disposal of scrap materials
Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	2.4	Added language “in accordance with legal requirements”
Chapter 9 – Disposal of Non-Capital Surplus Property & Materials	2.5	Added language prohibiting the gifting or salvage of City property to City officials or employees
Chapter 10 – Accounting, Auditing, and Reporting	2.1	Added the language “if applicable” in reference to a management letter
Chapter 10 – Accounting, Auditing, and Reporting	2.4	Updated the language to the new guidance that replaced Circular A-133
Chapter 10 – Accounting, Auditing, and Reporting	4.2	Added the word “annual” to clarify the frequency of the basic financial statements
Chapter 10 – Accounting, Auditing, and Reporting	4.4 and 4.5	Added these Sections to include the language from the Wyoming Municipal Accounting Handbook
Chapter 10 – Accounting, Auditing, and Reporting	5.5	Changed the word “checks” to “internal audits”
Chapter 11 – Risk Management	2.1.1	Added subsection clarifying that the police must be called and all instructions in the incident/accident form must be followed if the incident involves a vehicle collision
Chapter 13 – Grants Management	5.2	Changed the name of the form referenced
Chapter 13 – Grants Management	5.8	This section was removed because it is already addressed in Chapter 10

Chapter 13 – Grants Management	9.4	The grant summary form is no longer used and all grant data is kept in an Access database  Changed the wording “running schedule” to “calendar”
Definitions		Added a section for definitions



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# Chapter 1 - Introduction and Purpose

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The purpose of establishing this policy is to ensure that financial resources are available to meet the present and future needs of the citizens of Cody, to document a framework for fiscal decision-making, and protect the integrity of the City and its use of public funds. This policy shall be reviewed annually to ensure the effectiveness and appropriateness of current policies and to comply with changing accounting and legal requirements.

It is the responsibility of each City employee, elected official, and appointed official to adhere to the policies as set forth. It shall be a function of the General Government office to make routine and periodic checks to ensure City employees are complying with all financial policies. An annual training on any policy changes will be conducted by the General Government office and shall be mandatory for all department heads, supervisors and appropriate staff.

Non-compliance with this policy will be reported to the Finance Officer who will contact the responsible Department Head and/or the City Administrator for review. Policy statements are adopted by the Council and occasionally exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

Specifically, this policy framework mandates the following fiscal objectives:

1. *Budget:* Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services. Identify priority services, establish appropriate service levels, and administer the expenditure of available resources to ensure fiscal stability and the effective and efficient delivery of services. Ensure compliance with State Statutes pertaining to budget requirements.
2. *Fund Balance and Reserves:* Maintain the fund balance and reserves of the various operating funds at levels sufficient to protect the City's creditworthiness, maintain a stable financial position, and plan for emergencies.
3. *Capital Assets and Depreciation:* Establish guidelines and set rules for capital asset acquisitions, depreciation, and disposals to comply with Wyoming State Statutes, Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements.
4. *Capital Improvements Program:* Establish a planning process that identifies the capital investments the City of Cody intends to make over a period of time. The CIP is used to (1) facilitate inter-departmental participation in the identification of potential capital projects and purchases; (2) identify and prioritize the current and future capital needs in each area of service within the City; and (3) match available financial resources to the capital needs of the community.

5. *Debt:* Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.
6. *Investments:* Invest the City's operating cash and reserves to ensure its safety, provide for necessary liquidity, and optimize yield.
7. *Purchasing:* Establish guidelines for ensuring compliance with State Statutes, obtaining the best quality products and services for the least tax dollars spent, and creating a City-wide system that emphasizes accountability and fiscal responsibility.
8. *Disposal of City Property:* Ensure that the City's property is safeguarded from improper disposal and theft.
9. *Accounting, Auditing, and Financial Reporting:* Comply with prevailing federal, state, and local statutes and regulations, as well as current professional principles and practices. To ensure the legal use of all City funds through adherence to accounting and management practices and standards issued by the Governmental Accounting Standards Board (GASB) and Wyoming State Statutes.
10. *Risk Management:* Maintain a risk management system to reduce the risk of loss to the City, to apply responsive claims management techniques to losses that do occur, and to protect the City from catastrophic losses or an annual accumulation of losses that would cause financial hardship.
11. *Independent Contractors:* Ensure compliance with Internal Revenue Service regulations pertaining to the proper classification and tax treatment of independent contractors.
12. *Grants Management:* Establish an overall framework for guiding the City's use and management of grant resources and to ensure compliance with regulatory requirements related to federal and state grants.
13. *Donations and Contributions:* Establish a process for acceptance and documentation of donations and contributions made to the City to ensure the proper accounting and use of donated and contributed funds and tangible items.

END OF CHAPTER

# Chapter 2 - Budget

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## **SECTION 1 - GENERAL INFORMATION**

- 1.1 The Finance Officer is designated as the budget officer and is responsible for maintaining compliance with State Statutes, internal controls, and financial reporting requirements.
- 1.2 Operating budgets are controlled at the unit level and Department Heads are responsible for monitoring line item expenditures.
- 1.3 The City of Cody will prepare annual budgets in compliance with the Uniform Municipal Fiscal Procedures Act.
- 1.4 The City of Cody shall operate under an annual balanced budget ordinance in which operating expenditures shall not exceed operating revenues plus available cash reserves.
- 1.5 The City's budget ordinance will cover a fiscal year beginning July 1<sup>st</sup> and ending June 30<sup>th</sup> each year.
- 1.6 The Finance Officer shall prepare annually a budget calendar outlining budget deadlines, meetings, and public hearings in compliance with legal deadlines established by State Statutes.
- 1.7 The City will annually prepare a three (3) year operating budget projection.
- 1.8 The City will annually prepare a ten (10) year CIP program in conjunction with the operating budget. Operating expenses for all capital projects will be estimated and accounted for in the operating budget.
- 1.9 The City shall integrate performance measures into the budget document and utilize a system to monitor performance of each budgeted program.

## **SECTION 2 – INTERDEPARTMENTAL AND INTERFUND ACTIVITY**

- 2.1 The City will maintain a Vehicle Replacement Fund to replace vehicles and equipment based on a specified schedule developed by the Streets and Vehicle Maintenance Superintendent. Allocations from each City unit into the replacement fund will be based on the current vehicle replacement schedule and allocations will be calculated annually during the budget process.

- 2.2 The City may maintain various capital project, internal service, or special revenue funds as necessary to comply with internal accounting needs, State Statutes, or other outside agency regulations.

### **SECTION 3 – EXPENDITURES**

- 3.1 Purchases that meet the criteria for capitalization as defined in Chapter 4 of this policy shall be budgeted in specific general ledger accounts for capital purchases as part of the CIP program.
- 3.2 Expenditures for supplies and services not associated with specific capital projects shall be budgeted in operating general ledger accounts.
- 3.3 Department heads are responsible for ensuring that expenditures do not exceed the approved budget for their units and programs within each fund.
- 3.4 The budget may include an amount appropriated in a line item for Council Contingency expenses. Expenses charged to this line item must be approved in advance by the City Council.

### **SECTION 4 – REVENUES**

- 4.1 Recurring revenue sources will be budgeted based on historical trends and growth patterns as well as WAM (Wyoming Association of Municipalities) projections in a conservative manner.
- 4.2 The City shall set fees that will optimize user charges for identifiable services in the following manner:
  - 4.2.1 To the extent possible, the rate and fee structure established for enterprise accounts will be sufficient to finance all operating, capital, and debt service costs for providing those services.
    - 4.2.1.1 Per State Statutes W.S. 9-1-507 and W.S. 15-7-407, water, sewer, and electric rates must provide adequate revenues to cover depreciation costs of plant and equipment assets.
  - 4.2.2 To the extent practical, any City service which is of a higher level to or benefits specific recipients shall be supported by user fees designed to recover costs from those recipients. Examples are certain recreation programs, programs to be funded through user fees and registration charges, building and code enforcement activities funded through permit fees, municipal court activities funded through fines and other activities as designated by Council.
  - 4.2.3 When user fees are based on cost recovery said costs shall be reviewed every three years or more often if deemed necessary, and fees shall be adjusted as necessary.

- 4.3 Lodging tax revenues will be estimated based on historical trends and growth pattern in a conservative manner. The City Council may designate in the Lodging Tax Fund the annual collection of lodging tax to be used for future tourism or promotional projects, inter-fund transfers, City-sponsored events, or other expenses.
- 4.4 One-time or non-recurring revenues shall not be used to finance current ongoing operations. Such revenues shall be used only for non-recurring expenditures.

## **SECTION 5 – BUDGET TRANSFERS AND AMENDMENTS**

- 5.1 The City Administrator has the authority to transfer funds within a unit’s budget or between programs within the same unit as set in the budget ordinance. All budget transfer requests must be approved by the City Administrator and shall be made in writing using a Request for Appropriation or Transfer of Funds form (Attachment A). Requests shall be processed and tracked by the Finance Officer.
- 5.2 All expenditures in excess of budgeted appropriations requiring a budget amendment must be approved through a Resolution by the City Council per State Statutes. A budget amendment is required whenever a change is necessary to the original budget ordinance (i.e. moving expenditures between funds or units, or incurring expenditures in excess of fund’s budget). A budget amendment is also required for the purchase of un-budgeted capital equipment, capital projects, or repairs meeting the capitalization requirements. All budget amendment requests must be approved by the City Administrator and shall be made in writing using a Request for Appropriation or Transfer of Fund form (Attachment A). Budget amendment requests shall be processed and tracked by the Finance Officer.

**END OF CHAPTER**

# Chapter 3 - Fund Balance and Reserves

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## **SECTION 1 – PURPOSE**

Minimum fund reserve balances will be maintained to ensure:

- 1.1 Adequate financial resources are available to conduct the normal business of the City and ensure the continued delivery of services in the event of any short-term interruptions in cash flow
- 1.2 Adequate accumulation of financial resources for use in capital acquisitions or to comply with legal requirements.
- 1.3 Adequate financial resources to respond, in a planned and decisive manner, to long-term or permanent decreases in revenues.
- 1.4 Adequate financial resources to provide continued delivery of public safety, utilities, and essential infrastructure maintenance services in response to natural disasters or emergency situations.

## **SECTION 2 – RESERVE LEVELS**

- 2.1 General Fund – Restricted: Ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year. Unrestricted: 23% of total operating and maintenance expenditures for the ensuing fiscal year.
- 2.2 Solid Waste Fund – Restricted: Ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year.
- 2.3 Water Fund – Restricted: Ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year. An additional \$50,000 will be maintained in reserves for Raw Water system requirements. Any additional reserves that may be required based on grant or loan requirements shall be set by the Council as needed.
- 2.4 Wastewater Fund – Restricted: Ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year. An additional \$50,000 will be maintained in reserves for capital acquisition requirements. Any additional reserves that may be required based on grant or loan requirements shall be set by the Council as needed.
- 2.5 Electric Fund – Restricted: Ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year.
- 2.6 Debt Service - A minimum of the total budgeted debt service requirement for one (1) year or the legally required amount in relation to a debt issue shall be maintained in any fund which has outstanding debt. This amount shall be included as part of either the restricted or unrestricted cash balances.



- 2.7 Specific Reserves - Any amount specifically identified as being necessary for financial reporting or legally required for a unique operating aspect of a particular fund, or as determined by the City Council shall be included as part of either the restricted or unrestricted cash balances
- 2.8 GASB Statement No. 54 - The City shall report fund balances in accordance with GASB Statement Number 54 in the governmental fund financial statements in the following categories:
- Nonspendable – resources which cannot be spent because they are either (a) not in spendable form or; (b) legally or contractually required to be maintained intact.
  - Restricted – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
  - Committed – resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.
  - Assigned – resources neither restricted nor committed for which a government has as stated intended use as established by the City Council or official to which the City Council has delegated the authority to assign amounts for specific purposes.
  - Unassigned – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

### **SECTION 3 – USE OF RESERVES**

- 3.1 Any amounts that exceed the total calculated or designated reserved fund equity balances are considered undesignated fund equity and shall be available for appropriation unless otherwise encumbered by the City Council. Use of restricted reserve funds requires Council approval.

### **SECTION 4 – ANNUAL REVIEW OF RESERVED FUND EQUITY**

- 4.1 As part of the annual budget process, the Finance Officer will present for Council consideration the estimated fund equity reserves.

**END OF CHAPTER**

# Chapter 4 - Capital Assets and Depreciation

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## **SECTION 1 – CAPITAL ASSETS DEFINITION**

- 1.1 Capital assets are real, intangible, or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated useful life of greater than one year (see Attachment D). A capital asset shall be reported and, with certain exceptions, depreciated based on the depreciation schedule set for the particular classification of asset.

## **SECTION 2 – RECORDING CAPITAL ASSETS**

- 2.1 Capitalized Cost - Capital assets shall be recorded at their acquisition, construction or historical cost and include all costs associated with placing the asset in service including but not limited to insurance during transit, freight, and installation costs. In the absence of historical cost information an estimated historical cost may be used. Capital assets shall be recorded and depreciated in the fund in which the purchase, transfer, construction, or donation occurred. In the case of assets purchased, constructed, or donated in a capital project fund for use by another fund the asset will be recorded in the fund in which the asset is used. All capital assets shall be assigned a tag number and entered into the asset management system by the Finance Officer for tracking, reporting, and depreciation purposes. An Asset Acquisition form (ATTACHMENT B) shall be completed by the Finance Officer for each asset capitalized.
- 2.2 Maintenance and Repairs - Maintenance and repairs allow an asset to continue to be used during its originally established useful life and costs shall be expensed in the period incurred. However, some maintenance and repair costs may significantly extend the life of the asset. In such cases, maintenance and repair costs shall be capitalized subject to the following guidelines:
  1. The estimated useful life of the asset is extended by more than 25%
  - AND
  2. The maintenance or repair cost is equal to or exceeds the capitalization threshold for the asset's classification
- 2.3 Capital Asset Donations/Contributed Capital - Property donated to the City shall be recorded and depreciated as capital assets if the property meets the capitalization threshold for the asset's classification. Donated property is recorded at fair market value or assessed value if available on the date of acquisition. Donated property includes both tangible and intangible items.
  - 2.3.1 Open space property received by the City as part of a subdivision development plan and any infrastructure installed at the expense of the customer (such as water, sewer or electric lines, curb, gutter and sidewalk,

etc.) shall be considered contributed capital and must be reported as such to the Finance Officer in the year the contribution occurred.

2.3.2 The receiving department shall complete a Contributed Capital Asset Form (ATTACHMENT C) and submit it along with documentation supporting the donation and value to the Finance Officer within 30 days of the contribution.

2.4 Leased Property and Equipment - Leased property and equipment shall be capitalized if the value of the leased property meets or exceeds the capitalization threshold for the asset classification and the lease agreement meets any of the following criteria:

- The lease transfers ownership of the property to the City at the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term equals 75% or more of the estimated useful life of the property.

Leases that do not meet any of the preceding criteria shall be recorded as an operating lease and costs expensed.

2.5 Construction In Progress - Construction in progress is the economic construction activity status of buildings, infrastructure, and improvements that are substantially incomplete. Construction in progress assets shall be capitalized but not depreciated until the earliest occurrence of substantial completion or the asset is placed in service. Payroll costs are not capitalized for projects completed by City staff.

### **SECTION 3 – DEPRECIATION**

3.1 Depreciation is the process of allocating the cost of tangible property over a period of time. Capital assets shall be depreciated over their estimated useful lives using the straight-line method of depreciation unless the asset is considered inexhaustible. An inexhaustible asset is one whose economic benefit or service potential is used up so slowly that the estimated useful life is extraordinarily long. Inexhaustible assets include land, some land improvements, intangibles, and some works of art and historical collections. Under straight line depreciation the basis of the asset is written off evenly over the useful life of the asset until the salvage value is reached.

3.2 Classifications/Categories - Capital assets purchased, constructed, or donated or contributed that meets the established capitalization thresholds shall be classified using the following standardized classification/category schedule:

- Land – the surface or crust of the earth that can be used to support structures, used to grow crops, grass, shrubs, and trees. Land is characterized as an inexhaustible asset.
- Land Improvements – land improvements consist of site preparation and site improvements that ready land for its intended use. Includes improvements such as retaining walls, fences, landscaping, parking lots, irrigation systems,

and pathways and trails. Land improvements can be characterized as either exhaustible or inexhaustible.

- Intangibles – an intangible asset is one that does not have physical substance but (1) can be sold, transferred, licensed, rented or exchanged for value; or (2) it arises from contractual or other legal rights. Internally generated intangible assets are those created or produced by the government itself or by a contracting party acting on the government’s behalf. GASB Statement #51 establishes the presumption that intangible assets have an indefinite useful life unless there are legal, contractual, regulatory, or technical factors that overcome that presumption. Intangible assets include certain studies and plans, easements, water rights, land and mineral use rights, patents, and trademarks.
- Buildings – a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls and is not intended to be transportable or moveable.
- Improvements Other Than Buildings – improvements that materially extend the useful life or value of a building. Includes improvements such as electrical and plumbing, elevators, heating and cooling systems, roofing, interior renovations, fire suppression systems, and security systems.
- Furniture & Fixtures – personal property such as appliances, desks, chairs, window treatments, works of art and historical treasures, etc.
- Machinery & Equipment – personal property such as automobiles, trucks, buses, heavy equipment, tools, fitness equipment, playground equipment, computers, mowers, meters, transformers, pumps & valves etc.
- Infrastructure – assets that are normally stationary in nature and can be preserved for significantly more years than most capital assets. Includes curb & gutter, utility lines, substations, streets, roads, storm sewers, lagoons etc.

3.3 Estimated Useful Life, Salvage Value, and Capitalization Threshold - An estimated useful life is the number of years an asset will be useful for its intended purpose. Inexhaustible assets have an infinite useful life.

3.3.1 The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose or the amount for which the asset could be sold at the end of its useful life. Some assets that are subject to rapid obsolescence or those that have no resale market may have no salvage value such as computers and infrastructure. Inexhaustible assets may have a 100% salvage value.

3.3.2 The capitalization threshold is the minimum unit value at which an item is defined as a capital asset and added to the asset records. The

capitalization threshold is based on an asset's classification and is set on a per-unit basis.

3.3.3 Estimated useful lives, salvage values and capitalization thresholds shall be based on the Asset Capitalization Schedule (ATTACHMENT D).

3.4 Inventory of Capital Assets

To ensure the safeguarding of capital assets a physical inventory of capital assets shall be performed annually. The General Government office shall provide an asset list to each department supervisor. The supervisor or his/her designee shall locate and confirm every asset listed. Assets that have been transferred to another department, cannot be located, or are confirmed as being disposed shall be indicated as such on the list. Completed inventory lists shall be returned to Finance Officer and changes updated to the asset management system. The appropriate Department Head(s) shall be notified of missing or improperly disposed of assets.

3.5 Transfer of Capital Assets

To transfer an asset from one unit to another the unit requesting the transfer shall submit to the Finance Officer an Asset Disposal Form (ATTACHMENT E) within 10 days of the transfer.

3.6 Capitalized Inventory

Inventory items that meet the capitalization requirements (see Attachment D) shall be removed from inventory and capitalized and depreciated during the year it is placed in service.

END OF CHAPTER

# Chapter 5 - Capital Improvements Program

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## **SECTION 1 – PURPOSE**

- 1.1 The City of Cody's Capital Improvement Program (CIP) is a planning process that identifies the capital investments the City of Cody intends to make over a period of time. The CIP is used to:
- Facilitate inter-departmental participation in the identification of potential capital improvement projects and purchases;
  - Identify the current and future capital needs in each area of service within the City;
  - Prioritize capital projects and purchases within each service area;
  - Match available financial resources to the capital needs of the community.

## **SECTION 2 - CAPITAL PROJECTS DEFINED**

- 2.1 The CIP identifies major improvements and capital purchases needed to improve services to the community. A capital infrastructure or improvement project is defined as:
- Infrastructure or improvement projects as defined by the City's Capital Assets Policy with a minimum total cost of \$25,000
  - Purchase of equipment, furniture, or fixtures as defined by the City's Capital Assets Policy with a minimum individual cost of \$5,000
  - Purchase of land or intangibles with a minimum total cost of \$5,000
  - The resulting project will have a useful life of more than one year and the project will result in the creation of a new asset or the extension of an existing asset's useful life, value and/or operational capacity.
- 2.2 Purchases or replacements of land, intangibles, machinery and equipment, or furniture and fixtures with a cost of less than \$5,000, infrastructure, buildings, improvement projects with a cost of less than \$25,000 or projects considered as operational, recurring, or maintenance are not considered part of the CIP and shall be funded through the City's Operating Budget.

## **SECTION 3 – CAPITAL IMPROVEMENT PLAN DEVELOPMENT PROCESSES**

- 3.1 Prior to the annual budget process, the CIP list shall be submitted electronically by the Department Heads to the Finance Officer for all capital equipment purchases and needed improvements meeting the capital definition in section 2.1 that should be constructed or started during the next ten fiscal years.

- 3.2 The CIP list shall include:
- Project name
  - Unit
  - Potential grant funding sources (agency and amount)
  - Project description summary
  - Estimated total cost
  - The 10-year projected budget for anticipated costs each fiscal year
- 3.3 The draft proposed CIP shall be reviewed by the City Administrator, Finance Officer, and Department Heads. The finalized proposed CIP shall be presented to the Council for approval during the annual budget work sessions.
- 3.4 The CIP budget for the ensuing fiscal year shall be adopted by the Council along with the annual Operating Budget.

#### **SECTION 4 – REVISIONS TO AN EXISTING CIP**

- 4.1 The adopted CIP may be revised upon authorization by the City Administrator and approval by the City Council. Examples of revisions include:
- Cost increases for approved projects
  - Changes in funding sources for approved projects (i.e. grant funded to non-grant funded)
  - Moving projects from a future year to an earlier year or a current year project to a future year
  - Transferring funds from one CIP project to another CIP project between funds or units
- 4.2 Projects which come up during the year which were not included in the adopted CIP may be added to the CIP upon authorization of the City Administrator and approval by the City Council.

**END OF CHAPTER**

# Chapter 6 - Debt

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## SECTION 1 – GENERAL INFORMATION

- 1.1 Debt financing and other obligations permitted to be issued or incurred under Wyoming law, shall only be used to purchase capital assets that cannot be acquired from either current revenues or fund balance/retained earnings and to fund infrastructure improvements and additions.
- 1.1.1 When utilizing debt financing, the City will ensure that the debt is soundly financed by:
- Taking a prudent and cautious stance toward debt, incurring debt only when necessary;
  - Conservatively projecting the revenue sources that will be used to pay the debt;
  - Ensuring that the term of any long-term debt incurred by the City shall not exceed the expected useful life of the asset for which the debt is incurred;
  - Determining that the benefits of the improvement exceed the costs, including interest costs;
  - Maintaining a debt service coverage ratio which ensures that combined debt service requirements will not exceed revenues pledged for the payment of debt;
  - Analyzing the impact of debt service on total annual fixed costs before debt is issued.
- 1.2 The City of Cody will set aside any and all debt payments as part of the annual budgeting process to fulfill contract responsibilities. Whenever possible the Finance Officer will evaluate whether it is fiscally sound to pay additional principal or retire the debt early.
- 1.3 Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues, to the extent permitted by law.
- 1.4 Pursuant to State law, the amount of debt that can be created is limited to four percent (4%) of the assessed valuation of the taxable property plus an additional four percent (4%) for the building and constructing of sewerage systems. This limitation does not apply to debt incurred for the construction, establishing, extending, and maintaining of water works and supplying water for the municipality and its inhabitants.



## **SECTION 2 – INTERFUND LOANS**

- 2.1 The City Council may authorize interfund loans as needed to keep the funds of the City solvent or to provide funding for capital projects. In conjunction with interfund loans, the Finance Officer shall prepare a planned schedule of repayment of the loan principal plus applicable interest. A reasonable rate of interest based on the external rate available to the City may be charged by the lending fund. In addition, the borrowing fund must anticipate sufficient revenues to be in a position over the period of the loan to make the specified principal and interest payments. For financial reporting purposes interfund loan balances with a repayment period greater than 3 years shall be reduced, and the lender fund shall report a transfer to the borrower fund for the amount that is not expected to be repaid within the 3-year period, regardless of the basis of accounting used in the fund financial statements.

**END OF CHAPTER**

# Chapter 7 - Investments

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## **SECTION 1 – GENERAL INFORMATION**

- 1.1 This investment policy is adopted pursuant to the requirements of W.S. 9-4-831(h).
- 1.2 This policy applies to the investment of all public funds maintained by the City of Cody.
- 1.3 Except for cash in certain restricted and special funds, or as required by law or other agreement, the City of Cody will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with Generally Accepted Accounting Principles.
- 1.4 It is the City's policy to hold investments to maturity. Holdings shall not be sold prior to maturity except under the following circumstances:
  - A holding with declining credit may be sold early to minimize the loss of principal.
  - A holding swap that would improve the quality, yield, or target duration in the portfolio.
  - Liquidity needs of the City require that the holding be sold.
  - The Council has declared an emergency and invested funds must be liquidated to cover financial obligations.

## **SECTION 2 – AUTHORIZATION**

- 2.1 No investment or deposit account in the City's name shall be opened or closed without Council approval.
- 2.2 Authority to manage the investment program is granted to the City Administrator and the Finance Officer who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established.

## **SECTION 3 – INVESTMENT OBJECTIVES**

- 3.1 It is the policy of the City of Cody to invest public funds in a manner which will provide a reasonable rate of investment return while assuring the maximum holding of principal, meeting the daily cash flow demand of the City of Cody, and conforming to all federal, state, and local laws and regulations governing the investment of public funds. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of

capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk by:

- Limiting investments to the safest types of holding and diversifying the investment portfolio so that potential losses on individual holdings will be minimized.
  - Structuring the investment portfolio so that holdings mature to meet cash requirements for ongoing operations or capital needs.
  - Investing operating funds primarily in shorter-term sweep account holdings, money market accounts, or similar investment pools.
- 3.2 The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that holdings mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of holdings with active secondary or resale markets. A portion of the portfolio may also be placed in money market accounts or local government investment pools which offer same-day liquidity for short-term funds.
- 3.3 The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk holdings in anticipation of earning a fair return relative to the risk being assumed.

#### **SECTION 4 – STANDARDS OF CARE**

- 4.1 Prudence - The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual holding’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of holdings are carried out in accordance with the terms of this policy.
- 4.2 Ethics and Conflicts of Interest - Elected officials, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial and investment positions that could be related to the performance of the investment portfolio.

- 4.2.1 Personal financial and investment business, as used in this section, does not refer to checking accounts, saving accounts, money market accounts,

time deposits of five (5) years or less, insurance products, deferred compensation and retirement programs, car and home loans, lines of credit, or personal loans.

## **SECTION 5 – SAFEKEEPING AND CUSTODY**

- 5.1 Authorized Financial Institutions - The City Council shall approve all financial institutions authorized to provide investment and depository services. No public deposit shall be made except in a qualified public depository as established by W.S. 9-4-817 through 9-4-822.
- 5.1.1 Before any person effects any investment transaction on behalf of the City of Cody or offers any investment advice to the City Council, that person shall sign a statement indicating that he has read the policy and agrees to abide by applicable state law with respect to advice he gives and the transactions he undertakes on behalf of the City of Cody. As used in this section, "person" does not include any officer, employee or member of the governing board of the City of Cody for which the investment is made or to which advice is given. As used in this section, "investment" for the purpose of "investment transactions" and "investment advice" does not include deposits in financial institutions as authorized by law.
- 5.1.2 All financial institutions desiring to become qualified bidders for investment transactions must submit an application and be approved by the City Council as an authorized depository. An annual review of the financial condition and registration of qualified financial institutions and may be conducted by the City of Cody. Authorized depositories shall be designated by the City Council annually each January.
- 5.1.3 If considered practical, every three years the City shall solicit banking services proposals from authorized financial institutions. Such services may include checking and savings accounts, credit/purchase cards, electronic banking services, merchant card services, and other necessary or desirable banking services.
- 5.2 Suitable and Authorized Investments - The City of Cody will only invest in those types of holdings as allowed in W.S. 9-4-817 and 9-4-831, and any other state law authorizing a type of investment including certificates of deposit, treasury bills, mortgage obligations, and federal agency securities.
- 5.3 Collateralization - In addition to the collateralization requirements found in W.S. 9-4-821, collateralization will also be required on time deposits and repurchase agreements.
- 5.3.1 In order to anticipate market changes, amounts of funds on deposit, and to provide an adequate level of holding for all deposited funds, the

collateralization level will be 100%, or higher as required by law, of the higher of par or market value of the deposits. The market value will include accrued interest.

5.3.2 The adequacy of the pledged collateral will be measured by the market or par value of the collateral, whichever is the lesser. Authorized instruments for collateralization are those found in W.S. 9-4-821.

5.4 Repurchase Agreements – The City may invest in repurchase agreements involving securities which are authorized investments under State Statutes. The securities may be held in a custodial arrangement with a member bank of the Federal Reserve System or in a segregated account at a Federal Reserve System bank. The repurchase agreement must provide for daily valuation and have a minimum excess market price reserve of one hundred two percent (102%) of the investment.

## **SECTION 6 – INVESTMENT PARAMETERS**

6.1 The investments shall be diversified by:

- Limiting investments to avoid over-concentration in holdings from a specific issuer or business sector (excluding U.S. Treasury and Agency Holdings).
- Limiting investment in holdings that have a rating of no less than AA-, or A3
- Investing in holdings with varying maturities.
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, sweep accounts, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing operations.

6.2 To the extent possible, the City of Cody shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Cody will not directly invest in holdings maturing more than five (5) years from the date of purchase or in accordance with state and local statutes and ordinances.

6.3 Reserve funds and other funds with longer-term investment horizons may be invested in holdings up to ten (10) years upon the approval of the City Administrator and if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

6.4 Any investment currently held by the City of Cody that does not meet the guidelines of this policy at the time the policy is adopted or amended shall be exempted from the requirements of this policy. At maturity or liquidation, such funds shall be reinvested only as provided by this policy.

**END OF CHAPTER**

# Chapter 8 - Purchasing

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## SECTION 1 – GENERAL INFORMATION

- 1.1 Tax Exempt Status - The City of Cody, a municipality, is exempt from most city and state sales taxes, and some excise taxes in Wyoming. The City of Cody may also be exempt from other State's sales taxes if that state participates in the Streamlined Sales & Use Tax Agreement with the State of Wyoming. The City of Cody's Federal Tax Identification number is 83-6000052 and the State Tax Exempt number is 11-0-00168. These numbers must only be used for City of Cody business purposes. It is the expectation that all employees who make purchases on behalf of the City must make sure the vendor is informed of the City's tax-exempt status. Proof of exemption may be required and proper documentation may be obtained from the Finance Officer.
- 1.2 Necessity of Purchase - Purchases shall be made only as required and inventories shall only be maintained at a level so that the day-to-day operation of the City is not adversely affected. It is the responsibility of each employee of the City of Cody to promote cost reduction and improve supplier service by prudent investigation of vendor and product selection.
- 1.3 Vendor Relations - It is the policy of the City of Cody to maintain and practice the highest possible standards of business ethics, professional courtesy and competence in all of its dealings. At all times, applicable laws must be observed. In this regard, the following should be observed when dealing with suppliers and their representatives:
- Provide prompt and courteous reception, as well as fair and equal treatment, to all suppliers and their representatives.
  - Guarantee the confidentiality of all specifications and price quotations made by vendors prior to bid opening.
  - Decline to take advantage of suppliers' errors, and show consideration for suppliers' difficulties by cooperating whenever possible.
  - Avoid putting suppliers to unnecessary expense or inconvenience on obtaining product information or when returning goods.
  - Explain as clearly and fully as possible to suppliers the reason for the rejection of their bids/proposals.
  - Keep informed about sources of supplies, methods, services, and materials.
  - If for any reason one supplier is permitted to re-quote, all suppliers shall be given the same opportunity. Re-quoting should be restricted to an absolute minimum.
- 1.4 Use of Municipality Name and Credit - The City of Cody's name shall not be used to receive or request personal discounts, obtain credit for personal benefit, or for any other personal gain.

- 1.4.1 Employees are prohibited from using a City vendor account to make personal purchases.
- 1.4.2 When employees are making purchases on behalf of the City they are prohibited from using a personal discount card, rewards card, points card, or other store or vendor program that provides cash or other tangible benefit to the employee.
- 1.4.3 Employees are prohibited from using personal vendor accounts to make purchases on behalf of the City. Examples include but are not limited to Ebay, Amazon and other store and online accounts.

1.5 Gifts and Gratuities

- 1.5.1 No employee, appointed official, or elected official shall solicit or receive any pay, commission, money or thing of value, or derive any benefit, profit or advantage, directly or indirectly, from or by reason of any improvement, alteration or repair required by authority of the city or town, or any contract to which it is a party, except his lawful compensation as an officer or employee. Additionally, no officer or employee shall solicit, accept or receive, directly or indirectly, from any public service corporation, or the owner of any public utility or franchise of the City, any pass, free ticket, free service or any other favor upon terms more favorable than those granted the public.
- 1.5.2 No gift or gratuity shall be accepted by any City employee, appointed official, or elected official from a vendor unless it is made available to use by all City employees and may not be used in such a manner that vendors/suppliers are advertised by the City of Cody. The City may terminate at no charge or further obligation to the City any contract and/or agreement if it is found that gifts or gratuities were offered to or received by a City employee.

1.6 Purchases from Employees or Agents of the City - Authorization to purchase goods or services in excess of \$1,000 from a City of Cody employee or a business owned, wholly or in part, by a City employee shall be authorized by the City Administrator, Mayor or Council President prior to purchase.

1.7 Loan of Equipment and Materials - The loan or use of any materials, equipment, tools, fixtures or other items which are the property of the City for other than City business is restricted to other governmental agencies, utility companies, and those under contract with the City with the written consent of the Department Head. It is the Department Head's responsibility to ensure any loaned material is replaced within a reasonable time frame and the replacement is of comparable quality to the material loaned. It is also the Department Head's responsibility that the loaned equipment is adequately insured by the borrowing agency as necessary. A copy of the proof of insurance shall be delivered to the Administrative Services Officer.

- 1.7.1 City employees, appointed officials, or elected officials are not authorized to use City property for personal use that is not also readily available for use by the general public unless such use is a benefit to the City and facilitates the performance of the employee's or official's normal work duties.
- 1.7.2 If an item loaned is included in the department's inventory, the department shall indicate on the periodic inventory count report which item(s) are on loan, and to whom it was loaned. These items shall be marked as reserved in the Materials Management program until such time as they are returned. Departments are responsible for notifying the Finance Officer on the periodic inventory count report when loaned items are returned and on what date.
- 1.8 Price Escalation/De-Escalation - At its discretion, the City of Cody will accept for consideration any bids proposing price escalation/de-escalation on commodities where costs are so unstable that the supplier cannot predict with certainty a firm price for the immediate future.
- 1.9 Original Contract Documents and Maintenance Agreements - All original contracts will be kept on file in the central files of the General Government office and copies may be held with the appropriate departments. Original maintenance agreements will be kept on file in the office of the appropriate department.
- 1.10 Employee Expense Reimbursements - To avoid incurring costs that may not be reimbursable or committing the City to costs that cannot be paid using City funds, it is the employee's responsibility to check the purchasing policy of the City before incurring any expense. Certain expenses may be subject to specific procurement rules and requirements.
  - 1.10.1 Unless there is an unforeseeable and unavoidable circumstance, all purchases made for City purposes shall be paid by the City directly to the vendor through an invoice or purchasing card transaction.
  - 1.10.2 In the event an employee must make a purchase on behalf of the City using personal funds and reimbursement will be requested, such purchases are subject to the requirements outlined in this Purchasing Policy. Any purchases made by City employees on behalf of the City which do not follow the requirements of these sections may not be reimbursed.
  - 1.10.3 Any purchases made by City employees on behalf of the City where reimbursement will be requested that do not support the mission of the City and do not reflect proper stewardship of City funds may be considered by the City as non-permissible expenses and may not be reimbursed.



1.10.4 Reimbursements requested shall be made in the following manner for the reimbursement to be processed:

1.10.4.1 The purchase shall be described on a City Voucher with a perjury statement signed by the employee requesting the reimbursement.

1.10.4.2 The requesting employee's supervisor and Department Head shall sign the voucher authorizing the reimbursement.

1.10.4.3 The original vendor receipt must be attached to the voucher.

1.10.4.4 The City of Cody will not reimburse any sales taxes paid on the purchase.

1.11 Employee Travel Expenses – Expenses incurred while traveling must be reported on an Employee Expense Report (Attachment F). See the City of Cody Personnel Manual for guidelines and requirements

1.12 Vendor Credit Accounts – Any new vendor accounts that require a credit application to be completed may only be established by the General Government office and must be approved by the City Administrator in advance of any purchases being made.

## **SECTION 2 – LOCAL AND SOLE SOURCE PURCHASES**

2.1 Local Purchase Guidelines - The City of Cody will strive to purchase materials, supplies and services from local vendors when possible, reasonable, and feasible to do so.

2.2 Sole Source Purchases - Sole source purchases may be made if it has been determined that there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service.

2.1 If a sole source purchase is made from a new vendor the purchase shall be approved in advance by the City Administrator.

## **SECTION 3 – PURCHASING AUTHORITY AND PARAMETERS**

3.1 Authority  
Only full time and regular part time employees are authorized to make purchases on behalf of the City. Provisional employees may be granted permission to make purchases with written authorization from the appropriate Department Head. The City Administrator is authorized to sign contracts related to the purchase of budgeted goods and services under \$20,000.

- 3.2 Purchases of \$7,500 or more  
The initiating department must solicit a minimum of 3 quotes from appropriate qualified vendors. The quotes shall be documented and attached to the voucher for payment to be processed. This does not apply to sole source purchases.
- 3.3 Purchases of \$35,000 or more  
Purchases that meet the definition of a Public Improvements Contract shall follow the bid process as outlined in Section 8 of this policy.
- 3.4 Professional Services Contracts  
Purchases of services that meet the definition of a Professional Services Contract shall follow the process as outlined in Section 9 of this policy.
- 3.5 Emergency Purchasing  
In the event of a local disaster as declared by the City Council the City shall comply with this purchasing policy to the extent practicable. Purchases for acquiring goods or services necessary for the immediate preservation of health and safety may be authorized after acquisition when a delay in acquiring the goods or services will cause immediate risk to health and safety.
- 3.6 Employee Meals  
Unless part of conducting City business, employee meals are considered donations and as such are prohibited under the Wyoming Constitution, Article 16, Section 6.
- 3.7 Miscellaneous Purchases for Employee Use  
Items which are allowed to be purchased with City funds for employee use include:
- Break room items such as regular coffee, tea, sugar, creamer, water, cups, plates, napkins, utensils, etc
  - First aid supplies such as Band Aids, bandages, tape, antiseptic wipes, wound dressings, eye wash, burn treatment, gloves, etc
- Items which are NOT allowed to be purchased with City funds for employee use include:
- Oral pain relievers, supplements, vitamins, cold medications, etc other than what is included in the kits provided by the City's first aid supplier
  - Alcoholic beverages, juice and fruit drinks, soda pop, flavored coffee, flavored creamers, etc
  - Flowers, food, candy, or decorations for individual offices or workspaces
  - Party supplies, party decorations, or gifts for employees

#### **SECTION 4 – RECEIVING PROCEDURES AND CHECK REQUESTS**

- 4.1 Upon receipt of materials or services, and acceptance by the department making the purchase, the supplier's packing list or job ticket shall be verified to the shipment. Payment will be made after City staff has accepted delivery of the goods purchased

and the invoice is received and processed. Payment will be made from a supplier's invoice and not from a supplier's statement.

4.2 The receiving department shall inspect materials and/or services before approving payment. Upon discovery of any defects, the magnitude of the defects shall be considered, and the supplier shall be contacted. Arrangements shall be made for the return and replacement of the material, or an adjusted price shall be negotiated.

4.3 In the event materials purchased must be returned to the vendor for credit and the purchase invoice has already been submitted to Accounts Payable the returning department shall code and submit the vendor's credit memo to Accounts Payable to ensure proper credit is received by the City. If materials being returned are exchanged for a similar item of the same cost and will not result in a credit from the vendor a credit memo is not required. Inventory items being returned for credit must have an Inventory Voucher (Attachment H) attached to the vendor credit memo so the inventory records can be properly updated.

4.3.1 Credit back for returned purchases much be credited to the City with a credit on the City's vendor account for future use or refunded to the City by check. Employees may not accept cash or gift card refunds for vendor credits.

4.4 No payments shall be made to a vendor without a written invoice, documentation, or contract to support the expenditure. All vendor invoices and credit memos shall be submitted from the vendor directly to Accounts Payable for processing. Invoices and credit memos shall not be emailed, mailed, hand delivered, or faxed to individual departments or employees. At the time of procurement, employees shall provide to the vendor the legal point of contact for all invoices and credit memos. The legal point of contact is:

Mail: City of Cody  
Attn: Accounts Payable  
PO Box 2200  
Cody, WY 82414

Email: [ap@cityofcody.com](mailto:ap@cityofcody.com)

Fax: Attention Accounts Payable  
307-527-6532

4.5 Invoices must be in written format and contain the following information:

- Billed to the City of Cody (invoices shall not be billed to an individual employee, department, or facility name)
- Complete Name, Address and Phone Number of Vendor
- Invoice Number
- Date
- Itemized, Detailed Description of Items Purchased
- Amount (including shipping and handling)

4.6 All vouchers and invoices shall be routed from Accounts Payable to the appropriate supervisor or Department Head for processing in accordance with the voucher schedule. Departments shall submit coded invoices to Accounts Payable for processing no later than 5 business days from the date the invoice was distributed to the employee. If there are extenuating circumstances that prevent the submission of an invoice within this time frame the department shall notify Accounts Payable.

4.6.1 Invoices and vouchers submitted to Accounts Payable for payment shall include the following information:

- Budget Line Item Number(s)
- Amount
- Description of Items Purchases
- Date Approved
- Required signature(s) acknowledging the perjury statement and purchaser's employee number
- Completed inventory voucher (Attachment H) (if applicable)
- Quote documentation (if applicable)

4.7 Checks are issued for completed and properly coded invoices within two working days after approval during a regular or special City Council meeting. Completed invoices must be submitted in accordance with the deadlines provided in the voucher schedule. Requests for check issuance outside these guidelines must be approved by the Finance Officer and/or the City Administrator then approved by City Council before the check will be issued. Requests to re-issue a previously approved check that has not been cashed must be approved by the Finance Officer or Administrative Services Officer. The pre-signing of blank checks is prohibited.

4.7.1 Certain obligations must be paid outside the regular Council approval schedule due to legal or contractual requirements. Such payments include but are not limited to federal withholding taxes, retirement contributions, wage garnishments, etc. Payments for such obligations that become due prior to a regular Council meeting may be paid then included on the voucher approval list for the next Council meeting.

4.7.2 Checks approved by the City Council may be converted to an electronic payment format with the approval of the City Administrator in cases where the remittance of a physical check to a vendor would result in late fees, penalties, discontinuance of service, or when the situation requires immediate funds to settle a transaction (such as a debt service payment or retainage payment into escrow). All EFT payments will be coordinated and submitted by the Finance Officer or Administrative Services Officer through the City's approved financial institution to ensure that the electronic payment is necessary and all required documentation is provided and appropriately approved.

- 4.7.3 The use of PayPal or any other form of third-party electronic payment method other than City issued purchase cards for making purchases on behalf of the City is prohibited.
- 4.8 Payment to a vendor may not be released if a W9 form is required but is not on file with the City.
- 4.9 Payments for City purchases may not be made in cash except as outlined in Section 6 Use of Petty Cash or Section 7 Confidential Funds in this chapter.

## **SECTION 5 – INVENTORY PURCHASES**

- 5.1 It is a requirement of GAAP that inventory is properly accounted for according to a particular set of standards, so as to limit the potential of understating inventory value, and to limit the potential to overstate the value of inventory which has, in fact, materially depreciated in value.
- 5.2 Inventory shall be recorded at cost when purchased and charged at average cost when used under a perpetual inventory system using the purchases method unless the cost exceeds market value due to obsolescence.
- 5.3 The City will maintain sufficient levels of materials and supplies in inventory to reasonably facilitate the day-to-day operations of the City. Most units maintain immaterial levels of supplies; however, certain units require higher levels of inventory on hand. Excessive amounts of inventory are discouraged and it is the expectation that all units maintaining inventory will practice just-in-time purchasing when practical to limit the amount of unneeded inventory in stock.
- 5.4 All materials which are purchased and intended to be placed in service as part of the City's infrastructure or other assets, systems operations and all goods purchased for resale shall be considered inventory if the aggregate value is material to the financial statements and/or considered high risk for internal control purposes. These items include but are not limited to:
- Transformers, meters, hydrants and associated parts
  - Pipe, conduit, pumps, poles, electric cable and wire
  - Arrestors, capacitors, CTs, PTs, pad mount switches, pedestals, vaults, & sectionalizing cabinets
  - Street chipping and grading materials
  - Auto repair and replacement parts, tires, oil, antifreeze, fluids and lubricants that are charged out to other departments
- 5.5 Consumable items such as office supplies, break room supplies, cleaning supplies, chemicals, maintenance supplies, etc. will not be inventoried. Low value bulk supplies such as nuts, bolts, screws, washers, nails, sprinkler parts, small fuses, etc. whose usage cannot be attributed directly to an item placed in service are considered consumable supplies and not included in inventory counts or valuation.

- 5.6 Items which are removed from inventory and placed in service then returned to inventory for later use or disposal shall be considered salvage and therefore not included in inventory counts or valuation.
- 5.7 Inventory items that meet the capitalization requirements shall be removed from inventory and capitalized and depreciated during the year it is placed in service.
- 5.8 Obsolete inventory items shall be removed from the inventory list and their costs written down. The City will consider materials in inventory obsolete when any of the following criteria are met:
- There has been no usage of the item(s) during the previous 12 months and the item(s) are not being held for a specific future purpose.
  - The item(s) cannot be used due to damage, expired shelf life, breakage, or are being held only for parts for repairing other inventoried items.
  - The item(s) have been declared surplus or scrap material and are set to be disposed.
- 5.9 On a periodic schedule, each unit that maintains inventory (as described above) will undertake a physical count of the inventory in stock using inventory reports generated from the City's Materials Management program. In addition to updating the in-stock counts the departments shall mark items that are obsolete for removal. Completed inventory reports shall be returned to the Finance Officer by the 10<sup>th</sup> of the following month of the count. Discrepancies shall be reviewed by the Finance Officer and inventory computer counts may be adjusted as necessary to correct count errors. Discrepancy rates of 5% or greater shall be reported to the appropriate Supervisor and Department Head.
- 5.10 Inventory materials purchased for grant funded projects shall be coded to a specific inventory purchases expense line item for that project when purchased. Inventory materials utilized in a grant funded project shall be recorded as issued when the materials are installed and shall be specifically recorded on the issuance paperwork as installed in the grant project.

## **SECTION 6 – USE OF PETTY CASH**

- 6.1 Petty cash funds have been designated at the following locations: City Hall, Recreation Center, seasonally at the mini-golf facility, and Police Department. The maximum amount allowable for distribution at any one time is \$25. Any distributions from petty cash higher than \$25 must be approved in advance by the appropriate Department Head or the Finance Officer. Other locations may maintain a petty cash account if authorized by the Finance Officer or his/her designee. Any location maintaining a petty cash account will be subject to periodic audits performed by the General Government office. Each unit maintaining a petty cash account shall designate separate individuals to act as a custodian and a reconciler.
- 6.2 Use of petty cash should be limited to expenditures that cannot be paid through the accounts payable system or by purchase card. Purchases may also be made through

petty cash when the purchase amount is nominal and processing through accounts payable would be prohibitively costly compared to the original purchase price. A Petty Cash Voucher (Attachment G) must be signed by the receiving individual and a receipt must accompany all payments out of petty cash.

- 6.3 Units maintaining petty cash funds shall reconcile the cash on hand and receipts and submit a voucher for replenishment of the fund on at least a quarterly basis or more frequently as deemed necessary.

## **SECTION 7 – CONFIDENTIAL FUNDS**

- 7.1 Confidential funds are issued in order to purchase information and services from confidential informants, to purchase evidence and cover related undercover expenses that are not reimbursed through normal City or department procedures.
- 7.2 The City of Cody shall establish a Confidential Petty Cash Fund at the Cody Police Department in the amount of \$2,500 which shall be restricted to authorized personnel only as designated by the Chief of Police or his/her designee. Funds to establish the account shall come from any forfeiture money allotted to the City by the Department of Justice, or through the General Fund reserves on approval by the City Council. The Cody Police Department is responsible for maintaining all records associated with the use and receipt of confidential funds. Confidential funds will only be assigned to those department members authorized by the Chief of Police or his/her designee.
- 7.3 A confidential informant is defined as an individual who provides useful police information concerning criminal activity, including narcotic, vice, organized crimes or intelligence information in return for money, assistance in dealing with prosecutors or courts in terms of charges, pleadings or sentencing. They have a permanent confidential informant file on record with the Police Department. They have been proven reliable and credible in the past and the new information can be proven reliable through other means or sources. The person has direct knowledge of the illegal activity.
- 7.4 The Cody Police Department shall maintain a Confidential Funds Ledger (CPD Form #213) for the Confidential Petty Cash Fund to document all funds received and disbursed including returned unused funds.
- 7.5 Confidential Petty Cash Funds shall be secured in a locked safe, vault or cabinet along with the Confidential Funds Ledger and access shall be restricted to authorized Cody Police Department Personnel. General Government personnel shall be allowed supervised access to the funds for the purpose of performing internal audits.
- 7.6 The Confidential Funds Ledger will include the following information:
  - The date the confidential funds were received, paid-out or transferred.
  - The amount of confidential funds received, paid-out or transferred.
  - The balance or amount of confidential funds remaining after the issuance, transfer or expenditure of confidential funds.
  - The reason for the issuance, transfer or expenditure of confidential funds.

- 7.7 The Funds Control Log (CPD Form #207) shall be used to document confidential fund expenditures. It shall be signed by the department member who received and expended the funds. It will include the reason for the expenditure, the amount and date the money was expended, and the case number. Informant/Witnesses to the expenditure shall also sign the Funds Control Log. Completed Funds Control Logs shall be submitted to the Chief of Police or his/her designee for approval.
- 7.8 The Police Department is responsible for requesting reimbursement in a timely manner to ensure funds are readily available when needed.
- 7.9 To request reimbursement, the Chief of Police or his/her designee shall submit to the General Government office a signed Confidential Funds Ledger Form, which shows detailed accounting of expenses and attached copies of Funds Control Logs supporting each account transaction.
- 7.10 Reimbursement requests shall be processed through normal Council approval process and reimbursement checks will be forwarded to the Police Department for cashing and replenishment of the fund.
- 7.11 The City General Government office is responsible for the City's internal control system and performing random internal audits. The General Government office, in conjunction with the Chief of Police or his/her designee, shall perform an audit of all confidential funds records periodically without advance notice.
- 7.12 To obtain confidential funds the requesting department member shall complete a Funds Control Log. The department member then forwards the form to the Chief of Police or his/her designee for approval. The request shall be recorded at the time of disbursement on the Confidential Funds Ledger Form for tracking and reconciliation purposes. All unused funds shall be returned to the confidential funds petty cash fund and recorded on the Confidential Funds Ledger Form.
- 7.13 The Officer CI Ledger shall be used to document confidential funds received and expended. The CI Ledger will include the date the money was expended, the reason for the expenditure, the case number, the amount of CI funds received, the CI funds paid-out and the member's confidential funds balance. It is the responsibility of the department member assigned the funds to keep their assigned Officer CI Ledger current and up to date and it is subject to audit and inspection at any time.
- 7.14 Confidential funds are authorized for the payment of investigative expenses, services, information, undercover expenses or the purchase of contraband and evidence as follows:
- Drugs
  - Weapons
  - Records
  - Any other items involved in criminal activity, by a confidential informant, witness or department member in an undercover capacity.



- Payment to confidential informants for information or services such as authorized purchase of contraband or evidence by the confidential informant or purchases of information from the informant.
  - On a limited and pre-approved basis, authorized expenses to a confidential informant may include lodging, meals and transportation in order to purchase the information or services.
- 7.15 Confidential funds cannot be used by the department member for personal use. Confidential funds are not authorized to purchase supplies or equipment that can be obtained through normal City or Departmental procedures.
- 7.16 Confidential funds issued to a department member are the responsibility of that department member. Confidential funds misused, lost or stolen through neglect will be replaced by the department member who was responsible for the funds. Incidents in which confidential funds are misused, lost or stolen shall be reported to the Chief of Police or Assistant Chief of Police immediately. Department members are subject to criminal investigation, internal investigation and administrative discipline when used in violation of policy or procedure.
- 7.17 Each department member issued confidential funds will be issued a security bank bag which can be locked. Each security bag will have two (2) keys: One (1) key will be issued to the department member responsible for the confidential funds, and one (1) key will be maintained in the Department's master key box.
- 7.18 The Chief of Police or his/her designee will review and approve the confidential fund expenditures of those department members issued confidential funds. The approval of expenditures by the department member will be documented in the form of a signature by the Chief of Police or his/her designee on the supervisor line of the Funds Control Log.
- 7.19 The confidential fund expenditures of each department member assigned confidential funds will be submitted to the Chief or his/her designee for review within two (2) weeks after the end of each month. The department member will submit a copy of their Officer CI Ledger along with copies of their Funds Control Log sheets for each ledger entry.
- 7.20 The confidential funds assigned to individual department members are subject to unannounced audits by the Chief, Assistant Chief or City of Cody General Government Office. An audit of individual funds shall be conducted bi-annually by the City of Cody General Government Office in conjunction with the Chief of Police or his/her designee.
- 7.21 The balance of confidential funds issued to individual department members is limited to \$500.00 or less in United States currency. This level may be exceeded on a temporary basis with the approval of the Chief of Police or his/her designee.

- 7.22 Expenditures of confidential funds for alcoholic beverages, tips, games and related expenses are only authorized when prior approval has been granted by the Chief of Police or his/her designee.
- 7.23 One-time payments exceeding \$250 or payments totaling \$250 or more, to a confidential informant, must be approved by the Chief of Police or his/her designee. Confidential informants are not employees of this agency. The confidential informant is responsible for reporting any payments received from this agency to the Internal Revenue Service or other governmental agencies. This agency is not responsible for and will not make payments on behalf of confidential informants for social security taxes, income or sales taxes, or workers compensation premiums/taxes or attorney fees. Confidential funds will not be used to duplicate court witness fee payments to confidential informants.
- 7.24 Payments to confidential informants shall be witnessed by another law enforcement officer. Documentation of the payment shall include the confidential informant number, confidential informant signature and printed name of the confidential informant on the last page of the Funds Control Log. The last page of the Funds Control Log form shall be filed with the confidential informant file.
- 7.25 A money front occurs when money is provided to the criminal target without having the evidence in hand. Normally, money fronts are to be avoided. Money fronts may be allowed on a case by case basis when the following factors are taken into account:
- Positive identity of the suspect.
  - Prior history of the suspect.
  - Adequate surveillance.
  - The identity of the source of supply is known or at least suspected.
  - The amount of money is not prohibitive.
  - Prior authorization has been granted by the Chief of Police or his/her designee.

## **SECTION 8 – PUBLIC IMPROVEMENT CONTRACTS LET BY BID**

- 8.1 The purpose of the contracts purchasing system is to provide a comprehensive system by which the City of Cody will bid its projects and purchase all new vehicles. The City of Cody will put out for bid and advertise all contracts for public improvements when required by law, and will determine whether or not other projects are best suited for bid or determined by internal selection. Refer to Wyoming State Statues 15-1-113 and 16-6-101 through 16-6-18 for full requirements.
- 8.1.1 Projects completed utilizing only in-house labor (City staff), or projects where the primary purpose is emergency work or maintenance, are not required to be bid. If any portion of a project for public improvements will include a contract with an outside party, the City will bid and/or advertise those portions of the project which will be performed by contractors when required by law.

- 8.2 Wyoming State Statutes apply to contracts for public improvements. In particular, W.S. 15-1-113 applies to Contracts to be advertised and W.S. 16-6-101 through 16-6-118 applies to Public Works and Contracts. In general, these statutes require that any public improvement contracts that exceed \$35,000, including all related costs. (excluding contracts for professional services or where the primary purpose is emergency work or maintenance) shall be advertised for bid. The advertisement shall be published on two (2) different occasions, at least seven (7) days apart, in a newspaper having general circulation in the city and shall state the place, date and time when bids will be received and publicly opened, and the place where interested persons may obtain specifications of work to be performed.
- 8.2.1 Public improvements are considered maintenance work when the improvements are undertaken to preserve an asset's operational status without extending its useful life by 25% or more, or reconstructing or replacing the original asset in its entirety. Such maintenance may be considered preventative, periodic, or corrective in nature.
- 8.2.2 Public improvements are considered emergency work when the condition of an asset requires immediate corrective action to preserve the safety of persons and/or property.
- 8.3 Bids will be advertised under the signature of the Administrative Services Officer as required by State Statute. Bids will be kept confidential until the advertised time of opening. The City shall award the bid to the lowest bidder who shall be determined qualified and responsible in the sole discretion of the City. The City may reject any irregular bids and may reject all bids submitted if it finds that none of them would serve the public interest.
- 8.4 Bid security in the amount of 5% is required for all projects or purchases that are bid and must be enclosed in the sealed bid. The Bid Security may be a bid bond, cashier's check, or money order. The bidder and the surety must sign a bid bond or it will not be accepted unless the bidder can show that any defects in the execution of the bid bond are waived by the surety and will not affect its enforceability.
- 8.5 A performance and payment bond is required on all Public Improvements Contracts. The contract shall not be executed until the appropriate bond is received. No final payment will be made until the Contractor submits an Affidavit of Materials and Payment Form, the warranty has expired and until the intent to make final payment has been advertised and the 41-day response time frame has passed.
- 8.6 Every bid awarded that exceeds \$35,000 must be a written contract signed by the Mayor or in his/her absence, by the City Council President, and in his/her absence the Council Vice President and by the clerk or designee of the City Council. Standard City contract forms should be used whenever possible. At a minimum, the contract should contain the following:
- A description of the materials and/or services to be rendered
  - The time of completion
  - The price

- A statement requesting that a retainage escrow account be established by the contractor with the City listed as the owner of the account
- A list of referenced documents to be included as part of the contract
- Damages to be paid for non-performance
- Methodology for changes
- Termination conditions
- Warranty
- Seal of the contractor, and signature of the City

8.7 Specifications for bidding of all authorized purchases shall be prepared using the current standard forms for material and supply purchases. The standard forms are as follows:

Table of Contents: Shall list all documents to be included in the specifications.

Standard Advertisement for Bids: Notice of advertisement for bids shall include all pertinent information noted, shall be used as a “fill in the blank” form, shall have the bid opening date, and shall be advertised under the signature of the Administrative Services Officer on two occasions, at least seven (7) days apart, in the official newspaper.

Instructions to Bidders: It shall include language to retain the bid guarantee as part of the performance guarantee in certain cases and to require a performance guarantee in the amount of 100% of the bid. In the event that a pre-bid conference is needed on any item it should be added to the instructions.

Bid Form/Contract: Delineates that the bidder is agreeing to enter into a contract, if awarded the bid, that the form is the contract, and that it has been signed by the Mayor or in his/her absence, the Council President, and in his/her absence, the Council Vice President, creating the contract after award by City Council. This form shall be used as is with regard to the preliminary language and language following the listing of items and shall list of all bid items, trade-ins, etc. A copy of the executed Bid Form/Contract shall be returned to bidder with Notice of Award or placement of order. This form includes language requiring the bidder to comply with the specifications part and parcel of which is the Instructions to Bidders including specific language regarding bid and performance guarantee.

Detailed Specifications: Shall be completed by each department for the item(s) to be bid using only the general format provided.

Notice of Award: Sent to all bidders after the successful bidder has entered into contract. Bid securities will be returned to the unsuccessful bidders.

8.8 A preference of up to 5% is given to certified Wyoming resident bidders. A certified resident means a person, partnership, limited partnership, registered limited partnership, registered limited liability company or corporation certified as a resident by the department of employment prior to bidding upon the contract and subject to W.S. 16-6-102. Wyoming preference laws apply to all governmental purchases, whether or not they are bid. Wyoming law provides that supplies, materials, equipment and machinery, produced, manufactured, grown or supplied by vendors residing in Wyoming shall have a preference over items of equal quality from other states. "A differential not to exceed five percent (5%) may be allowed in cost on the Wyoming materials, supplies, equipment, machinery and provisions".

8.9 Appropriate language must be inserted in all solicitations to notify suppliers of the preference. W.S. 16-6-106 provides that "all requests for bids and proposals for materials, supplies, equipment, and machinery shall contain the words "preference is hereby given to materials & supplies, equipment, machinery and provisions produced, manufactured, supplied or grown in Wyoming, quality being equal to articles offered by the competitors outside of the state".

8.9.1 Exceptions to the resident preference shall be made as follows:

- Where federally funded projects are concerned
- Where any pertinent sections within this purchasing plan makes an express exception.
- Where the non-resident supplier can provide satisfactory proof that the state of his residency has no differential for out-of-state purchases for supplies, materials, equipment and machinery.
- Wyoming law also grants a specific preference to Wyoming construction materials where a differential not to exceed five percent (5%) may be allowed in cost of Wyoming materials of equal quality against materials from states having or enforcing a preference rule against "out-of-state" products. The construction materials preference only applies against materials from states with a similar preference.

8.10 A pre-construction conference may be held for Public Improvements Contracts. Specifications and Design Standards establish and describe the duties of the Consultant and Contractor during construction.

8.11 The Consultant and the Department Head will both review and approve progress payments to the Contractor during the course of construction. Progress payment applications shall be submitted for payment through the standard Accounts Payable process outlined in Section 4 of this Chapter.

8.11.1 No more than ten percent (10%) of the calculated value of any work completed shall be retained until fifty percent (50%) of the work required by the contract has been performed. Thereafter, the City Council may authorize payment of any of the remaining installments without retaining additional funds if, in the opinion of the Council, satisfactory progress is being made in the work but under no condition shall more than ten percent (10%) be retained on the remaining fifty percent (50%) of the work required. In accordance with State Statutes W.S. § 16-6-702 the withheld percentage shall be retained in a bank account in the name of

the contractor which has been assigned to the City until the contract is completed satisfactorily and finally. Retained funds may be partially released before the end of the contract upon the recommendation of the Department Head or City Administrator and approval by the City Council with notice given to the Finance Officer to execute the release documents.

- 8.12 Upon notice from the appropriate Department Head, the Administrative Services Officer will submit the proper advertisement for final payment to the official newspaper according to W.S. 16-6-116. If all claims have been resolved and all contractual punch list items are completed by the 41<sup>st</sup> day after advertising the final payment the Council will authorize the release of retained funds and final payment to the Contractor. The advertising period is not necessary in the case of vehicle purchases or professional services. The one-year warranty period will begin on the date the City of Cody receives or prepares the notice of substantial completion.

## **SECTION 9 – PROFESSIONAL SERVICE CONTRACTS**

- 9.1 The purpose of this section is to establish a policy for the selection of professionals that may be necessary to complete a project. Competitive bidding of professional services is not required. The intent is to select the most qualified consultant to serve the City.
- 9.2 The selection of the Consultant ultimately determines the characteristics of the project, potential construction costs, and possibly the operating and maintenance costs for many years.
- 9.3 After Council approval, the Mayor, or in his/her absence, the Council President, must sign the contract and copies must be given to the Administrative Services Officer, the Consultant, and the Project Administrator. The Consultant must be notified to proceed and informed of the name of the contact at the City, (normally the project administrator). The Project Administrator must provide all pertinent information to the Consultant, monitor the work, render decisions on behalf of the City and authorize payments to the Consultant.

## **SECTION 10 –VEHICLE PURCHASES**

- 10.1 The purpose of this section is to establish the procedures by which the City will purchase its new vehicles.
- 10.2 Wyoming State Statutes apply to vehicle purchases. In particular, W.S. 15-1-113 requires that any new vehicles regardless of cost must be advertised. The advertisement shall be published on two (2) different occasions, at least seven (7) days apart, in a newspaper having general circulation in the city and shall state the place, date and time when bids will be received and publicly opened, and the place where interested persons may obtain bid specifications. An automobile or truck offered as trade-in for the purchase of a new vehicle shall also be included in the advertisement.

10.2.1 An Asset Disposal form (Attachment E) for the traded vehicle must be completed and submitted to the Finance Officer

10.3 The Department head or his/her designee shall prepare the bid package, including a signed copy of the Advertisement, Information for Bidders, Bid Form, Conditions and Specifications, and One Year Warranty requirement. Bid Security in the amount of 5% of the total bid shall accompany bids for new cars or trucks. An additional Performance Bond may be required in vehicle purchases when substantial modification is necessary to cover unique specifications required in the bid. A notice to proceed and certificate of insurance are not required on vehicle bids.

10.3.1 A manufacturer's standard warranty will be required with every new vehicle purchase.

10.4 The appropriate Department Head or his/her designee will review the bids and prepare an agenda summary for the City Council recommending an award, according to the provisions of the bid documents during a regular or special Council meeting

10.4.1 The Council will reject all bids or award a bid at a regular or special Council meeting. The Department Head or his/her designee will issue the Notice of Award after Council has approved a bid. The Contractor must submit a signed and sealed copy of the Agreement, which must be approved by Council and signed by the Mayor. The Contractor must also submit the necessary bonds, insurance, workers compensation certificate of good standing, and other required documents. The Department Head or his/her designee may issue the Notice to Proceed only after all required documentation has been submitted by the Contractor.

## **SECTION 11 – PURCHASING CARD PROGRAM**

11.1 The purpose of the Purchasing Card Program is to streamline and simplify the purchasing and payment process.

11.2 Card Holder Eligibility - In order to receive a City Purchasing Card a card holder must:

- Be a current full time or regular part time City of Cody employee
- Receive the approval of their Department Head and the Finance Officer and/or the City Administrator
- Attend a training session before receiving their Purchasing Card
- Sign a card holder agreement

11.3 Card Issuance - Employees who are authorized to have a purchasing card will complete a cardholder agreement, which will be signed by the employee's supervisor, Department Head and the Finance Officer.

- 11.4 Limitations and Restrictions - The following restrictions (including but not limited to) may be placed on each individual card, as determined necessary by the employee's Department Head and Finance Officer and/or City Administrator:
- Monthly, daily and per transaction credit limits
  - Limits on number of transactions
  - Merchant category blocking
- 11.5 Authorized Purchases - The Purchasing Card Program is intended for the purchase of operational supplies, materials and goods needed during the normal course of business and may include (but are not limited to):
- Books and subscriptions
  - Computer and office supplies
  - Professional membership dues
  - Seminars, classes & registration fees
  - Hardware, tools, and equipment
  - Spare parts
  - Misc. supplies
  - Equipment rentals
  - Travel costs
  - Services rendered
- 11.6 Unauthorized Purchases - The following is a list of unauthorized Purchasing Card purchases:
- Alcohol or tobacco products
  - Prescription and non-prescription drugs
  - Weapons and ammunition (except for Police personnel)
  - Cash advances
  - Items for personal use
  - Any transaction which exceeds the limits set on the cards
  - Fuel for personal vehicles
  - Items requiring a bid under Section 8 of this policy
  - Purchases or travel outside of the United States
  - Purchases exceeding the appropriated budget amount for the GL code being charged without prior authorization from the appropriate supervisor or Department Head
- 11.7 Lost or Stolen Cards - If the Purchasing Card is lost or stolen, the Card Holder shall notify their supervisor and the Finance Officer immediately. The Finance Officer will follow up with the Card Issuer to take the appropriate action to have the card canceled and a new card issued.
- 11.8 Disputed or Fraudulent Charges - If the Card Holder is disputing a charge or believes there is a fraudulent charge on the card, they shall complete and submit to the Finance Officer an Affidavit of Unauthorized Purchase Card Use (Attachment I).



- 11.8.1 If the Card Holder believes the merchant has charged the account incorrectly or there is an outstanding quality or service issue, the first contact shall be between the Card Holder and the merchant to try to resolve the error or problem. If the matter is resolved directly with the merchant, and the error involved an over charge the Card Holder shall request a credit adjustment to appear on the next statement. If the merchant disagrees that an adjustment is necessary, the Card Holder should immediately contact the Finance Officer who will work to resolve the dispute.
- 11.8.2 Any fraudulent charge or a charge that was not authorized by the Card Holder must be reported immediately to the Finance Officer. The Card Holder shall provide all documentation, information and statements necessary to resolve the disputed transaction.
- 11.8.3 If the statement lists a transaction where the goods have not been received the Card Holder shall contact the merchant and attempt to resolve these items. If the dispute cannot be resolved at this level the Card Holder shall report the dispute to the Finance Officer.
- 11.8.4 If purchased items or credits are not listed as expected on a statement the Card Holder shall contact the merchant and attempt to resolve the issue. If the purchase or credit does not appear on the next statement after contact with the merchant the Card Holder shall notify the Finance Officer for assistance in resolving the issue.
- 11.9 Merchandise Returns – If an item is not satisfactory, received in error, damaged and/or defective, a duplicate order, etc. the following steps should be followed:
- 11.9.1 The Cardholder makes contact with the vendor to obtain authorization to return the item(s). (Every vendor has different for return policies – make sure your return meets their criteria without incurring a restocking fee). Follow the vendor’s return instructions.
- 11.9.2 When an item has been returned and a credit voucher received, the Cardholder shall retain the credit receipt for the next months’ statement.
- 11.9.3 If the vendor has not replaced or corrected the item by the statement cutoff date, then the purchase of that item will be considered in dispute. Attach an Affidavit of Unauthorized purchase card use (Attachment I) to the statement and forward it to the Finance Officer for resolution.
- 11.9.4 Credit back for purchases made on a City purchasing card must be credited back to the original purchasing card or refunded to the City by check. Employees may not accept cash or gift card refunds for purchase card credits.

## 11.10 Responsibilities:

- 11.10.1 It is the Card Holder's responsibility to safeguard the Purchase Card and account number.
- 11.10.2 It is the Card Holder's responsibility to advise the vendor that the purchase is tax exempt and to verify if there are any discounts available to the City that can apply to the purchase.
- 11.10.3 It is the Card Holder's responsibility to obtain all itemized invoices, credit memos, and itemized receipts for purchases on the Purchasing Card.
- 11.10.4 The Card Holder shall not use a City issued Purchasing Card in conjunction with a personal online shopping account such as Paypal, Ebay, Amazon, etc, even if the purchase is for authorized City business.
- 11.10.5 It is the Supervisor's responsibility to review their employees' Purchase Card account statements for accuracy, to code each purchase to the appropriate General Ledger account and to verify that any expected charges, credits or adjustments appear on the statement.
- 11.10.6 It is the Supervisor's responsibility to ensure that itemized receipts are submitted by employees, reconciled and attached to the monthly purchase card statements.

## 11.11 Compliance with Purchase Card Policy – The City expects that all Card Holders shall follow this policy and use the Purchase Card within the guidelines.

- 11.11.1 By signing the application form the employee (Card Holder) agrees to adhere to this policy and to the cardholder agreement.
- 11.11.2 The Card Holder is the only person entitled to use the card and the card is not to be transferred to or allowed to be used by anyone other than the Card Holder. The Card Holder may make procurement transactions on behalf of others in their department however the Card Holder is responsible for the validity of purchases made with their card and for obtaining the required receipts.
- 11.11.3 Violations of this policy may result in loss of purchase card privileges and discipline up to and including termination. Any discipline arising from the misuse of a Purchasing Card shall follow the requirements outlined in the Personnel Manual.
- 11.11.4 The Finance Officer may suspend an employee's Purchasing Card if the employee is on extended leave from the City.

**END OF CHAPTER**

# Chapter 9 - Disposal of City Property

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## **SECTION 1 – DISPOSAL OF CAPITAL ASSETS**

- 1.1 Upon approval of the City Council capital assets may be sold at public auction or through a sealed bid process, traded, or junked.
- 1.2 The City may sell any property to the State of Wyoming, any agency of the State or Federal Government authorized to hold property in its own name, or any political subdivision of the State. The City may also trade any real property, without advertising the sale or calling for bids, provided a public hearing was held and notice of the public hearing included the appraised value of all real properties involved and was published at least once each week for three (3) consecutive weeks.
- 1.3 From time to time during the normal conduct of business, it becomes necessary to take or give title to certain property as "trade-in" on other property to be used by the City of Cody. The City Council shall reserve the right to accept or reject any and all offers if they do not equal or exceed the pre-determined appraisal value set by an independent authority or published prices.
- 1.4 When a capital asset is disposed of the unit requesting the disposal shall submit an Asset Disposal Form (ATTACHMENT E) which includes a description of the asset, the reason for disposal, and the method of disposal. This form shall be submitted to the Finance Officer within 10 days of the disposal.
- 1.5 No disposed capital assets shall be given to or salvaged by City officials or employees.

## **SECTION 2 – DISPOSAL OF NON-CAPITAL SURPLUS PROPERTY**

- 2.1 Upon the approval of the City Council, non-capital surplus property and materials may be sold at public auction or through a sealed bid process, traded, or junked.
- 2.2 Non-capital surplus property and materials that have a value of less than \$2,500 which are unusable, unsellable, or beyond repair may be junked under the following approvals with no Council action required: up to \$500 Department Head Approval, \$501 to \$2,500 City Administrator Approval. All other non-capital property valued at greater than \$2,500 requires Council approval before disposal. In the absence of an appraisal or other documented valuation, estimated value is calculated as the original purchase price divided by the number of years the item has been in service.
- 2.3 Scrap materials such as iron, aluminum, brass and other metals that have a recycling value but no longer has value or use to the City may be taken to a local recycling location and sold for scrap value with payment remitted to the General Government office without prior Council approval.

- 2.4 For purposes of this section all used electrical property construed to be governed by EPA hazardous material regulations shall be considered scrap and must be disposed of in accordance with legal requirements.
- 2.5 No disposed non-capital surplus property and material shall be given to or salvaged by City officials or employees.

### **SECTION 3 – ADVERTISING AND PAYMENT**

- 3.1 Items with an estimated value of \$500 or more must be advertised for sale through a public auction or sealed bid sale. A notice stating the terms of sale and a description of the property to be sold shall be published once a week for three (3) consecutive weeks preceding the date of the auction or sale in a newspaper of general circulation in Cody. At the time, place and method fixed, such property may be sold to the highest bidder except where otherwise stated in Wyoming Statute 15-1-12. The City may reserve the right to reject any and all bids in a sealed bid process.
- 3.2 For items sold through a sealed bid process a 5% bid bond is required for all items with a value of \$5,000 (either individually or aggregate) or greater.
- 3.3 The proceeds from the sale of capital assets and non-capital surplus property and materials shall be paid to the General Government office and deposited in the proper fund of the City. Upon completion of the sale, the auctioneer or responsible party must provide the Finance Officer with a complete list of all items sold and the sale price of each item.
- 3.4 The disposal of items included in materials inventory shall be reported to the Finance Officer on the periodic inventory count report including the number of items disposed of, the date disposed, and the amount received (if applicable).

END OF CHAPTER

# Chapter 10 - Accounting, Auditing, and Reporting

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## **SECTION 1 – ACCOUNTING**

- 1.1 Conformance to Accounting Principles – The City’s accounting practices and financial reporting shall conform to all applicable regulations and guidance including generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).
- 1.2 Basis of Accounting –
  - 1.2.1 In the governmental funds the modified accrual basis of accounting is applied. Under this basis, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred.
  - 1.2.2 In the proprietary funds the accrual basis of accounting is applied. Under this basis revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

## **SECTION 2 – ANNUAL AUDIT**

- 2.1 An annual audit will be performed by an independent certified public accounting firm, which will issue an official opinion on the annual financial statements and a management letter, if applicable, detailing areas that need improvements.
- 2.2 If considered practical, every three years the City shall request proposals from all qualified firms, including the current auditors if their past performance has been satisfactory, and the City Council shall select an independent firm of certified public accountants to perform an annual audit of the books of account, records and transactions, certifying the financial statements of the City.
- 2.3 The Finance Officer will remedy any/all management recommendations made by the auditing firm within a reasonable timeframe and notify the City Administrator and the City Council of the actions taken.
- 2.4 If the City expends in Federal awards the amount currently designated under the Uniform Guidance at 2 CFR 200 subpart F in a fiscal year the City shall comply with provisions set forth in the Guidance.

### **SECTION 3 – PAYMENT COLLECTION SITES**

- 3.1 All revenue collections will be consolidated under the General Government office whenever practicable. All off-site payment collections will be subject to random audits by the Finance Officer.
- 3.2 All payments collected at off-site locations shall be reconciled and submitted to the General Government office on a daily basis (excluding weekends and holidays).
- 3.3 All payments collected by the City shall be processed and recorded in the City's financial system the day they are received by City staff. If extenuating circumstances exist that prevent a payment from being processed, the Finance Officer or Administrative Services Officer may authorize said payment to be held in the City Hall vault for no more than 2 business days. If the processing issue cannot be resolved within that time frame the payment shall be returned to the payer.

### **SECTION 4 – FINANCIAL REPORTING**

- 4.1 Monthly reports comparing expenditures and revenues to current budget shall be prepared for review by the City Council, City Administrator and Department Heads in compliance with W.S. 15-2-203.
- 4.2 An annual audited Basic Financial Statements report shall be prepared for approval by the City Council and submitted to the Wyoming Department of Audit no later than December 31<sup>st</sup> of each year in compliance with W.S. 16-4-121.
- 4.3 An annual City and Town Financial Report Form F-66 (WY-2) shall be filed with the Wyoming Department of Audit by September 30<sup>th</sup> of each year in compliance with W.S. 9-1-507.
- 4.4 Annual and semi-annual interim financial statements shall be published in compliance with W.S. 15-3-306.
- 4.5 An annual report and submission of unclaimed property to the State of Wyoming Treasurer's Office shall be remitted in compliance with W.S. 34-24-101 through 34-24-140.

### **SECTION 5 – INTERNAL CONTROLS**

- 5.1 Proper Authorization - Procedures shall be designed, implemented and maintained to ensure that financial transactions and activities are properly reviewed and authorized.
- 5.2 Segregation of Duties - Job duties will be adequately separated to reduce to an acceptable level the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties. If proper segregation of duties is not possible or practical, appropriate compensating controls shall be put in place.

- 5.3 Proper Recording of Transactions - Procedures shall be developed and maintained by the General Government office that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete and up-to-date.
- 5.4 Access to Assets and Records - Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to and use of financial assets and records.
- 5.5 Independent Internal Audits – When deemed prudent or necessary by the Finance Officer, independent internal audits will be made on staff performance and processes to ensure compliance with established procedures and proper valuation of recorded amounts.
- 5.6 Costs and Benefits - Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system shall be evaluated periodically as deemed necessary by the Finance Officer against the expected benefits to be derived from that system and changes made as needed.

## **SECTION 6 – UNCOLLECTIBLE ACCOUNTS**

- 6.1 Customer accounts may be deemed uncollectible under any of the following circumstances:
- The City has received a notice that the account has been discharged in a bankruptcy proceeding.
  - A deceased customer's estate has no liquid assets to cover the outstanding amount or there is no estate on which to file a claim.
  - The account has been in collections status for a minimum of 10 years with no payments within the most recent 12-month period.
  - The account has reached the legal statute of limitations for filing legal action.
  - All reasonable notifications and cost-effective legal avenues have been exhausted.
  - The cost to recover the debt does not warrant further action.
  - The debtor is untraceable or cannot be identified.
  - A court has ruled that the debt is not recoverable.
- 6.2 Customer accounts which are deemed to be uncollectible shall be written off annually with Council approval. The Finance Officer shall provide an estimate of the annual write off amounts during the budget process.
- 6.3 Delinquent accounts with balances that are deemed by the Finance Officer as too small for collection action may be written off without prior Council approval.

**END OF CHAPTER**

# Chapter 11 - Risk Management

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## **SECTION 1 – GENERAL INFORMATION**

- 1.1 The Finance Officer is designated as the risk management administrator for all claims for liability and property damage.
- 1.2 The City shall carry liability insurance through LGLP (Local Government Liability Pool).
- 1.3 The City shall carry commercial property insurance covering various City assets as well as additional coverages such as crime, cyber, and commercial equipment.
  - 1.3.1 If considered practical, every three years the City may request proposals from all qualified property insurance companies.

## **SECTION 2 – CLAIMS AGAINST THE CITY**

- 2.1 When an incident occurs in which private property is damaged or a non-employee injury occurs on City property or during a City-supervised or sponsored event the employee involved shall immediately when possible, or within 24 hours, notify the appropriate Department Head, supervisor, and the Finance Officer. The supervisor and/or employee shall provide to the Finance Officer a completed Accident/Incident Investigation Form along with a written statement regarding the incident, and any photos and other related documentation. This information shall be retained by the Finance Officer in the event a claim against the City is filed.
  - 2.1.1 If the incident involves a vehicle collision the employee involved must immediately contact the Police Department from the scene of the incident. The employee must also follow all the instructions listed in the Incident/Accident Investigation Form.
- 2.2 All claims made against the City for damages or liability shall be submitted by the claimant to the Finance Officer for filing with LGLP.
- 2.3 All claims will be investigated and liability determined by LGLP under the guidelines outlined in the Governmental Claims Act.

## **SECTION 3 – DAMAGE TO CITY PROPERTY**

- 3.1 All damage to City property shall be reported to the Police Department immediately when possible or at least within 24 hours of discovery or occurrence. The supervisor and/or employee shall provide to the Finance Officer a completed Accident/Incident Investigation Form along with a written statement regarding the incident, and any



- photos and other related documentation. The Police Department shall forward a copy of the police report to the Finance Officer as soon as the report is available.
- 3.2 If the damage results in a citation for either Municipal or Circuit court the City shall request restitution in the amount of the claim including materials and labor.
  - 3.3 When the identity of the person who caused the damage to City property is known and the person has insurance coverage, the City shall file a claim against the person's insurance policy. If there is no insurance coverage the City shall bill the person directly for the damages.

**END OF CHAPTER**

# Chapter 12 – Independent Contractors

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## **SECTION 1 – GENERAL INFORMATION**

- 1.1 The purpose of this policy is to ensure that the City of Cody complies with Internal Revenue Service regulations pertaining to the classification of independent contractors as well as other applicable Federal and State laws.
- 1.2 An independent contractor is not intended to be a substitute for a regular full time, part time, provisional or temporary employee. A City of Cody employee is not eligible to perform work as an independent contractor during the same calendar year in which he/she serves as a City of Cody employee. An independent contractor performing services for the City of Cody must be at least 18 years of age or older.
- 1.3 This policy applies to individuals or companies doing business in their own name or under an assumed business name (dba) that the City contracts with to provide services to City of Cody customers.
- 1.4 Prospective independent contractors will be classified as independent contractors only if they meet all of the following conditions:
  - The prospective independent contractor is engaged in an independently established trade, occupation, profession, or business that makes the same or similar services available to other clients and businesses on a regular basis and holds him/her self out to the public as operating an independent business.
  - The prospective independent contractor is not a current employee of the City of Cody nor will the prospective independent contractor provide services as an independent contractor in the same calendar year as they were an employee.
  - The prospective independent contractor is providing services which are not the same or similar to those currently being provided by a City of Cody employee.
  - The prospective independent contractor is free from the City of Cody's control or direction in the performance of the service. The City has the right to control only the outcome of the service, while the prospective independent contractor has control over determining the means and methods used to perform the service.

## **SECTION 2 – PROCESS**

- 2.1 Prior to committing to pay an individual or company for services as an independent contractor, the Finance Officer shall determine the correct classification.
- 2.2 An Independent Contractor Certification Form (Attachment J) must be signed by the individual or company selected to perform the work. This form shall be submitted to

the Finance Officer at least 30 days prior to the prospective independent contractor beginning work.

- 2.3 The Finance Officer will review the certification form and determine the proper classification using the IRS evaluation criteria.
- 2.4 The Finance Officer shall notify the supervisor of the prospective independent contractor's classification determination.
- 2.5 If the employee classification is assigned, the supervisor shall contact Human Resources to arrange for the proper paperwork and hiring process to be completed.
- 2.6 All individuals and companies classified as independent contractors must provide the following documentation prior to beginning work:
  - A signed Independent Contractor Agreement (Attachment K)
  - A signed Independent Contractor Certification Form (Attachment J)
  - A current, signed W9 form. The name on the agreement must be the same name as on the W9 form.
  - The City of Cody requires that comprehensive or commercial general liability insurance shall be maintained by the independent contractor if the services/programming provided by the independent contractor includes activities that involves physical exertion by the participant, physical interaction between the independent contractor and the participant, use of the swimming pool or therapy pool, the use of equipment, weapons or utensils or any activity that may cause harm or injury to the participant. If required, proof of not less than \$1 million in professional liability insurance, or such other amount as determined by the Finance Officer, City Administrator or City Attorney. The name of the insured must be the same name as the name on the agreement.
- 2.7 Payment for services shall be made as follows:
  - 2.7.1 The independent contractor shall submit to the City of Cody signed vouchers and itemized invoices either monthly during the term of the agreement or upon completion of the work if the agreement period is less than 30 days. Vouchers and invoices shall contain the following information:
    - Invoice number and date
    - Identification of services performed including dates, times and locations.
    - The beginning and ending date of the billing period
    - The independent contractor shall utilize a voucher form provided by the City of Cody and must sign the perjury statement for each invoice submitted.
  - 2.7.2 The compensation paid to the independent contractor shall be at the rate described in the independent contractor agreement.

- 2.7.3 In addition to the requirements outlined in this section, all payments to independent contractors shall be made in accordance with the purchasing section of City of Cody's Financial Management Policy.
- 2.7.4 Independent contractors are not eligible for reimbursement of any expenses incurred while performing services under the independent contractor agreement.
- 2.7.5 Independent contractors are not eligible to participate in any employee pension, health insurance, vacation pay, sick pay or other fringe benefit plan of the City of Cody.
- 2.7.6 Payment to independent contractors may be withheld if a W9 and proof of insurance (if required) is not on file with the City of Cody.
- 2.8 The City of Cody shall issue 1099-M tax forms annually to all independent contractors in accordance with IRS regulations.
- 2.9 If an independent contractor agreement is terminated prior to the end date stated in the agreement a copy of the termination notice shall be immediately forwarded to the Finance Officer.

**END OF CHAPTER**

# Chapter 13 – Grants Management

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## **SECTION 1 – PURPOSE**

- 1.1 The purpose of this policy is to set forth an overall framework for guiding the City's use and management of grant resources.
- 1.2 The goals of this policy are:
  - Identify the importance of grant programs in accomplishing City goals and priorities as set by the City Council.
  - Establish concepts and framework for seeking and managing grants.
  - Identify roles and responsibilities in managing grants.
  - Establish a grants oversight committee to evaluate the benefits and costs of grants, ensure oversight of all funds appropriated to the City, and minimize the risk of non-compliance with grant requirements.
  - Ensure compliance with the Uniform Guidance Single Audit Subpart F (formerly OMB Circular A-133) requirements for federal funds.

## **SECTION 2 – DEFINING A GRANT**

- 2.1 Grants are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into by the City and a granting agency.
- 2.2 The following conditions characterize a grant and distinguish grants from donations and contributions:
  - Statement of Work/Application - grants are typically awarded in response to a request, application, detailed statement of work and commitment to a specified project plan. The statement of work and budget are usually described in a written proposal submitted by the City to the granting agency for competitive review.
  - Detailed Financial Accountability – the grant agreement generally defines the level of financial accountability associated with a grant funded project. While not all of the following conditions are necessary to define a grant project, they are collectively indicative of the increased level of financial accountability associated with such projects:
    - a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
    - a specified period of performance, typically defined with "start" and "end" dates.
    - a requirement to return any unexpended advance funds at the end of that period.

- requires draw down requests to receive funds related to allowable expenditures under the grant agreement.
- regular financial reporting and audit, including, for federal and state awards, accountability under the terms of the Uniform Guidance Single Audit Subpart F
- grant agreements may also include terms and conditions for the disposition of tangible or intangible property acquired or constructed using grant funds.

### **SECTION 3 – GENERAL INFORMATION**

- 3.1 The General Government office is designated as the central grants management office responsible for writing grants, preparing draw down requests, monitoring compliance, completing and submitting required reports, recordkeeping and coordinating grant audits.
- 3.1.1 All grant activity shall be managed by the General Government office although other departments may be asked to assist as needed to prepare and submit grant applications and reports and/or maintain compliance with grant and audit requirements.
- 3.1.2 The grants committee may authorize a unit other than the General Government office to manage grants specific to that unit. In such cases, the assigned department shall be responsible for managing the grants in accordance with all the requirements of this Chapter.
- 3.2 The City shall only seek grants when sufficient staff resources are available to effectively administer the program in compliance with grant requirements and successfully perform the grant work scope and provide any necessary matching requirements.
- 3.3 The City may pursue funding from federal, state and other sources, for expenses consistent with identified City goals and priorities.
- 3.4 All grants and other federal and state funds shall be managed to comply with the regulations and requirements of the granting agency.
- 3.5 No grant shall be applied for or accepted without first being reviewed and approved by the grants oversight committee.

### **SECTION 4 – ROLES AND RESPONSIBILITIES**

- 4.1 CITY ATTORNEY - Grant agreements are legal documents and therefore shall be reviewed and approved by the City Attorney before being presented to the City Council or City Administrator for acceptance and approval.
- 4.2 CITY COUNCIL – Grant applications, grant agreements and associated contracts for amounts greater than \$10,000 shall be approved in advance by the City Council

before being submitted to the granting agency. The Mayor shall be the designated official authorized to sign grant draw down requests without prior Council approval for grants greater than \$10,000.

- 4.3 CITY ADMINISTRATOR - Unless the granting agency requires governing body approval, grant applications, grant agreements and associated contracts of \$10,000 or less may be approved in advance by the City Administrator without prior Council approval before being submitted to the granting agency. The City Administrator shall be the designated official authorized to sign grant draw down requests without prior Council approval for grants \$10,000 or less. Serves as the head of the grants oversight committee.
- 4.4 FINANCE OFFICER – Responsible for the oversight of all financial aspects of grants including proper budgeting and accounting for grants, preparing and submitting draw down requests, creating General Ledger account numbers, preparing budget amendments related to grants, coordinating audits, preparing and distributing grant-related financial reports, resolving finance related audit findings and performing internal audits of the grant management process. Serves on the grants oversight committee.
- 4.5 ADMINISTRATIVE SERVICES OFFICER – Responsible for the supervision of the grants process to ensure compliance with grant requirements. Serves on the grants oversight committee.
- 4.6 HUMAN RESOURCES/ADMINISTRATIVE GENERALIST – Acts as the grants administrator and is responsible for the general management and administration of grants to include grant writing, creating and maintaining grant files, maintaining the City’s registration with SAM.GOV, citywide facilitation of departmental grant planning and grant submittals, ensuring the promotion and investigation of grant opportunities, grant compliance review and reporting, providing grant-related technical assistance to operating units, updating the grants calendar and grant tracking database, resolving compliance related audit findings, and completing grant close-outs. Serves on the grants oversight committee.
- 4.7 DEPARTMENT HEADS – Department heads or his/her designated staff are responsible for complying with this policy when proposing grant opportunities and ensuring that grants assigned to their unit(s) are managed in compliance with all requirements of this Chapter.

## **SECTION 5 – ACCOUNTING AND FINANCIAL REPORTING PROCEDURES**

- 5.1 All grants received for operating and capital purposes shall be budgeted and recorded in specific general ledger accounts for revenues and expenditures pertaining to the grants.
  - 5.1.1 If required by the granting agency, grant funds will be maintained in a separate bank account from the City’s general operating accounts.

- 5.2 If grant revenues and expenditures have not been appropriated in the annual budget, a Request for Appropriation or Transfer of Fund form (Attachment A) shall be prepared by the Finance Officer for Council approval.
- 5.3 If an expense that is not allowed under a grant is charged to a grant expense line item the Finance Officer will reclassify the expense to the appropriate unit's operating budget.
- 5.4 Most grants are cost-reimbursable however in the event the City receives advance funding on a grant those funds shall be considered restricted until such time as they are spent and the grant requirements have been fulfilled. Advance grant funds may not be used to finance any expenses other than those allowable under the grant.
  - 5.4.1 Advance grant funds shall be reported in the City's financial statements in accordance with GASB Statement No. 65, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
- 5.5 Draw down requests for cost-reimbursable grants shall be processed on a monthly basis after expenditures have occurred. The requests shall be submitted to the granting agencies within 15 days of the end of the calendar month for the prior month's expenses. If a condition exists which would prevent the submission of a draw down request within the required time frame the City Administrator shall be notified and provided with an estimated submittal date.
  - 5.5.1 If a unit has been authorized by the grants oversight committee to prepare and submit its own draw down requests a copy of the request and supporting documentation must be provided to the Finance Officer within 2 days of its submittal.
- 5.6 Grant drawdowns shall be recorded as a grants receivable when submitted for reimbursement. The Finance Officer shall monitor the grants receivable accounts and follow up on any reimbursements not received within 30 days of the date of the drawdown request.
- 5.7 All grant reimbursement payments shall be received and processed by the General Government Office to ensure the correct recording of grant revenues
- 5.8 Grant funds may not be used to purchase gift cards, gift certificates, prepaid credit cards, similar financial instruments, or any other type of expenditure not allowed under the grant.
- 5.9 No expenditure of grant funds shall be made until the grant agreement has been signed by the City and the granting agency and the City has received confirmation from the granting agency to proceed.
- 5.10 At no time shall a grant expenditure line item budget be over drawn. If a grant funded project is expected to go over budget, the appropriate department head shall



notify the Finance Officer and a budget amendment must be approved by Council in advance and the alternate funding source identified.

- 5.11 Grant funds awarded to the City shall not be used to supplant an existing expense so that current funds can be diverted to another use unless such use of grant funds are explicitly identified as allowable in writing by the granting agency.
- 5.12 All grant-related expenditures shall follow the City's purchasing policy in Chapter 8 of this policy document.

## **SECTION 6 – RECORDKEEPING AND REPORTING**

- 6.1 The General Government office is responsible for maintaining all original grant documentation including applications, grant agreements, contracts, correspondence, draw down requests, status reports, and any other documents relating to grants.
  - 6.1.1 Units that manage their own grants are responsible for ensuring copies of all grant related documentation and correspondence are provided to the General Government office.
- 6.2 The City shall comply with all reporting requirements for each grant. Individual units may be required to assist in providing certain data and statistics to ensure complete reports are submitted.
  - 6.2.1 If a unit has been authorized by the grants oversight committee to prepare and submit its own grant reports to the granting agency a copy of the report and supporting documentation must be provided to the General Government office within 2 days of its submittal.
- 6.3 Grant records shall be maintained in accordance with the granting agency requirements and Wyoming State Archives.

## **SECTION 7 – GRANTS OVERSIGHT COMMITTEE**

- 7.1 A grants oversight committee shall be established and consist of the City Administrator, Finance Officer, Administrative Services Officer, and Human Resources/Administrative Generalist.
  - 7.1.1 The City Administrator may appoint additional committee members or change committee members either on a permanent or temporary basis as he/she deems necessary.
- 7.2 All grant opportunities shall be reviewed and approved in advance by the grants oversight committee prior to submission of any grant application.
  - 7.2.1 The committee shall consider the benefits of the grant and the ongoing impacts on the City if grant funding is no longer available.

- 7.2.2 The committee shall extensively analyze grants that fund new or “pilot” programs or short-term staffing enhancements to existing programs since taking on these programs could negatively affect the City’s fiscal position should the desire for the program remain once the grant funding is no longer available.
- 7.2.3 The committee may recommend against the submission of any grant application that:
- does not meet the City’s goals and priorities.
  - requires matching funds that cannot be provided by the City or through other resources.
  - would potentially have a negative effect the City’s ongoing fiscal position.
  - would impose compliance and/or reporting requirements that the City would be unable to meet or would require additional expense or staffing needs to meet.
  - would cause other issues that the committee determines are potentially detrimental to the City’s fiscal position.
  - Would obligate the City in a manner that is in violation of the Wyoming Constitution or State Statutes.

## **SECTION 8 – PASS THROUGH GRANTS**

- 8.1 Pass through grants are those grants that are received by the City to transfer or spend on behalf of a beneficiary recipient.
- 8.2 The City may enter into a project development and administration agreement with a third party to administer the grant however the City remains responsible for ensuring compliance with the terms of the grant.
- 8.2.1 Any third-party administrator assigned to manage a pass-through grant shall be responsible for complying with the requirements outlined in this Chapter.
- 8.3 Pass through grants shall be processed and managed in the same manner as any other City grant covered under this Chapter.
- 8.4 Pass through grants shall be accounted for in compliance with GASB Statement No. 24 *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

## **SECTION 9 – INTERNAL CONTROLS**

- 9.1 When a grant opportunity is identified the solicitation documentation shall be forwarded to the General Government office and presented to the grants oversight committee for review. If the grants oversight committee recommends pursuing the grant:

- An agenda summary shall be prepared by the General Government office or the appropriate department for the City Council to authorize and sign a grant application if the grant is greater than \$10,000.
- The City Administrator is authorized to approve and/or sign a grant application if the total grant is \$10,000 or less, unless the granting agency requires approval from the governing body.
- If the grant has been assigned to a unit, the unit shall forward a copy of the completed and signed grant application to the Human Resources/Administrative Generalist within 2 days of being approved and signed.

9.2 If the grant is awarded:

- The Human Resources/Administrative Generalist or the appropriate unit representative shall forward the grant agreement to the City Attorney for review.
- An agenda summary shall be prepared by the Human Resources/Administrative Generalist or the appropriate department head for the City Council to sign a grant agreement if the grant is greater than \$10,000.
- The City Administrator is authorized to sign a grant agreement if the grant is \$10,000 or less, unless the granting agency requires approval from the Council.
- The Finance Officer shall assign General Ledger account numbers and, if necessary, prepare a budget amendment Resolution for Council approval.
- If the grant has been assigned to a unit, the department head shall forward a copy of the completed and signed grant agreement to the Human Resources/Administrative Generalist within 2 days of being approved and signed.

9.3 All grants shall be monitored by the Finance Officer and Human Resources/Administrative Generalist to ensure that all grant reporting and accounting requirements are met.

9.4 For each grant awarded to the City, the Finance Officer and/or the Human Resources/Administrative Generalist shall:

- Update the grant tracking database with all pertinent grant details
- For federal grants, prepare an analysis identifying the risks associated with managing the grant and identifying the controls in place to mitigate each risk.
- Perform a periodic random internal audit and internal controls evaluation at least twice per year of active grants and inactive grants that still have reporting requirements. An internal audit report shall be provided to the grants oversight committee for review. Any deficiencies found during the internal audit shall be corrected and controls put in place (if applicable) to prevent future deficiencies.
- Maintain a calendar of grants and their reporting requirements. This calendar shall be updated when new grants are awarded and old grants are completed and no longer reportable.

## **SECTION 10 – ONLINE ACCESS TO GRANTING AGENCY WEBSITES**

- 10.1 Several granting agencies allow or require online access to grant information including applications, reports, draw down requests and other information. In order to maintain proper grants oversight, the following rules apply to online access to granting agency information:
- 10.1.1 The City’s contact email to be used for all grant submissions, contact and correspondence with a granting agency shall be grants@cityofcody.com. This email address shall be listed as a CC recipient on all email correspondence sent between City staff and a granting agency. Any correspondence or documents sent to this email address shall be forwarded by the General Government office to the appropriate department head or his/her designee for department-managed grants.
  - 10.1.2 All online access to granting agency information shall be set up and maintained by the General Government office using City of Cody identifying information. Other City staff may be granted access to these websites for the purpose of managing grants assigned to them however at no time shall anyone other than the Finance Officer, Administrative Services Officer, or Human Resource/Administrative Generalist be listed as the contact person(s) for the City’s online accounts.
  - 10.1.3 If any profile information needs to be changed (such as passwords, validation questions, pin numbers, contact information, etc) in the City’s online account with a granting agency only the Finance Officer, Administrative Services officer, or Human Resource/Administrative Generalist are authorized to make such changes.

**END OF CHAPTER**

# Chapter 14 – Donations and Contributions

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## **SECTION 1 – PURPOSE**

- 1.1 The purpose of this policy is to establish a process for acceptance and documentation of donations and contributions made to the City to ensure the proper accounting and use of donated and contributed funds and tangible items.

## **SECTION 2 – DEFINING DONATIONS AND CONTRIBUTIONS**

- 2.1 A donation or contribution is defined as any item of value given to the City by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. In general, the following characteristics describe a donation or contribution:
  - No contractual requirements are imposed and there are no "deliverables" to the donor. However, the donation or contribution may be accompanied by a stipulation that restricts the use of the funds to a particular purpose.
  - A donation or contributions is typically irrevocable. While it may be intended for use within a certain timeframe, there is no specified "period of performance" or "start"/ "end" dates as associated with sponsored projects.
  - There is no formal fiscal accountability to the donor although the donor may request a summary report of expenditures or an acknowledgement to ensure the donation or contribution was spent according to the donor's direction. Such reports may be thought of as requirements of good stewardship rather than as contractual obligations or "deliverables."

## **SECTION 3 – TYPES OF DONATIONS AND CONTRIBUTIONS**

- 3.1 Donations and contributions may be offered in the form of cash, check, real estate or other tangible property.
- 3.2 Designated donations or contributions are those that the donor specifies for a particular purpose.
- 3.3 Undesignated donations or contributions are those that are given to the City for an unspecified use.

## **SECTION 4 – ACCEPTANCE OF DONATIONS AND CONTRIBUTIONS**

- 4.1 Offers of undesignated or designated donations and contributions of cash, checks, or tangible items valued at less than \$5,000, not including real estate regardless of value, may be accepted by the City Administrator or a Department Head on behalf of the City without prior Council approval.

- 4.1.1 If the donated or contributed item is tangible property a contributed capital form must be completed by the receiving Department Head and submitted to the Finance Officer along with documentation supporting the value of the donation or contribution.
- 4.1.2 If a donation or contribution is designated for a specific use by the donor the donor shall provide a written statement declaring the donation or contribution to be designated and stating the conditions for use of the donation or contribution and any accounting requirements or acknowledgements requested by the donor.
- 4.2 Offers of undesignated donations or contributions of cash, checks, tangible items valued at \$5,000 or more and any real estate regardless of value shall be presented to the City Council for acceptance.
  - 4.2.1 The City Council may decline any donation or contribution if the Council determines accepting it is not in the best interests of the City.
  - 4.2.2 Donations and contributions of \$5,000 or more shall be accompanied by a written statement from the donor declaring the donation or contribution to be either undesignated or designated and stating the conditions for use of the donation or contribution and any accounting requirements or acknowledgements requested by the donor.
- 4.3 Donations and contributions shall not be accepted by the City if such donation or contribution is for the personal benefit of a City employee, appointed official, or elected official.

## **SECTION 5 – ACKNOWLEDGEMENT OF DONATIONS AND CONTRIBUTIONS**

- 5.1 Donations and contributions made to the City, as a political subdivision, are deductible to donors as provided in Section 170 of the Internal Revenue Code. The Finance Officer shall provide an acknowledgement letter for tax deduction purposes if requested by the donor.

## **SECTION 6 – ACCOUNTING AND FINANCIAL REPORTING**

- 6.1 All cash and check donations and contributions made to the City shall be remitted to the Finance Officer for processing and proper receipting to the General Ledger.
- 6.2 Designated donated and contributed funds shall be considered restricted until such time as they are spent and the donor's requirements have been fulfilled. Designated donated and contributed funds may not be used to finance any expenses other than those specified by the donor.

- 6.3 Tangible items shall be distributed to the appropriate City departments for use or disposal. The disposal of any donated or contributed item shall be in accordance with Chapter 9 of this policy as well as any restrictions or instructions for disposal specified by the donor.
- 6.4 A budget amendment must be approved by the City Council prior to spending an unbudgeted donation or contribution for any purpose.
- 6.5 If a designated donation or contribution remains unspent after one year from the original donation date and the City Council no longer wishes to utilize the donation or contribution for the intended purpose the City Council may authorize the return of the funds to the donor or request that the donor release the designation or transfer the funds to another specific use designated by the donor.

**END OF CHAPTER**

# Definitions

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1099-M Form – an information return form issued by a business to an individual or entity that reports the total amount of payments made during a calendar year.

Accrued Interest – the accumulated interest due on a bond or investment as of the last interest payment made by the issuer.

Agency Security – a debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee.

Annual City and Town Financial Report (F-66) – a report required to be filed with the Wyoming Department of Audit that reflects the activity of all funds belonging to a city or town.

Appropriation – a sum of money or assets devoted to a special purpose.

Audit – an official inspection of an organization’s accounts by an independent body.

Basic Financial Statements – accounting reports compiled in conformity with the provisions of GAAP and necessary for the fair evaluation of the operations of an entity.

Budget Officer – the individual responsible for implementing budget and financial record keeping procedures.

Certified Public Accountant – an accounting professional who has earned a professional designation through a combination of education, experience, and licensing.

Collateralization – process by which a borrower pledges holdings, property, or other deposits for the purpose of securing the repayment of a loan and/or holding.

Credit Risk – the risk to an investor that an issuer will default in the payment of interest and/or principal on a holding.

Diversification – a process of investing assets among a range of holding types by sector, maturity, and quality rating.

Financial Institution – any bank chartered under the laws of the United States or under the law of any State if the bank is conducting business in Wyoming and has been approved under W.S. 09-4-801 through 9-4-818.

Fiscal Year – the annual period for recording fiscal operations beginning July 1 and ending June 30



Fund Balance/Fund Equity – the excess of assets over liabilities, reserves and contributions, as reflected by a municipality's books of account.

Generally Accepted Accounting Principles (GAAP) - a collection of commonly-followed accounting rules and standards for financial reporting.

Government Finance Officers Association – a professional association that provides best practice guidance and training opportunities to government officials.

Governmental Accounting Standards Board (GASB) – an independent organization that creates accounting reporting standards for state and local governments.

Independent Contractor – a self employed individual who provides certain services to a second party or to a third party on behalf of the second party, subject to IRS regulations.

Interim Financial Statements – a financial report covering a period of less than one year used to convey the financial performance of an entity before the end of normal full-year financial reporting cycles.

Interest Rate Risk – the risk associated with declines or rises in interest rates which cause an investment in a fixed-income holding to increase or decrease in value.

Internal Controls – processes and records that are designed to deter fraud and ensure the integrity of financial and accounting information.

Liquidity – the level at which an asset can be easily and quickly converted to cash.

Local Government Investment Pool – an investment by local governments in which their money is pooled as a method of managing local funds.

Local Government Liability Pool (LGLP) – a self-insurance liability pool for Wyoming local government entities.

Market Risk – the risk that the value of a holding will rise or decline as a result of changes in market condition.

Market Value – current market price of a holding.

Maturity – the date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bond or investment holder.

Par Value – face value or principal value of a bond or holding.

Performance Measures – data that quantitatively measure a program's performance.

Principal – the face value or par value of a debt instrument. The term Principal may also refer to the amount of capital invested in a given holding.

Program – a specific activity or service carried out within a given budget which consumes resources to achieve a policy objective.

Rating – A rating used by independent agencies to measure the credit quality of a particular investment. The rating measures the financial strength of the issuer and its ability to make interest payments and repay the principal when due.

Repurchase Agreement – an agreement of one party to sell holdings at a specified purchase price to a second party and a simultaneous agreement of the first party to repurchase the holdings at a specified price or at a specified later date.

Resolution – a formal expression of opinion, will, or intent voted on by an official body.

Risk Management – the forecasting, evaluation, and management of financial risks together with the identification of procedures to avoid or minimize their impact.

Safekeeping – holding of assets (e.g. holdings) by a financial institution.

Statute of Limitations – a law passed by legislative bodies to set the maximum time after an event in which legal proceedings may be initiated.

Unclaimed Property – financial obligations generated during the course of an organization's operations that is due and owing to another party that has become dormant and is at risk of reverting to the State.

Uncollectible Account – a balance owed to an entity that a customer is unwilling or unable to pay.

Uniform Municipal Fiscal Procedures Act – Title 16 Chapter 4 of the Wyoming State Statutes that governs state and local powers.

Unit – a functional division within a fund which carries on a specific activity.

W9 Form – a form provided by the IRS used to certify a person or entity's correct taxpayer identification number and to certify they are not subject to backup withholding.

Wyoming Association of Municipalities – an organization representing and servicing Wyoming cities and towns to advocate municipal interests regarding both state and federal legislation.

Wyoming Department of Audit – an agency of the State of Wyoming responsible for the regulation of public agencies and local governments.

Yield – the current rate of return on an investment holding generally expressed as a percentage of the holding's current price.

# Attachments

Attachment A	Request for Appropriation or Transfer of Funds
Attachment B	Asset Acquisition Form
Attachment C	Contributed Capital Form
Attachment D	Asset Capitalization Schedule
Attachment E	Asset Disposal Form
Attachment F	Employee Expense Report
Attachment G	Petty Cash Voucher
Attachment H	Inventory Voucher
Attachment I	Affidavit of Unauthorized Purchase Card Use
Attachment J	Independent Contractor Certification Form
Attachment K	Independent Contractor Agreement
Attachment L	Request for General Ledger Account Adjustment

## Request for Appropriation or Transfer of Funds Instructions

The budget is, at best, an estimate of anticipated expenditures. Careful management of approved budget amounts is required to fund current planned service requirements, unforeseen emergencies and/or increased service demands. Every effort should be made to absorb these unforeseen expenditures via prudent spending, savings acquired from more efficient work methods, and quality improvement projects.

**Monthly Financial Report/Budget Monitoring** - A report of your current year expenditures is provided on a monthly basis to assist you in monitoring your budget. The report provides the current month's expenditures, fiscal year-to-date actual expenditures, approved budget and variance. Mid-month reports are available upon request to the Finance Officer.

Variances should to be reviewed by the department heads for accuracy and for potential impact upon cumulative year-end outcomes. Variances are important in determining potential budget shortfalls and need for corrective actions such as foregoing additional expenditures, requesting a budget transfer or requesting a budget amendment. Detail expenditure reports by GL account number are available upon request to the Finance Officer. Variances will also be reviewed by the City Administrator and Finance Officer and you may be asked to explain any significant or unusual variances.

**If an invoice or voucher is submitted for payment that exceeds the approved budget amount the City Administrator or Finance Officer will be notified and must sign-off on the overage prior the invoice being processed for payment.**

When a deficit is forecasted and other alternatives such as spending cuts or savings elsewhere are not adequate to cover the budget shortfall a request for a budget amendment or budget transfer may be submitted. Requests for amendments or transfers should be submitted prior to a deficit occurring.

**Section 1 - Request for Budget Transfer** - A budget transfer is used to transfer appropriated funds from one line item to another within a unit or fund. Budget transfers must be approved in advance by the City Administrator. In some instances, transfers may require Council approval. To initiate a budget transfer complete Section 1 of this form, have the Department Head sign the approval, and submit it to the Finance Officer.

**Section 2 - Request for Budget Appropriation** - A budget amendment is used to increase the appropriation amount from the original approved budget for a line item or add a budget amount to a line item (such as a new grant award not previously budgeted). Budget amendments must be approved in advance by the City Administrator and authorized by the City Council via Resolution. To initiate a budget amendment complete Section 2 of this form, have the Department Head sign the approval, and submit it to the Finance Officer.



City of Cody  
Request for Appropriation or Transfer of Funds

Section 1 - BUDGET TRANSFER

FROM ACCOUNT					TO ACCOUNT					Amount	Reason for Request
Fund	Unit	Program	Category	Object	Fund	Unit	Program	Category	Object		

Approvals:

Department Head \_\_\_\_\_

City Administrator \_\_\_\_\_

Finance Officer Comments:



Fiscal Year: \_\_\_\_\_

**Section 2 - BUDGET APPROPRIATION**

ACCOUNT NUMBER					Beginning Budget	Increase (Decrease)	Revised Budget	Funding Source	Reason for Request
Fund	Unit	Program	Category	Object					

Approvals:

Department Head \_\_\_\_\_

City Administrator \_\_\_\_\_

Finance Officer Comments:

City of Cody  
Asset Acquisition Form

Asset Information				
Asset #		Description		
Classification				Acquisition Date
Manufacturer			Model	
Serial #				

Insurance Information					
Carrier		Policy #		Replacement Cost	\$

Acquisition					
Vendor				Invoice #	
Check #		Purchase Price	\$		
Useful Life		Salvage Value	\$	Depreciation Method	

Allocations					
Percentage		Department		Acquisition GL	
Percentage		Department		Acquisition GL	
Percentage		Department		Acquisition GL	
Percentage		Department		Acquisition GL	

User Defined					
Dept Location		Deed Folder #		City Unit ID	
Financing Agency					

Other					
Related Asset #		Group		Acquisition Method	

Trade/Transfer Information					
Asset #		Trade Value	\$	Transfer Value	\$
Asset #		Trade Value	\$	Transfer Value	\$
Asset #		Trade Value	\$	Transfer Value	\$

## Contributed Capital Form

Contributed capital is property donated or contributed to the City and shall be recorded and depreciated as capital assets if the property meets the capitalization threshold for the asset's classification. Donated or contributed property is recorded at fair market value or assessed value at the time of acquisition. Donated or contributed property includes both tangible and intangible items. Open space property, easements, or water/mineral rights received by the City as part of a subdivision development plan is considered contributed capital. Complete the following sections and return this form to Administrative Services along with the required attachments.

**Regardless of the value of the property, all contributed capital must be reported to the Finance Officer.** List below ALL contributed capital received that is not associated with a City project listed above (for example, open space, land, water/mineral rights, easements, equipment, furniture etc). **\*Required\* - Attach documentation copies supporting the contribution/donation (letter/agreement from contributing agency, title, bill of sale, deed, invoices, etc)**

Description of Item – year, make, model, project description, etc.	Classification (land, equipment, furniture, improvements, intangibles, etc)	Fair Market or Assessed Value	Contributing Agency	Date Contributed	Dept # Allocated To



## Asset Capitalization Schedule

Classification	Category	Useful Life	Salvage Value	Capitalization Threshold
Land	Land	N/A	100%	\$ 5,000
Intangibles	Easements/Rights of Way	N/A	100%	\$ 5,000
	Water Rights	N/A	100%	\$ 5,000
	Land/Mineral Use Rights	N/A	100%	\$ 5,000
	Patents/Trademarks	N/A	100%	\$ 5,000
	Other Intangibles	N/A	100%	\$ 5,000
Buildings	Buildings	30-50	10%	\$ 25,000
Improvements Other Than Buildings	Land Improvements	10	0%	\$ 25,000
	Building/Structure Improvements	10	0%	\$ 25,000
Machinery & Equipment	Vehicles/Light Trucks	5	10%	\$ 5,000
	Heavy Equipment, Large Trucks & Buses	10	10%	\$ 5,000
	Tools	5	10%	\$ 5,000
	Office Equipment	5	10%	\$ 5,000
	Fitness Equipment	5	10%	\$ 5,000
	Computers & Software	3	0%	\$ 5,000
	Valves and Pumps	5	0%	\$ 5,000
	Transformers	10	0%	\$ 5,000
	Other Equipment	5-10	10%	\$ 5,000
	Furniture & Fixtures	Office Furniture	5	10%
Parks Furniture		5	10%	\$ 5,000
Other Fixtures		5	10%	\$ 5,000
Infrastructure	Sewer Relining	10	0%	\$ 25,000
	Storage Tanks	10	0%	\$ 25,000
	Lagoons	25-50	0%	\$ 25,000
	Substations	25-50	0%	\$ 25,000
	Roads, Streets & Parking Lots	25-50	0%	\$ 25,000
	Storm Sewers	25-50	0%	\$ 25,000
	Curb, Gutter & Sidewalk	25-50	0%	\$ 25,000
	Raw Water Lines	25-50	0%	\$ 25,000
	Water Lines	25-50	0%	\$ 25,000
	Wastewater Lines	25-50	0%	\$ 25,000
	Electrical Lines	25-50	0%	\$ 25,000

City of Cody  
ASSET DISPOSAL FORM

**ASSET INFORMATION**

Asset Tag #		Serial/VIN #	
Description			

**DISPOSAL INFORMATION**

\_\_\_\_\_ *Interdepartmental Transfer*

From Department	To Department	Date Transferred	Transfer Reason

\_\_\_\_\_ *Transfer to Other Asset*

Carry Over Value	Date Transferred	Transferred To	Reason

\_\_\_\_\_ *Trade In (requires Council approval)*

Value Received	Bid #	Date Traded	Traded To

\_\_\_\_\_ *Sold (requires Council approval)*

Value Received	Date Sold	Method of Sale		Sold To
		Auction #	Sealed Bid #	

\_\_\_\_\_ *Junked/Scrapped (requires Council approval for a capital asset or non-capital asset with an estimated value of \$500 or more)*

Estimated Value*	Date Disposed	Disposal Reason	Disposal Method

\_\_\_\_\_ *Donated to Other Governmental Agency (requires Council approval)*

Estimated Value*	Date Donated	Donated To

\*the estimated value is the original cost divided by the # of years in service



**PETTY CASH VOUCHER**

Date \_\_\_\_\_

Issued To \_\_\_\_\_

Amount Distributed \$ \_\_\_\_\_

**\*amounts greater than \$25 require approval from the department head or finance officer\***

Description of Purchase

Amount

G/L Account

_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

Requestor's Signature \_\_\_\_\_

Distributed By \_\_\_\_\_

Revised March 2019

**PETTY CASH VOUCHER**

Date \_\_\_\_\_

Issued To \_\_\_\_\_

Amount Distributed \$ \_\_\_\_\_

**\*amounts greater than \$25 require approval from the department head or finance officer\***

Description of Purchase

Amount

G/L Account

_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

Requestor's Signature \_\_\_\_\_

Distributed By \_\_\_\_\_

Revised March 2019



City of Cody Purchase Card Affidavit of Unauthorized Use

Employee Name	Card Number
---------------	-------------

**1. My card was \_\_\_\_\_ was not \_\_\_\_\_ lost or stolen. If you indicate the card was lost or stolen please explain below when and to whom it was reported:**

**2. The purchase card is \_\_\_\_\_ is not \_\_\_\_\_ in my possession. If the card is not in your possession please explain below:**

**3. Where do you normally keep your purchase card and is that location secure from unauthorized persons accessing the card?**

**4. I have \_\_\_\_\_ have not \_\_\_\_\_ allowed another person to use my card and/or I have \_\_\_\_\_ have not \_\_\_\_\_ given my card number to another person who is not authorized to use the card. If you indicated you have to either question please explain below:**

**5. Please explain below when and how you became aware of the unauthorized charge(s) on your purchase card and what action you took and when once you realized the charge(s) was unauthorized:**

**6. When was the last time you checked your transactions online? How often do you check your transactions online?**

I understand that the City of Cody and U.S. Bank investigate alleged fraudulent or unauthorized credit card usage and may refer the same to the appropriate law enforcement agency. I may be contacted by City of Cody, US Bank or Law Enforcement personnel and I agree to fully cooperate in the investigation. I understand that a false declaration to a federally insured financial institution may be a violation of Federal and/or State law.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

**ATTACH LIST OF ALL UNAUTHORIZED CHARGES TO THIS FORM**

## Independent Contractor Certification Form

Instructions: The prospective Independent Contractor shall complete all the fields in the form below and sign the certification. City staff shall submit the completed certification form to the Finance Officer for review and status determination at least 30 days prior to the proposed independent contractor beginning work.

Legal Name of Individual or Company providing the service <i>(as it appears on your tax return)</i>	
dba Name (if applicable)	

**Individual or Company's Federal Tax Classification (check one)**

	Individual/Sole Proprietor
	Single Member Limited Liability Company (LLC)
	Partnership
	Corporation – either C or S designation
	Limited Liability Company (LLC) S Corp C Corp or Partnership designation
	Other – Explain:

**Description of Services to be Provided by the Individual or Company**

	Yes	No
Does the service being provided involve physical exertion by the participant, physical interaction between the Independent Contractor and the participant, use of the swimming pool or therapy pool, the use of equipment, weapons or utensils or any activity that may cause harm or injury to the participant.		

**Certification**

	Yes	No
This individual or company:		
Performs functions independently and is free from the City of Cody's control and direction over how the work shall be performed.		
Is engaged in an independently established trade, occupation, profession or business that makes the same or similar services available to other clients and businesses other than the City of Cody on a regular basis.		
Holds him/her self out to the public as operating an independent business (advertises, has a business location, uses business cards, etc).		
Has a financial investment in his/her business (equipment, facilities or expertise/education).		
Is currently a City of Cody employee or has been a City of Cody employee within the current calendar year.		
Carries professional liability insurance.		

I declare under penalty of perjury that the above information is true and correct.

Individual or Company Representative Signature	Date
<i>For Finance Officer Use Only</i>	

**Classification Determination:** \_\_\_\_\_ Employee \_\_\_\_\_ Independent Contractor  
 Insurance Required \_\_\_\_\_ Yes \_\_\_\_\_ No

Finance Officer Signature	Date
---------------------------	------

City of Cody  
Independent Contractor Agreement

This agreement is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between the City of Cody (hereinafter the "Client") and \_\_\_\_\_, (hereinafter the "Independent Contractor"). For and in consideration of the mutual covenants contained herein, the Client and the Independent Contractor agree as follows:

- A. Independent Contractor Status.** At all times during the term of this Agreement, the Independent Contractor will be an independent Contractor and will not be an employee of the Client. Neither the Independent Contractor nor the Independent Contractor's employees or contract personnel are eligible to participate in any employee pension, health insurance, vacation pay, sick pay or other fringe benefit plans of the Client. The Client will have the right to control the Independent Contractor only insofar as to the results of the Independent Contractor's services rendered pursuant to this Agreement. Otherwise, the Client will not have the right to control the means by which the Independent Contractor accomplishes services rendered pursuant to this Agreement. Notwithstanding any other city, state, or federal policy, rule, regulation, law, or ordinance to the contrary, the Independent Contractor and any of its employees, agents, and subcontractors providing services under this Agreement will not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by the Client. The Independent Contractor will have no authority, express or implied, to act on behalf of the Client in any capacity whatsoever as an agent. The Independent Contractor will have no authority, express or implied, pursuant to this Agreement to bind the Client to any obligation whatsoever. The Independent Contractor shall in no way represent themselves as an employee or agent of the Client for any purpose including the marketing of their services.
- B. Services Provided.** Subject to the terms and conditions set forth in this Agreement, the Independent Contractor will provide to the Client the services described as follows: \_\_\_\_\_  
*(attach separate sheets if necessary to describe the services)* for the \_\_\_\_\_ program. The Client shall make available to the Independent Contractor certain facilities owned by the Client located at \_\_\_\_\_ for the following dates and times beginning \_\_\_\_\_ and ending \_\_\_\_\_ unless other dates and times are offered by the Client.
- C. Term of Services.** The term of this Agreement will begin on \_\_\_\_\_ and end on \_\_\_\_\_, unless sooner terminated by either party. The Independent Contractor will devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section D below and to complete the Independent Contractor's obligations hereunder.
- D. Standard of Performance.** The Independent Contractor will perform all services required pursuant to this Agreement in the manner and according to the standards of quality observed by a competent practitioner of the profession in which the Independent Contractor is engaged.
- E. Compensation.** The Client shall compensate the Independent Contractor for the services described in Section B as follows: \_\_\_\_\_, *(attach separate sheets if necessary to describe the compensation)* unless this Agreement is terminated prior to completion of the the work.
- F. Invoices.** The Independent Contractor shall submit to the Client signed vouchers and itemized invoices either monthly during the term of this Agreement or at the end of the agreement period if the agreement period is less than 30 days. Invoices/vouchers shall contain the following information:
- a. Invoice number and date
  - b. Identification of services performed including dates, times and locations
  - c. The beginning and ending dates of the billing period



d. The Independent Contractor shall utilize a voucher form provided by the Client and the Independent Contractor must sign the perjury statement for each invoice submitted

**G. Payment of Invoices.** The Client will make payments, based on invoices or vouchers received, for services satisfactorily performed within 45 days of the receipt of the invoices and vouchers by the Accounts Payable department and in accordance with the Client's Financial Management Policy. Prior to any payments being made by the Client to the Independent Contractor under this Agreement the Independent Contractor shall provide a completed and signed W9 form to the Client. The Independent Contractor agrees to provide updated W9 forms upon the Client's request. If a completed and signed W9 form is not provided the Client may withhold payment until completed and signed W9 form is received and the Independent Contractor may be subject to backup withholding as required by the Internal Revenue Service. If proof of insurance is required under Section H below the Client may withhold payment until such written proof of insurance is received by Client.

**H. Payment of Expenses and Taxes.** The Independent Contractor shall be responsible for all necessary insurance, labor and employees' expenses including all state and federal withholding taxes, social security taxes, worker's compensation and unemployment remittances and the Independent Contractor shall be responsible for all necessary reports relating thereto. The Independent Contractor shall be responsible for all other business-related expenses incurred while performing services under this Agreement.

**I. Insurance.** The Independent Contractor assumes all risk of loss or injury to the Independent Contractor, to any individual enrolled in the service/programming provided by the Independent Contractor or to any other individual that may suffer loss or injury resulting from the Independent Contractor's performance of the service described in this agreement. The City of Cody requires that comprehensive or commercial general liability insurance shall be maintained by the Independent Contractor if the services/programming provided by the Independent Contractor includes activities that involves physical exertion by the participant, physical interaction between the Independent Contractor and the participant, use of the swimming pool or therapy pool, the use of equipment, weapons or utensils or any activity that may cause harm or injury to the participant. Before commencing any work, the Independent Contractor shall provide the Client with proof of coverage in the minimum amount of \$1,000,000 (one million dollars) combined single limit, including coverage for bodily injury, personal injury, broad form property damage, contractual liability, and cross-liability. The Independent Contractor shall indemnify and hold the Client harmless for any such claims, demands suits, judgements, costs or expenses on account of any such loss or injury. This indemnification shall include reasonable attorneys' fees incurred by the Client in any legal or equitable action, suit, demand, negotiation, mediation or arbitration arising out of such loss or injury. **Insurance is \_\_\_\_\_ is not \_\_\_\_\_ required for this program.**

**J. Governmental Immunity.** The Client does not waive its governmental immunity by entering into this agreement, and does not waive any of the defenses, limitations and immunities provided under the Wyoming Constitution and Wyoming Governmental Claims Act. The Client specifically reserves the right to assert immunity as a defense to any claim arising under this agreement.

**K. Exclusive Agreement.** This is the entire Agreement between the Client and the Independent Contractor. This Agreement may be modified only in writing signed by both parties.

**L. Terminating the Agreement.** The Client may terminate this Agreement at any time by giving written notice to the other party of the intent to terminate.

In WITNESS WHEREOF, the parties have executed this agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**INDEPDENENT CONTRACTOR**

**CLIENT**

City of Cody, Wyoming  
Barry A. Cook, City Administrator

Signature	
Printed Name	

Signature	
Title	



Fiscal Year: \_\_\_\_\_

## City of Cody Request for GL Account Adjustment

Use this form to correct a general ledger expense account coding or posting error.

FROM ACCOUNT (account charged in error)					TO ACCOUNT (correct account to charge)					Amount	Reason for Request
Fund	Unit	Program	Category	Object	Fund	Unit	Program	Category	Object		

Approvals:  
Supervisor or Dept Head \_\_\_\_\_

Finance Officer Comments: