



**CITY OF PATASKALA  
LICKING COUNTY, OHIO**

**FINANCIAL POLICIES  
& PROCEDURES MANUAL**

**ORDINANCE NO. 2024-XXXX**





May 22, 2024

Dear Employee,

Transmitted herewith is a copy of the City of Pataskala's *Financial Policies & Procedures Manual*. The regulations contained herein are designed to provide you with general information as it pertains to various aspects of your employment with the City. These regulations and policies are not intended to be all inclusive, or to address all possible applications of, or exceptions to, the general policies and procedures described herein. For that reason, if you have any questions concerning the applicability of a policy or practice to you, please address your questions to your supervisor or the Finance Director.

It is your responsibility, as an employee, to be familiar with these policies and procedures. From time to time, amendments may be made to the document. These changes will be made available to you and should be inserted as indicated. No supervisor or representative of the City, except the City Administrator, has any authority to make any agreement that is inconsistent with the provisions in these regulations.

To the extent these regulations may conflict with negotiated contracts or state or federal law, the terms and conditions of that contract or law shall prevail. Likewise, all existing ordinance or Charter provisions shall supersede these regulations. In all other cases, these policies shall apply.

If after reviewing the regulations you have any questions, please let us know.

Sincerely,

Timothy O. Hickin  
City Administrator

James M. Nicholson  
Finance Director



**CITY OF PATASKALA, OHIO**  
**FINANCIAL POLICIES & PROCEDURES MANUAL**

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## Article I INTRODUCTION

### Section 1.01 Purpose and Coverage

- (a) The purpose of this *Financial Policies & Procedures Manual* is to set forth administrative and financial policies for the employees of the City of Pataskala. Many of the rights and responsibilities outlined in this Manual are based on provisions contained in the Ohio Revised Code.
- (b) The City cannot foresee all fiscal-related issues and concerns that may arise. The City of Pataskala reserves the right to enforce, not enforce, revise, modify, amend, or delete any policy, procedure, benefit, or regulation when necessary. An amendment affects only the specific policy it modifies and does not affect the enforceability of the remainder of this *Financial Policies & Procedures Manual*.
- (c) The City intends for all departments and personnel to adhere to this *Financial Policies & Procedures Manual* in a consistent and uniform manner. Nothing contained in these rules shall prohibit the promulgation of department work rules, standing orders, general orders, or other instructions, whether written or oral. Departments may implement a policy supplement with regard to work rules, policies and procedures which do not conflict with the provisions of this *Financial Policies & Procedures Manual*, and which may be necessary due to the unique nature of the individual office or department, so long as such supplement is approved by the Administrator, or the Mayor in the case of the Police Department.
- (d) Words contained within the *Financial Policies & Procedures Manual*, whether in the masculine or feminine gender, shall be construed to include both genders. The use of the masculine or feminine gender is for convenience only and is not to be construed as discriminatory by reason of sex.
- (e) Employees are expected to read, understand, and comply with the guidelines set forth in this manual.
- (f) Should any provision in this *Financial Policies & Procedures Manual* be found to be unenforceable and invalid, such a finding does not invalidate the entire manual, but only the subject provision.
- (g) The provisions of these regulations are declared to be severable. If any rule, section, sentence, clause or word of these regulations is held to be invalid or unenforceable, that decision shall not affect the validity of the remaining regulations. All other rules shall remain in full force and effect.
- (h) **THE PROVISIONS OF THIS MANUAL ARE NOT TO BE INTERPRETED AS A CONTRACT, PROMISE OF CONTINUED EMPLOYMENT, A GUARANTEE OF INSTITUTIONAL DUE PROCESS, OR A COMMITMENT TO EXISTING OR PREVAILING COMPENSATION. THE POLICIES ARE SUBJECT TO CHANGE AT THE DISCRETION OF THE FINANCE DIRECTOR, CITY ADMINISTRATOR AND COUNCIL.**

### Section 1.02 Effective Date of this Manual

- (a) This manual replaces all prior effective financial policies, procedures, practices, verbal communications, and written memos that may have been issued on the subjects herein.

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## **Article II      ADMINISTRATIVE POLICIES AND PROCEDURES**

### **Section 2.01    Purchasing and Procurement**

#### **(a) Charter Provisions**

##### **(i)    8.02(A) City Administrator or Designee as Contracting Officer**

- 1) The City Administrator shall be the contracting officer of the City and shall award and execute all contracts on behalf of the City.

##### **(ii)   8.02(B) Expenditures or Contracts of Seventy-Five Thousand dollars (\$75,000.00) or more**

- 1) When any expenditure or contract is more than the amount specified by the laws of Ohio, unless a lesser amount is established by Council, whichever is less, for which work may be accomplished only after advertisement and bidding, such contract or expenditure shall first be authorized or directed by an ordinance or resolution passed by the Council and shall be advertised once a week for at least two weeks in a newspaper of general circulation in the City; provided that Council, by an ordinance or resolution adopted by the affirmative vote of at least two-thirds of its members, may authorize, without advertising and competitive bidding, contracts and expenditures for any purpose where the statutory or common law of Ohio does not require competitive bidding.

##### **(iii)   8.02(C) Alterations or Modifications to Competitively Bid Contracts**

- 1) When it becomes necessary to make alterations or modifications in connection with any work or improvements covered by contract, they shall be made only upon the order of the City Administrator. No such order shall be effective until the price to be paid for the work or material, or both, under the altered or modified contract, shall have been agreed upon in writing and signed by the contractor and the City Administrator on behalf of the City. Modifications or alterations in contracts shall not require advertising or competitive bidding.

##### **(iv)    8.02(D) Certification of Funds**

- 1) No contract, agreement or other contractual obligation involving the expenditure of money shall be entered into or authorized by the City Administrator unless the Director of Finance or his or her duly authorized representative shall first certify:
  - a) That the money required for such contract, agreement, obligation or expenditure is in the City's treasury or in the process of collection thereto, and
  - b) That the money has been appropriated by Council for the purpose of the contract, which may be included in the general description of purpose, and it remains unencumbered.
- 2) The certification as to the availability of funds, and the appropriation of funds shall be filed and recorded in the accounting records of the City, and a copy furnished to the vendor or contractor. Without the certification, contractual obligations shall be unenforceable against the City unless subsequently authorized by the Council by a

majority vote of its members.

(v) **8.02(E) Competitive Bids – Splitting**

- 1) The City Administrator shall not divide any order or contract to avoid the requirements of competitive bidding.

(b) **General Purchasing Standards**

(i) **Expenditures Exceeding Fifty Thousand (\$50,000) Dollars**

- 1) Purchases or contracts involving the expenditure of more than seventy-five thousand dollars (\$75,000), which require competitive bidding in accordance with the Ohio Revised Code, shall be made only after advertisement and the receipt of sealed bids. The purchase shall be made only from the vendor submitting the lowest and best bid, subject to such exception listed in paragraph b.vii below.

(ii) **‘Lowest and Best’ Defined**

- 1) For the purpose of this standard, “lowest and best” shall be deemed to be that quotation, proposal or bid which gives the best combination of quality, service, and price that assures the greatest economy to the City.

(iii) **‘Qualified Vendor’ Defined**

- 1) For the purpose of this standard, “qualified vendor” means a person, company or organization who has met the City’s criteria required pursuant to the needs of a purchase or contract, and have provided the Finance Department with the information required to establish the vendor on the City’s accounts payable system as a vendor.

(iv) **Emergency Purchases**

- 1) In cases of emergency, purchases of goods or contracted services may be made without obtaining quotations or bids as set forth in this section and the Charter. If the amount of the purchase *or* contracted service exceeds ten thousand dollars (\$10,000), the City Administrator shall report the facts relating to that purchase to Council.

(v) **Cost Estimates/Quotes**

- 1) The City has the authority to revise cost estimates for public improvement projects prior to the submission of the project to competitive bid.
- 2) The City Administrator shall have discretion to allow for a contingency, up to the spending amount authorized by City Charter (\$10,000) for any contracts entered into.

(vi) **Salvage**

- 1) Personal property no longer needed for a municipal purpose may be disposed of by the City Administrator in the following manner:
  - a) Transfer to another City department;
  - b) Trade-in on a new purchase of the same or similar items;
  - c) Sale to the highest bidder;
  - d) By public or internet-based auction;

- e) Donation to another municipality, charitable or non-profit 501(C) organization; or
  - f) In such a manner which will provide the greatest benefit to the City based on the nature of the salvaged items (i.e. scrap metal).
- 2) When said items are to be sold by sealed bids or public auction, such sale will be first authorized by Council. Items valued at one thousand dollars (\$1,000) or more shall be advertised at least once per week for two (2) weeks. Items valued at less than one-thousand dollars (\$1,000) shall be disposed of at the discretion of the City Administrator and are not subject to advertisement. Items sold on internet-based auctions shall not require Council authorization, regardless of the estimated value.
  - 3) City employees may purchase items from the City when they are offered for sale through either sealed bids, public auction or internet-based auctions.

**(vii) Exceptions to Competitive Bidding**

- 1) In any case where competitive bidding is not practical, or it is clearly to the City's advantage to contract without bidding, Council, upon the recommendation of the City Administrator, may authorize the issuance of a purchase order without competitive bidding, by a majority vote. Instances where competitive bidding is not practical include, but are not limited to, the following examples:
  - a) Contracts for professional services (which includes engineering, legal, and accounting services).
  - b) Hiring of consultants
  - c) Contracts for materials in unstable markets.
- 2) The City Law Director shall approve the contract as to form and content before it is submitted for the City Administrator's approval with Council authorization.
- 3) Contracts with qualified non-profit agencies and contracts with state departments, political subdivisions, or a regional planning commission may be authorized without bidding and advertising.
- 4) Participation in a joint purchasing contract is exempt from using competitive bidding in accordance with Ohio Revised Code Section 9.48(C) and 9.48(D).
- 5) The City need not follow the bidding process where the contract involves specialized services requiring particular skills and aptitudes, such as engineering, accounting or legal services. Should the City procure professional design services in an agreed-upon amount in excess of seventy-five thousand dollars (\$75,000), the requirement to follow the competitive bidding process is not deemed necessary. Contracts for professional design services, however, must adhere to the provisions of Ohio Revised Code Sections 153.65-.71 which require all municipalities to publicly announce and provide notice of the contract, rank firms on the basis of qualifications, and award the contract to the most qualified firm. "Professional design services" are defined as services within the scope of practice of an architect or landscape architect registered under Chapter 4703 of the Revised Code or a professional engineer or surveyor registered under Chapter 4733 of the Revised Code.

The City will address the requirements set forth within item #4 by seeking professional services (proposals may include “Professional Design Services”) which shall be publicly announced in written or electronic media, and may take the form of a Request for Qualifications (RFQ), a Request for Proposals (RFP) or by requesting multiple quotes. Documents submitted by vendors in response to such request shall be diligently reviewed, and each service proposal ranked. The City Administrator shall have the authority to select the appropriate engineering firm best suited to provide professional services, subject to Council authorization.

- 6) The City may purchase supplies or services from another political subdivision or by contract that the Ohio Department of Administrative Services has entered into on behalf of the City, if the City can prove that it can purchase those same supplies or services from the other party upon equivalent conditions and specifications but at a lower price. If so, the City need not competitively bid those supplies or services in accordance with Ohio Revised Code Section 125.04.

(c) **Purchasing Policy**

- (i) **Purpose** - The purpose of this policy is to provide a guide for requisitioning purchases, acknowledging the receipt of goods and services procured, and also the payment process for goods and services. The guide includes statements of purchasing objectives and policies, as well as the procedures to be followed in performing the major purchasing functions. The Finance Department shall work closely with all other departments in procuring materials and supplies, goods and services necessary for implementing the work of City departments. Purchasing decisions must be coordinated with the aims, policies, and preferences of the departments served.

(ii) **Purchasing Authority and Compliance**

- 1) **Purchase Order Required** - No purchases or contracts involving an expenditure are to be initiated unless, and until, the transaction is first certified by the Finance Director, or his duly authorized designee, that the amount required for the expenditure has been lawfully appropriated and is either in the treasury, or in the process of collection and free from any previous encumbrances. This certification is given via the issuance of a dated purchase order, or PO.
- 2) **Departmental Planning** - It is the responsibility of the department to anticipate the needs of the department as much in advance as possible, so as to not create a situation whereby items need to be purchased on an emergency basis. Thus, the requisition should be submitted far enough in advance to allow the City to take advantage of competitive quotations and bidding.
- 3) **Budgetary Compliance** - Caution should be taken by departments to ensure that its’ budget accounts are not overspent. Any overspent, or negative budget, balance is in direct violation of the ORC, and may cause audit issues for the City.
- 4) **Emergency Exception** - The only exception to the prohibition on incurring expenditures prior to the certification of funds by the Finance Director, would be in the

case of emergency purchases, as outlined in the General Purchasing Standards.

- 5) **Credit Card Purchases** - Certain expenditures may be made with the City's authorized credit cards for memberships, subscriptions, education registration, online purchases and travel-related expenditures. The use of the credit card is strictly for the convenience in completing and paying for the transaction and **does not eliminate the requirements to have a purchase order in place and funds encumbered prior to the expenditure being executed.** The purchase order must be made payable to the name of the vendor the employee is transacting business with. In the event that the purchase is a one-time only event and do not plan to use the vendor in the future, the PO made be made out to a 'Miscellaneous One-Time Vendor'. Furthermore, all employees or elected officials utilizing the credit card must adhere to the City's Credit Card Policy regarding the requirement to submit itemized credit card receipts, and also certifying that an employee's use of City credit cards was for a proper public purpose in the event an itemized receipt is lost.
- 6) **'Then & Now' Certification** - If the purchase or contract signing is not preceded by the certification of funds (e.g., signed purchase order from the Finance Director) as specified above, no payment may be authorized, unless the Finance Director or his designee can certify that both at the time the expenditure was made, and at the time they were completing this certification, sufficient funds were available, properly appropriated, and free from any previous encumbrances. Such 'Then & Now' certifications can be made by the Finance Director for all expenditures less than or equal to three thousand (\$3,000) dollars. Council approval via resolution is required for any 'Then & Now' certifications which exceed the three thousand (\$3,000) dollar threshold. Employees or officials who enter such agreements prior to the issuance of a purchase order, however, may be held personally responsible for such amounts at the discretion of the Finance Director.
- 7) **Purchasing Instruments**
  - a) *Standard Purchase Order* - Standard purchase orders are used for normal and routine purchases, where a single vendor and specific items and/or quantities are ordered. It may include multiple funds and appropriation lines. There is no dollar limit threshold, the limit is the amount certified for the PO. It expires when the contract or order is either filled, services provided, or the PO is cancelled. Any balance remaining on the PO at year end can be 'carried over' into the following year, provided that a commitment to spend the funds and a liability to pay, or at least a reasonable expectation to pay, exists. The amount encumbered on such carryover purchase orders should be reduced, prior to closing the books for the year, to the estimated amount owed to the vendor.
  - b) *Blanket Purchase Order* - Blanket purchase orders are used for the purchase of a variety of items over a specified period of time from a variety of vendors. It may cover single or multiple vendors, as might be the case in a project. No specific items, quantities or prices are enumerated. A blanket PO need only certify (encumber) the estimated amount to become due in the current year, based upon the agreed-upon unit pricing and estimated quantities. The normal per unit

contract length will be twelve months or less. Only one blanket PO may be open at a time to a specific vendor, fund and account. Such POs must be labeled 'Blanket Purchase Order'.

- c) *Super Blanket Purchase Orders* - Super blanket purchase orders can be issued against any specific line item appropriation, but cannot extend beyond the current year. Super blanket purchase orders may be used for, and relate to: professional services; utilities; fuel/oil; supplies; any purchases exempt from competitive bidding under ORC Section 125.04; or any other specific recurring and reasonably predictable operating expense. Super blanket purchase orders may not extend beyond the next year. In the event a contractual commitment or reasonable expectation of a liability to pay exists at year-end, a standard PO should be issued prior to closing the books for the year for such expenses. The use of blanket purchase orders is subject to approval by the Finance Department.

(iii) **Procurement of Materials or Services \$75,000 or more** - All purchases more than seventy-five thousand dollars (\$75,000) will be based on sealed, competitive bids or through the State of Ohio's cooperative purchasing program. These purchases will follow the below procedure:

- 1) Legislation approved by City Council authorizing and directing the City Administrator to advertise and accept bids.
- 2) The invitation to bid will be advertised in the local newspaper as required by law.
- 3) Bids shall be opened by the Finance Director, or designee, on the date and time set in the bid announcement, and publicly read. An indication of the apparent low bidder will be provided to all in attendance at the bid opening, such designation being subject to review and final approval by the City Engineer.
- 4) Where required, bids shall be accompanied by a sufficient and acceptable bid bond, in the form of a certified or cashier's check drawn on a solvent bank or a bid bond executed by a surety authorized to do business in the State of Ohio, and made payable to the City, to ensure that if a bid is accepted, a contract will be entered into. In the event a bid bond is submitted, it shall be deposited into the City's appropriate vendor bond/escrow fund. When required, a Performance Bond (100%) or a 100% bank "Letter of Credit" shall be secured by the Finance Director.
- 5) Where required, bidders shall execute and submit a non-collusion affidavit and a disclosure of personal property taxes on the forms furnished by the City. No contract is deemed fully executed until this is done. Upon completion of the project, a signed contractor's indebtedness affidavit must be filed with the City to execute final payment of said contract.
- 6) Prevailing wages shall be paid as required by Ohio law on all projects for new construction, remodeling, and repair projects. Bids shall be submitted accordingly as noted in the bid requirements.
- 7) At the election of the City, a waiver may be included as part of the submitted bid eliminating the establishment of retainage accounts for specific contracts.

- 8) Addendums to bids shall be made available to all known bidders and shall be issued, in a reasonable time, prior to the bid opening. Bids may be postponed as deemed in the City's best interest. The City reserves the right to reject any and all bids, waive informalities, and make an award deemed in its best interest.
- 9) Bidders are to keep informed of all laws and regulations, Federal and State, City Ordinances, codes, rules, safety requirements (Industrial Commission) which affect those employed to engage in the work or materials to be used in a project.
- 10) Project completion (delivery) warranties, references, terms and F.O.B. shall be required by bidders in the Bid Invitation. Non-responsiveness can be determined as a condition for bid disqualification.
- 11) Bids will be awarded on the basis of best and lowest bids conforming to the specifications.
- 12) After final authorization, the City Administrator or his designee shall follow through with the proper purchase order. The bid award shall be made within a reasonable time of a bid opening, except when the bid involves use of Federal funds or sale of notes and/or bonds, in which case the award shall be made pending the availability of funds. Bids may not be withdrawn or modified unless the award is delayed beyond that time.
- 13) The City Administrator will send a final tabulation to all bidders, specifying which bid or quotation was awarded the purchase.
- 14) The City Administrator, department head, or Finance Department shall determine that the awarded contractor has no outstanding finding for recoveries prior to the contract being awarded. This shall be determined by securing from the Auditor of State of Ohio's website such certification that the contractor has no such outstanding findings in accordance with Ohio Revised Code Sections 9.24(A), (B), (D), (E), and (G); and Attorney General Opinion 2004-014.

**(iv) General Procurement Process**

- 1) Departments should submit a request to the Finance Department for a purchase order (e.g., requisition) via the city's purchasing system when a need to spend City funds on goods or services has been identified. For expenditures greater than the seventy-five thousand (\$75,000) threshold, the previously stated policies must be followed prior to submitting the requisition. The request should provide information on the purchase, including: vendor name/address; item description; fund/account number; quantity (if appropriate) and cost.
- 2) The Finance Director shall review each request to determine: (1) if the proposed spending is for a proper public purpose; (2) that the correct fund/account number has been identified; and (3) that adequate budget (appropriation) exists in order for the PO to be issued. In the event that the request fails to meet any or all of these criteria, it

shall be either be returned to the originator with an explanation, or the deficiency corrected so that the PO can be issued.

- 3) Once the system issues a PO number in response to the request, a copy of the PO shall be provided to the department. This document serves as formal authorization to the department that they can proceed with the transaction. As highlighted earlier, employees are prohibited from entering into a purchase agreement or contract without having received an approved PO from the Finance Department.
- 4) Once the goods are received by the department, or services provided, the department shall acknowledge such information, either by sending any and all receiving documents which were provided at the time of delivery, or by communicating such information via telephone or email to the Accounting Clerk. In addition, any itemized receipts provided by the vendor should be submitted to the Accounting Clerk as soon as possible following the transaction. In the event, a receipt is not provided or is misplaced, the employee is required to complete the City's *Employee Expense Missing Receipt Certification Form*, have their supervisor approve it, and submit the form to the Finance Director. A copy of the form is provided in Appendix I.

(v) **Emergency Purchases**

- 1) **Definition** – An emergency situation is defined as an unforeseen situation in which the operation of the department would be seriously impacted due to the shortage of goods or service to maintain City operations. It is important to note that the failure on the part of the department to adequately plan for its operations will not necessarily constitute an emergency. Emergency purchases made on a non-competitive basis are costly, and may not be beneficial to the City.
- 2) **Procedure** – In the event an emergency purchase must be made, or services obtained, the department will immediately notify the following individuals: (1) the Finance Director for transactions less than ten thousand dollars (\$10,000); or (2) the City Administrator for transactions greater than or equal to ten thousand dollars (\$10,000). A requisition must be submitted to the Finance Department as soon as possible after receiving approval is obtained, so that the emergency purchase can be secured. If the emergency occurs during other than normal working hours (e.g., nights, weekends, holidays), the department must submit such requisition on the next working day.

(vi) **Bid and Performance Bonds**

- 1) Where required, bids shall be accompanied by a sufficient and acceptable bid bond, in the form of a certified or cashier's check drawn on a solvent bank or a Bid Bond executed by a surety authorized to do business in the State of Ohio, and made payable to the City to ensure that if a bid is accepted, a contract shall be entered into. In the event a bid bond is submitted, it shall be deposited into the City's appropriate vendor bond/escrow fund. Performance bonds or bank "Letters of Credit", where required, shall be provided to City in the amount of the contract (100%) prior to execution of contract, and approved by the City Law Director.
- 2) Requiring certified checks or bonds may not always be in the best interest of



competition. Therefore, careful study should be given to this matter before a bond is required. The City Administrator shall determine when and if the deposit of a bond or “Letter of Credit” is necessary for a vendor to be awarded a PO or contract.

(vii) **Returns** – The following procedures should be used for materials, goods or equipment received which require return to the vendor:

- 1) Department contacts the Finance Department with problem notification.
- 2) The Accounting Clerk, or designee, contacts the vendor for disposition and request a return authorization.
- 3) The Accounting Clerk or designee notifies department with return instructions.
- 4) Department makes all arrangements to ship items back to the vendor.
- 5) Finance Department receives appropriate credit.
- 6) Department receives appropriate replacement, if required

(viii) **Prompt Payment**

- 1) All invoices approved for payment shall be paid within thirty (30) days of receipt, unless contractual terms provide otherwise. Procedures shall be established to enable the City to take advantage of all purchase discounts (e.g., 2/10, net 30) deemed to be in the City’s best interest.

## **Section 2.02 Travel and Expense Reimbursement**

### **(a) General Requirements**

- (i) **Policy** - These regulations establish a standard procedure for paying the authorized expenses incurred by officials and employees of the City while traveling on City business, attending conferences, conventions or such activities which are deemed to have a proper public purpose, and to reimburse such individuals where they have spent personal funds for such expenses. All references to reimbursement in this policy also includes the direct payment of such expenses on behalf of the employee or official.

Expenses which are incurred by employees conducting authorized business on-behalf of the City which includes travel in, and outside of, the City will be reimbursed to the extent provided for in these guidelines. All expenses incurred must be for a proper public purpose. Reimbursement and payment of expenses is intended to provide for transportation, lodging, and food of reasonable and adequate quality.

When traveling on authorized City business, representatives of the City are expected to use the same care in incurring expenses that a prudent person would exercise if traveling on personal business. Such travel must be authorized in advance of the travel by the Department Head, City Administrator or other appointing authority.

Employees traveling on City business are reminded that they are representatives of the City, and are to conduct themselves in a manner that is appropriate, and in accordance with the

provisions of Codified Ordinance Section 163 and this Manual.

The City and its' employees and officials shall comply with all Internal Revenue Service (IRS) regulations related to travel, meals and lodging, in particular IRS §119 – *Meals or lodging for employer's convenience*.

(ii) **Approval/Authorization:**

- 1) **Prior Authorization** - All travel and travel-related expenses incurred for City business must be authorized in advance by the appropriate department head, or by the City Administrator.
- 2) **Purchase Order Required** - Prior to authorizing an expense for travel, training and affiliated expenses, the department head (or their designee) shall submit a completed requisition containing all actual necessary and reasonable expenses to the Finance Director. The Finance Director will certify that sufficient funds have been appropriated and will encumber the funds through the issuance of a purchase order (PO) to pay the expenses. Purchase orders must be approved and received by the department prior to any expenditure or commitment to spend being made.
- 3) **Reporting** – Upon return from an eligible and approved activity, the employee or official is required to:
  - a) File an accurate and detailed travel expense report along with all supporting receipts and documentation with the Finance Director within 5 business days of after the trip.
  - b) Reimbursable items shall be actual, reasonable, and necessary expenses incurred while attending an eligible activity. Alcoholic beverages are not considered a reasonable or necessary expense. Under no circumstance will expenses for alcoholic beverages be considered for payment or reimbursement. In addition, reimbursement for expenses related to entertainment (e.g., in-room movies) are prohibited.
  - c) Original, itemized receipts are required for all expenditures, including lodging, registration fees, meals, travel (including airline and rental car) and extraordinary expenses that are an integral part of the activity.

(b) **Specifications and Guidelines**

(i) **Living Expenses**

1) **Meals**

- a) **Overnight Travel** - Employees or City officials who are travelling on City business requiring an overnight stay may be eligible for reimbursement for any meals occurred up to, but not exceeding, the amount specified in the current per diem schedule. In no case, is the meal either directly preceding the commencement of travel, or the meal directly after concluding the trip, eligible for reimbursement.

**Example:** An employee leaves Port Columbus Airport at 7:00 am departing for their offsite destination. Since this flight occurs during the breakfast hour, the employee would be responsible for the breakfast meal, as it would not be eligible for reimbursement.

**Example:** An employee leaves the offsite location on their return flight at 2:30 pm, and arrives in central Ohio at 6:30 pm. Unless the flight had a connecting flight with a layover, the dinner meal would not be reimbursable to the employee. If this same flight had a layover, however, the employee might be eligible for the meal, provided that the layover occurred during the normal meal hour.

- b) **Local (non-overnight) Travel** - Employees or City officials travelling on City business which does not require an overnight stay, shall not be eligible for reimbursement for meals, unless:
- i) the main purpose of the combined business and meal is the active conduct of business; and
  - ii) business is actually conducted during the meal period.

**Example:** An employee drives to Cleveland to meet with colleagues to discuss ongoing municipal operating issues. The group does not want to break for lunch and decides to order food to be delivered to the meeting so that they can continue their discussions. Since this meal took place during the conduct of business, the expense would be eligible for reimbursement. In no case shall reimbursement for such a working meal exceed \$10.00 per person, including any tip or gratuity.

Same day, offsite training classes or other meetings where the participants are released for a lunch break would not qualify for meal reimbursement.

- c) **Meal Per Diem** - Reimbursement for meals will be made for the actual cost on a per diem basis, up to the limits specified in the current Federal GSA or State Department per diem meal schedule, inclusive of any tip or gratuity. The Finance Director shall publish the per diem to all employees as soon as it has been communicated by the IRS.

In the event an employee is eligible for the entire per diem amount, the employee may allocate such amount as they wish, subject to substantiation requirements.

**Example:** Based upon the destination, an employee is eligible for a per diem maximum of \$56.00, which is broken down as follows: \$10.29 for breakfast, \$17.14 for lunch and \$28.57 for dinner. If the employee chooses to not eat lunch, they may apply the \$17.14 toward their dinner meal. Employees should remember, however, that they are required to provide substantiation (e.g., receipts) for the actual amount spent on such meals. Reimbursement will only be provided up to the actual amount spent.

In the event the employee is not eligible for one or more meals, the per diem maximum available to the employee shall be reduced by the amount of the excluded meals.

**Example:** An employee who departs for their trip after the typical lunch hour would not be eligible for reimbursement for that day's breakfast and lunch per diem amounts.

- d) **Provided Meals** - If a meal is served on the plane, included in a conference registration fee, built into the standard, hotel single room rate, or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed. This exclusion, however, would not apply to a continental breakfast served by the hotel or conference.
- e) **Alcohol** - In accordance with Ohio Auditor of State Bulletin 2003-005, the purchase of alcohol with City funds is strictly prohibited. Any request for reimbursement of such expenditures will be denied. An exception may exist for infrequent, minor purchases of alcohol by the Police department for qualified law enforcement purposes, such as community alcohol awareness training. Such purchases must be approved by the Finance Director in advance of the alcohol being purchased.
- f) **Receipts & Documentation** - Original, itemized receipts generated by the restaurant and which identified the specific meal items, as well as any proof of payment (e.g., credit card receipt) shall accompany the expense report.

## 2) **Lodging**

- a) Employees are expected to use accommodations appropriate to the nature of the business trip, and which are consistent with the employee's normal standard of living. Reimbursement for lodging will be made only if such expenses are properly receipted, and the appropriate receipts accompany the travel expense report. Reimbursement for lodging is limited to instances where the City business, conference, convention, or such appropriate activity is located in excess of 40 miles from the City of Pataskala. In the case of extraordinary circumstances, the City Administrator may waive this mileage requirement.
- b) Overnight lodging prior to the day of the event must be authorized by the department head. Typically, such an accommodation would be granted to accommodate travel itineraries, or to realize cost savings. In the event the overnight lodging is permitted solely for the convenience of the employee, no meal reimbursement shall be allowed for that day.
- c) Employees are responsible for securing a tax-exempt certificate from the Finance Department prior to checking into the hotel. In the event that the employee does not secure such exemption and is charged Ohio state sales tax on the stay, such costs will be the responsibility of the employee. As the City's tax-exempt certificate does not apply to other state sales taxes or any local hotel, or bed, taxes, no exemption certificate need to be requested or supplied by the employee.

3) **Incidental Living Expenses**

- a) Expenses incurred for laundry and dry cleaning may be reimbursed only if the employee is in continuous travel status in excess of five days without returning home during that time. These items must be receipted and itemized.
- b) Reimbursement will be made for a long-distance phone call, not to exceed \$7.50, when necessary due to travel conditions. Reimbursement is authorized for one personal telephone call for each day of travel, not to exceed \$3.00. Internet service charges incurred for work-related purposes will be reimbursed.

(ii) **Travel Expenses**

1) **Travel by City-Owned Vehicle**

- a) Employees are encouraged to travel using a City-owned vehicle whenever possible and practical. Reimbursement is authorized for incurred expenses necessary to the efficient and safe operation of the vehicle. This includes reimbursement for the purchase of gasoline for the vehicle, if a City credit card is not available. Charges incurred for parking at the destination, and any highway tolls are reimbursable at the actual amount. Receipts for parking costs and highway tolls are required to be submitted for such expenses.

2) **Travel by Privately-Owned Vehicle**

- a) Employees may be authorized to travel by privately-owned vehicle if the owner is insured under a policy of liability insurance. Employees who use a personal vehicle for municipal use shall be reimbursed for such use at the per mile rate set annually by the Internal Revenue Service (IRS) as the tax-deductible mileage rate. The City's Finance Director shall publish this rate to all employees as soon as it has been communicated to the City by the IRS.
- b) Reimbursement for mileage to and from City-authorized professional development training or other City business-related meetings will be determined as listed below. Copies of support for such mileage, such as MapQuest, shall be provided by the employee or official to justify the expense.
  - i) Employees who drive directly from their primary workplace (i.e. 621 W. Broad Street, 430 S. Main Street, 5840 Mink Street, etc.) and return to their primary workplace shall be reimbursed for actual mileage driven.
  - ii) Employees who are authorized to drive directly to the offsite meeting from their personal residence and/or return directly home at the conclusion of training, the mileage reimbursement will be based on actual mileage to and from the training, minus their average daily commute. The average daily commute is defined as mileage from the employee's place of residence, to the workplace and back to the place of residence. Only the miles in excess of the daily commute may be claimed as mileage. When printing support for such mileage (e.g. MapQuest), the employee shall provide both the roundtrip from home to work, as well as the roundtrip for the business mileage.
  - iii) Mileage reimbursement is payable only to one (1) employee. If two (2) or

more employees are traveling on the same trip and in the same automobile, only one employee is eligible to receive reimbursement. Charges incurred for parking at the destination, and any highway tolls are reimbursable at the actual amount. Receipts for parking costs and highway tolls are required to be submitted for such expenses.

3) **Travel by Common Carrier**

- a) Travel by common carrier is authorized at the lowest available regular rate. Employees are encouraged to take advantage of advance purchase (e.g. super saver fares) for air travel whenever possible. If a discounted fare is only available when travel is started one day early, or requires the stay of one extra day, travel for the additional day may be authorized provided that the savings in fare offsets the lodging and meal cost of the extra day. Receipts must be obtained and submitted with travel expense report.
- b) Whenever electronic or "e-ticket", documents are issued, receipts are to be obtained at the check-in terminal. Such receipt shall be submitted with travel expense report. In addition, a printed copy of the online search for airfare should be submitted with the requisition for the airfare.

4) **Vehicle Rental**

- a) Reimbursement may be authorized for car rental if it can be demonstrated that car rental is more economical than other modes of transportation, or if the employee's destination is not easily accessible by any other available mode of transportation. Advance prior approval for car rental is required.
- b) Only a City employee may drive a rental vehicle that has been paid for by the City. The employee shall adhere to rental requirements and restrictions imposed by the rental company.
- c) The City's insurance coverage extends to rental vehicles; therefore, employees shall decline any Collision Damage Waiver (COW) and Lost Damage Waiver (LOW) coverage, unless the rental agency includes these insurance packages in the base daily/weekly rental rate. The City will not reimburse the cost of any rental agency insurance coverage expenses.
- d) Employees are encouraged to fill the gas tank at a service station before returning the vehicle to the rental agency to avoid any additional service fees or more expensive fuel rates.

5) **Miscellaneous transportation expenses**

- a) Reimbursement is authorized for parking charges, road tolls, and other reasonably incurred transportation expenses directly related to approved travel. Detailed itemized receipts shall be obtained for all expenditures. These expenses shall be listed separately on the travel expense report.

(iii) **Event Registration**

- 1) For meetings and conferences, request forms must be submitted to the Department Head, City Administrator or other appointing authority in advance of registering for such meeting or conference, with a copy of the meeting or conference details attached, as well as the names of any and all City personnel attending
- 2) Reimbursement of fees for seminars, conferences, or other activities may be approved, provided that attendance by the traveler is deemed beneficial to the City. An itemized report of what the registration fee includes shall accompany the requisition.

(iv) **Travel Advance**

- 1) An employee attending a conference, workshop or seminar may request a cash advance for *anticipated* travel expenses at the discretion of the Finance Director. The request for advance is to be shown on the travel request, and must be approved by the department head. Upon completion of the trip, a complete reconciliation of the cash advance and actual expenses will be made on the travel expense report. Employees receiving a travel advance shall remit all unspent funds to the Finance Department immediately upon returning from the trip.

- (v) **Compensation During Travel** - Under the Fair Labor Standards Act (FLSA), a non-exempt employee must be paid for all hours the employee is "suffered or permitted to work." This section addresses under what circumstances time spent traveling is considered compensable (i.e., the time is counted as hours worked).

1) **General Rule**

- a) In general, the FLSA does not consider ordinary commuting time as hours worked. Excluding such commuting time, employees should be compensated for all travel unless it is:
  - i) Overnight;
  - ii) Outside of regular working hours;
  - iii) On a common carrier; or
  - iv) Where no work is done.
- b) The City reserves the right to rearrange the employee's work schedule within the work week (Sunday-Saturday) to avoid additional compensation hours which may occur as a result of travel time or compensable commuting time as described below. Whenever possible, the employee and their supervisor should discuss the possibility of rearranging the work schedule prior to departure.
- c) Special rules apply to special situations which are reviewed in detail in the following sections.

2) **Commute Time**

- a) Generally, an employee is not at work until he or she reaches their primary workplace and begins working.
- b) If an employee is required to report to an alternate location where he or she is

required to pick-up materials, equipment or other employees, or to receive instructions before traveling to the work site, time is compensable once the employee reaches the alternate location.

- c) If the employee is driving a City-owned vehicle, to and from work, the employee does not have to be compensated for that commuting time, provided that:
  - i) driving the vehicle between home and work is strictly voluntary and not a condition of employment;
  - ii) the vehicle is a type normally used for commuting; and
  - iii) the employee incurs no costs for driving the City-owned vehicle or parking it at home.

### 3) **Travel During the Workday - General Rule**

- a) Travel as part of the City's principal activity must be counted as hours worked. If the travel is for the benefit of the City, it is compensable. For example, an employee drives from the Public Service Garage to City hall during the workday. Such time would be compensable.
- b) Time spent by the driver picking up other passengers and transporting them to a specific location is work time and therefore compensable. However, time spent by passengers traveling in a car outside the normal workday hours is not compensable.

### 4) **Out of Town Travel – Special One-Day Assignment**

- a) If an employee is assigned to work in another City for one day and the travel is performed for the City's benefit and at its' request, it is part of the principal activity of the City and therefore is compensable. This is true even if the employee is traveling by common carrier since this is a special assignment and is not ordinary home to work travel. The assignment is performed for the City's benefit and at the City's special request to meet the needs of the particular and unusual assignment.
- b) In this special one-day assignment, however, travel time between the employee's home and the airport is home to work travel time, and therefore not compensable if outside normal work hours.

### 5) **Overnight Travel**

- a) Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is clearly work time when it cuts across the employee's regular workday hours and is compensable. If this travel occurs during normal work hours on non-working days (i.e., Saturday or Sunday for an employee who works Monday through Friday) the time is also compensable.
- b) Overnight travel that occurs outside of the employee's normal working hours is not compensable whether it is on a common carrier or as a passenger in a car. The driver of the vehicle shall be compensated however, as driving is work time.

**Example:** An Employee drives to the airport to fly to a seminar and has two co-



workers as passengers. If the trip is made before or after normal working hours, only the driver receives compensation, as only the driver is working. If the trip is made during normal work hours, all three employees are compensated because travel during normal work time is compensable.

- c) Leisure time, sleep time or time spent at a hotel with freedom to use time for the employee's own purposes is not compensable.

### **Section 2.03 Credit Cards**

- (a) **General Overview** - The City recognizes the efficiency and convenience afforded the day-to-day operation of the City through the use of credit cards under the supervision of the applicable department supervisors. However, credit cards shall not be used to circumvent the general purchasing procedures required by Ohio law and the policies of the City.
- (b) **Objectives** – The issuance of credit cards by the City, and the use of such cards by its employees serves to accomplish the following objectives:
  - (i) To allow City personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel and office supplies.
  - (ii) To improve managerial reporting related to credit card purchases.
  - (iii) To improve efficiency and reduce costs of payables processing.
- (c) **Policies – Bank Credit Card**
  - (i) City credit cards will be issued to the City Administrator, Police Chief and Deputy Chief, Directors and Supervisors. Other employees may be issued cards upon request of the Director and with the approval of the Finance Director.
  - (ii) Cards will be issued in the name of the employee with the City’s name also listed. Employees are responsible for maintaining physical control over the card they are issued.
  - (iii) Employees are not permitted to lend their card to another employee to facilitate a transaction, online or otherwise. If another employee has need of a card to complete a transaction, the employee should have their supervisor or director submit a request. Failure to comply with this policy may result in the employee having their card cancelled.
  - (iv) Credit cards will only be used for City business purposes. Personal purchases of any type are prohibited. The Assistant Finance Director shall be notified immediately of any unintended personal usage, and the employee shall immediately reimburse the City for such charges.
  - (v) All purchases made with a credit card shall be preceded by an approved purchase order.
  - (vi) Any rewards, rebates or awards earned through the use of the City-issued credit card shall be immediately relinquished to the City.
  - (vii) The following purchases are expressly prohibited:
    - 1) Alcoholic beverages/tobacco products
    - 2) Capital equipment and upgrades over \$5,000

- 3) Construction, renovation/installation
- 4) Controlled substances
- 5) Items or services on term contracts (unless authorized by the Finance Director).
- 6) Maintenance agreements
- 7) Personal items or loans
- 8) Rentals (other than short-term autos)
- 9) Any other items deemed inconsistent with City policy, the ORC or Ohio Ethics laws.
- (viii) Cash advances on credit cards are not allowed under any circumstances.
- (ix) Cardholders will be required to sign an agreement indicating acceptance of these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and disciplinary action.
- (x) Failure to turn in receipts and appropriate documentation may result in the charges being deemed unrelated or unsubstantiated. The cardholder shall be responsible for any unsubstantiated or unrelated purchases.
- (xi) In the event the employee has performed due care in obtaining an itemized detailed receipt but was unsuccessful, the employee may complete and submit a City of Pataskala Lost Credit Card Receipt Form to the Finance department for review. Such requests will be reviewed on a case-by-case basis and evaluated accordingly depending upon the item purchased. A copy of the form can be found at the end of this policy.

**(d) Policies – Gasoline Credit Cards**

- (i) Gasoline credit cards are distributed to, and used by, applicable departments and are under the jurisdiction of each departmental supervisor or director.
- (ii) Gasoline credit cards shall only be used by City employees conducting business on behalf of the City and which relate to the use of a City vehicle.
- (iii) Designated employees may be permitted to use the gasoline credit card for their personal vehicles. Any such usage shall require prior approval by the applicable department supervisor or City Administrator. It is the responsibility of the employee to determine that such approval has been received prior to use.
- (iv) Itemized receipts shall be turned in with the gasoline credit card at the end of the next business day upon the employee's return to their normal work schedule. Failure to submit receipts may result in the charges being deemed unsubstantiated or unrelated purchases.
- (v) The departmental supervisor or director is responsible for the security and monitoring for proper use. Repayment of any unsubstantiated or unrelated purchases will also be the responsibility of such employee and departmental supervisor.

**(e) Procedures**

- (i) Credit cards may be requested for prospective cardholders by written request to the City's Finance Director. A copy of the City's *Cardholder Agreement Form* is attached as

Appendix F. Consideration should be given to the frequency of usage (out of town travel, online purchases, etc.), as well as the average monthly spending requirements when determining if an employee should have a card and the applicable credit limit.

- (ii) Employees should verify that an approved purchase order has been created for the proposed transaction. If one doesn't currently exist, a requisition should be prepared and submitted to the Finance department. The transaction must not be completed prior to receiving a PO number from the Finance department.
- (iii) Detailed itemized receipts along with the credit card receipt must be retained and submitted to the Finance Department by the end of the next business day upon the employee's return to their normal work schedule.
- (iv) Cardholders should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Finance department.

## **Section 2.04 Cellular Phones**

- (a) **Overview** – It is the policy of the City of Pataskala to establish a standard for the usage of City-owned cell phones, and personal cell phones during normal work hours. This policy applies to all employees who:

- (i) Drive on City of Pataskala business in any vehicle, personal or otherwise; or
- (ii) Drive a City-owned vehicle, whether on City business or not; or
- (iii) Place work-related calls, whether driving on City business or not; or
- (iv) Use a City-issued cell phone while driving.

- (b) **General Policies**

- (i) **Eligibility** - The City shall provide cellular telephones to employees, who by the nature of their job responsibilities, have a routine and continuing business need to conduct official City business. Factors that will be considered determining if an employee qualifies for a City-issued phone include, but are not limited to, the following:
  - 1) The amount of time the employee is away from the office;
  - 2) Whether contact with the employee is needed on a regular basis;
  - 3) Whether the employee works in the field, or supervises field personnel;
  - 4) Whether the employee is required to be on-call, or needs to be contacted after hours;
  - 5) The ease with which the employee could be contacted in the absence of a City-issued cell phone;
  - 6) Whether the employee frequently travels between City facilities; or
  - 7) Whether the employee is deemed to be a critical employee.
- (ii) **Revocation of Privilege** - The City retains the right at any time to revoke cellular telephone use from any or all employees as deemed necessary.

- (iii) **Smartphones/PDA** - The determination of those employees who would qualify for a smartphone or other personal digital assistant (PDA) will depend upon the nature of the position, and the necessity of timely access to their City email account. This would typically be limited to the City Administrator, Law Director, Finance Director, Assistant Finance Director, Police Chief/Deputy Chief, Department Heads, Supervisory personnel, and the Clerks of Court and Council. Others may be approved by the City Administrator upon request and demonstrating a genuine City-related need for such equipment.
- (iv) **Cell Phone Stipend** - The City may elect to offer a limited number of employees a stipend, in lieu of providing such employees with a City-owned cell phone. The benefit of such a stipend would be the elimination of employees carrying two phones (personal and City-owned), and the City could benefit through a reduced number of cell phones on the City's plan. The employees eligible for such a stipend would include the following positions: City Administrator; Law Director; Finance Director; Assistant Finance Director, Police Chief/Deputy Chief, and other Department Heads. The monthly stipend for such phones will be \$65.00 and will be included in the individual's bi-weekly pay. In order to qualify for the stipend, the employee must use a smartphone capable of sending and receiving City email messages. Employees electing to receive a stipend should recognize that the IRS considers such stipends to be taxable income to the employee. They should also be aware that all policies applicable to City-issued cell phones, would also apply to the employees who take advantage of the stipend and use their personal phone for City business.
- (v) **Equipment** – Employees are responsible for proper and reasonable safeguarding of the City-issued phone. Employees provided with such phones shall maintain the phone on their person at all times during duty hours. If the phone is not in use, phones and accessories should be maintained in a secure manner. In the event a City-issued cell phone is lost or stolen, the employee shall notify their supervisor and Assistant Finance Director immediately. The employee's Department Head shall determine if the loss or theft of the phone was due to gross negligence or reckless conduct on the part of the employee. If it is determined that the loss is due to negligence or reckless conduct, the employee shall be required to reimburse the City for the cost of the new phone. Employees may appeal such determination to the City Administrator whose determination shall be final and not subject to additional appeal.

Employees are responsible for the proper care of the phone and accessories. Proper care means that cell phones and accessories are maintained in the condition to which they were issued, absent normal wear. Upon separation from the City, the phone and its accessories must be returned to the City immediately. Employees who separate from employment with outstanding debts for equipment loss or damage, or unauthorized charges will be considered to have left employment on unsatisfactory terms and may be subject to legal action for recovery of the loss.

- (vi) **Personal Use** – Employees are permitted minimal personal use only of the City-issued cell phone, except in cases of an emergency, which is always permitted. An example of an emergency would be vehicle mechanical problems or concerns for his/her personal safety. Employees are asked to make any personal calls on non-work time when possible, and to

ensure that friends and family members are aware of the City policy. Flexibility will be accepted in circumstances demanding immediate attention. Making daily or regular personal calls for any reason to family members or friends under non-emergency circumstances shall be considered excessive personal usage and may subject cause the employee to lose use of a City cell phone.

Employees who formally elect to use their City-issued cellphone for personal use shall reimburse the City for a portion of the cost of their cellphone. For those employees who only have basic calling and texting services, the monthly charge shall be set at \$10 per month. For employees who use a smartphone, which uses the City's data allocation, the monthly charge shall be set at \$25 per month.

(vii) **Policy Violations**

- 1) Improper use of City communication systems and equipment shall result in discipline, up to and including discharge. Improper use includes any misuse as described in this policy, as well as any harassing, offensive, demeaning, insulting, defaming, intimidating or sexually suggestive uses of written, recorded or electronically transmitted message.
- 2) Employees who discover a violation of this policy are expected to immediately notify their supervisor, Department Head or City Administrator.
- 3) The City reserves the right to advise the appropriate officials of any illegal activities.

(c) **General Use Provisions**

- (i) **Personal Usage** - Cellular telephone equipment is intended for use in the performance of City business. It is not intended to be used for personal convenience unless the employee has elected the bi-weekly payroll deduction or reimburses the City for any personal use.
- (ii) **Efficient Use** - Cellular telephones are not to be considered a personal benefit and shall not serve as a primary mode of communication, unless they are the most cost-effective means to conduct City business. City-owned cell phones should not be used when a less costly alternative method of communication is safe, convenient and readily available. Unless absolutely necessary, City-owned cell phones should not be used for directory assistance.
- (iii) **Phone Etiquette** - Cellular telephones should be in the silent/vibrate mode for all meetings, training, court, etc. If it is absolutely necessary to take a cellular telephone call during a meeting, training, etc., the employee should step outside of the room to take the call, in order to keep the disruption to a minimum.
- (iv) **Usage While Driving** - Excluding the City's law enforcement personnel, cellular telephone use should be avoided while driving in a City-owned vehicle. In addition, usage of other features and functions of the employee's cellular phone, including but not limited to: text messaging/SMS, email, internet use, social media access, camera use, etc. is strictly prohibited while driving a City-owned vehicle. Due to the increased risk of an accident and violation of state law, employees are also strongly encouraged to refrain from such usage in their personal vehicles as well. The City of Pataskala is not responsible for any traffic violations acquired by violation of City ordinance, state or federal laws regarding your

driving habits and operation of your motor vehicle. Any ticket issued is the employee's responsibility, even if the ticket is issued while conducting City business.

The use of headsets or hands-free devices (e.g., Bluetooth) is permissible if:

- 1) Use of the device does not cause distraction (example, fiddling with the device or taking eyes off of road to get it to function properly)
- 2) Any dialing or use of the handset is handled while stopped or pulled to the side of the road
- 3) Conversations do not interfere with the driver's ability to drive safely
- 4) Road and weather conditions are generally good, and do not threaten your safety.

## **Section 2.05 Establishment of Banking/Investment Accounts**

- (a) **Policy** – Any and all accounts at banking or investment management companies, into which City funds are to be deposited, shall be established only by the Finance Director. Employees, other than the Finance Director, and elected officials are prohibited from establishing such accounts, or any other account in the name of the City. If an employee, officer or elected official believes that, based upon the nature of the funds received, they are permitted to establish such accounts, the Finance Director must be notified prior to the establishment of the account to ensure that no City-interest is involved.

## **Section 2.06 Public Records**

- (a) **Purpose** - The City of Pataskala acknowledges that it maintains many records that are used in the administration and operation of its office. In accordance with state law and the local Records Commission, the City of Pataskala has adopted Schedules of Records Retention and Disposition (RC-2) that identify these records. These schedules identify records that are stored on a fixed medium (paper, computer, film, etc.) that are created, received, or sent under the jurisdiction of this office and document the organization, functions, policies, decisions, procedures, operations, or other activities of the City of Pataskala. (R.C. 149.011(G); R.C. 149.43(A)(1). The records maintained by this office and the ability to access them are a means to provide trust between the public and the City of Pataskala.
- (b) **Scope**
  - (i) Each office, department or function that maintains records has a designated employee who serves as the custodian of all records maintained by the office, department or function. The Public Records Clerk shall be the designated City employee in charge of coordinating activities to address all public records requests in a timely and orderly manner;
  - (ii) The City's public records policy, as well as, in Schedules of Records Retention and Disposition (RC-2) are located at every location in which the public may access the City's records;
  - (iii) The public records policy is located in the City's policies and procedures manual;
  - (iv) The City displays a poster which generally describes in public records policy at every

location in which the public may access records.

(c) **Availability**

- (i) All public records maintained by the City shall be promptly prepared and made available for inspection to any person during regular business hours as well as a copy of the current records retention schedule(s). (R.C. 149.43(B)(1)). Promptness is to be determined by the facts and circumstances of each public records request. Regular business hours for the City are Monday through Friday (except holidays), from 8 a.m. to 4 p.m. The City will provide access to review all public records request in a manner which is conducive to maintaining normal City operations as well as available City space within the applicable City building in relation to the records requested.
- (ii) For the purpose of enhancing our ability to identify, provide for prompt inspection as well as, provide copies of the requested items in a reasonable period of time, we shall provide to the requester Form RC100 for the requester to complete.
  - 1) Prompt inspection and copies of records within a reasonable amount of time contemplates the opportunity for legal review;
  - 2) Although we may ask the requestor to make the request in writing, for the requestor's identity, and may inquire about the intended use of the information requested, the requestor shall be advised that:
    - a) The requests are not mandatory; and
    - b) The requestor's refusal to complete the Form RC100 does not impair the requestor's right to inspect and/or receive copies of the public record. (R.C. 149.43(B)(5)).
  - 3) Any person, including corporations, individuals, and even governmental agencies, may request public records, and will be allowed prompt inspection of public records and copies within a reasonable amount of time upon request.
- (iii) In the event a request is made to inspect and/or obtain a copy of a record maintained by the City whose release may be prohibited or exempted by either state or federal law, the request shall be forwarded to legal counsel for evaluation. The person submitting the request shall be advised that their request is being reviewed by legal counsel to ensure that protected and/or exempted information is not improperly released by our office.
- (iv) Records, whose release is prohibited or exempted by either state or federal law, or not considered public records as defined by R.C. 149.43(A)(1), shall NOT be subject to inspection.

(d) **Mailed Requests for Public Records**

- (i) Upon receiving a written request for copies of a public record made in accordance with section 149.43 of the Ohio Revised Code via the United States Postal Service, the City shall promptly respond to the request.
- (ii) The Public Records Clerk shall, by any means practical, contact the requestor and advise them that advance payment is required prior to providing physical copies of public records,

and in addition, the fee shall also include the cost of postage and the envelope. (R.C. 149.43(B)(7)).

- (iii) When practical, the Public Records Clerk may forward copied records by any other means reasonably acceptable to the requestor:
  - 1) If a person requests a copy of a public record, the Public Records Clerk shall permit the requestor to choose to have the public record duplicated on paper or upon the same medium upon which this office maintains the public record or upon any other medium on which the record can reasonably be duplicated as an integral part of the normal operations of the office (R.C. 149.43(B)(6)(7)).
  - 2) Persons seeking copies of public records are not permitted to make their own copies of the requested records by any means. (R.C. 149.43(B)(6)).
- (iv) In accordance with section 149.43(B)(7) of the Ohio Revised Code, the City limits the number of requested public records, to be transmitted through the U.S. Mail, to a maximum of ten records per month, unless the requestor certifies that the records or information in them will not be used for commercial purposes.
  - 1) “Commercial purposes” shall be narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.
- (v) The Public Records Clerk shall comply with the following procedures upon receiving a valid public record request through the United States Postal System:
  - 1) The Public Records Clerk shall promptly process requests.
  - 2) Requestors shall be charged the postage fees and the cost of the envelope required to properly send the requested records through the mail.
- (vi) Requests for copies in any other manner (written or oral in person, telephone, e-mail, etc.) made by the public records requestor or their designee shall be processed in a similar manner as mailed requests.
  - 1) The requestor shall be provided prompt inspection and copies of the public records in a reasonable period of time.

(e) **Response and Denials**

- (i) Requests for inspection and/or copies of public records, which are not maintained by the City shall be processed in the following manner:
  - 1) Their request involves records that have never been maintained by the City;
  - 2) Their request involves records that are no longer maintained or have been disposed of or transferred pursuant to applicable Schedules of Record Retention and Disposition (RC-2);
  - 3) Their request involves a record that has been disposed of pursuant to an Application of the One-Time Records Disposal (RC-1).



- (ii) If the record that is requested is not a record used or maintained by the City, the requestor shall be notified that in accordance with Ohio Revised Code Section 149.40, that the City is under no obligation to create records to meet public record requests.
- (f) **Ambiguous or Overly Broad Request for Public Records** - If a requestor makes an ambiguous or overly broad requests or have difficulty in making a request for copies or inspection of public records cannot reasonably identify what public records are being requested:
  - (i) The request may be denied. The City, however, shall provide the requestor with an opportunity to revise the request by informing the requestor of the manner in which records are maintained by the City in the ordinary course of business (ORC 149.43(B)(2)).
- (g) **Denial of a Record Maintained by the City of Pataskala** – The City may deny a request for a record it maintains if:
  - (i) The requested record is prohibited from release due to applicable state or federal law.
    - 1) Employees or the Public Records Clerk may check the appropriate the box on form RC101 if they are simply applying the statutory exclusion.
    - 2) Otherwise, legal counsel will respond with the legal authority for a denial.
  - (ii) As governed by R.C. 149.43(B)(3), if a request is ultimately denied, in part or in whole, this office shall provide the requestor with an explanation, including legal authority, setting forth why request was denied.
    - 1) If the initial request was provided in writing, then the explanation shall also be provided in writing.
    - 2) The explanation shall not preclude the City from relying upon additional reasons or legal authority in defending an action commenced pursuant to R.C. 149.43.
- (h) **Redacting Exempted Records/Procedure**
  - (i) “Redaction” means obscuring or deleting any information that is exempt from the duty to permit public inspection or copying from an item that otherwise meets the definition of a “record” in section 149.011 of the Ohio Revised Code. (R.C. 149.43(A)(11)).
    - 1) A redaction shall be deemed a denial of a request to inspect or copy the redacted information, except if federal or state law authorizes or requires a public office to make the redaction. (R.C. 149.43(B)(1)).
    - 2) If a request is ultimately denied, in part or in whole, the City shall provide the requester with an explanation, including legal authority, setting forth why the request was denied. (ORC 149.43(B)(3)).
  - (ii) If a public record contains certain information that is exempt from the duty to permit public inspection or to copy the public record, the City shall make available the information within the public record that is not exempt.
  - (iii) When making that public record available for public inspection or copying that public record, the City shall notify the requester of any redaction or make the redaction plainly visible. (ORC 149.43(B)(1)).

- (iv) The Public Records Clerk shall then reproduce a copy of the page with the redactions; the resulting copy shall be the page that is related to the requester.
- (v) The first reproduction page with the original redactions made by the Public Records Clerk is the work sheet. It shall be attached to the original record, and maintained in accordance with the retention period established for the original document.

(i) **Remedy**

- (i) Grievances - If a person allegedly is aggrieved due to the inability to inspect a public record or due to the inability to receive a copy of the public record, the person shall be advised that they may:
  - 1) Contact the City Administrator.
  - 2) If the person is not satisfied after contacting the City Administrator they shall be advised that Ohio Revised Code Section 149.43 provides a legal means for addressing their complaint in these disputes. (ORC 149.43(C)(1)(2)).

- (j) **Training and Education** - The City of Pataskala continues to update and address all education, training, disclosure, and policy requirements mandated by ORC 109.43 and 149.43(E)(1)(2).

## Section 2.07 FACT Act (2003)/Red Flag Policy

- (a) **Policy** – The City of Pataskala, Licking County, complies with the FACT Act (2003) as follows:

- (i) An Identity Theft Prevention Program (Program) has been created and designed to detect, prevent and mitigate identity theft relating to covered accounts of the utility. The objective of the City of Pataskala is to safeguard the “identifying information” as defined by the Federal Trade Commission (FTC), of the customers of the utility for the purposes of identifying and preventing identity theft.
- (ii) The Federal legislation identifies that program must involve to some degree the “Board of Directors” and “Senior Management” of the utility. (Federal Register/Vol. 72. No. 217, page 63730).
- (iii) In accordance with this objective the following individuals/positions will serve on the Privacy Committee (Committee) which governs the use and enforcement of this policy.

<u>Name</u>	<u>Title</u>	<u>Responsibilities</u>
Timothy O. Hickin	City Administrator	Manage Policy
James M. Nicholson	Finance Director	Develop/Implement Policy

- (iv) In addition, the Finance Director has been designated the Privacy Official/Officer who will be responsible for coordinating activities of the Committee.
- (b) **Security Breaches** - It is the policy of City of Pataskala utility department to address security breaches discovered within its utility in order to mitigate damage as follows:
  - (i) Customer Service Representative (CSR), utility management, City of Pataskala management or other City of Pataskala employee who discovers the breach in security

notifies the Privacy Officer/Official of the breach.

- (ii) Privacy Officer/Official must notify all committee Members by both oral and written means (may include letter or email).
  - (iii) Privacy Officer/Official must notify the law director.
  - (iv) If the breach has compromised the identity of a utility customer, the utility will notify the affected customer.
  - (v) The City of Pataskala Utility department shall document the incident(s) and include them as part of the report to the Committee, which the Committee will include as part of its annual report to the Board(s)/Council. This documentation could include an incident report plus procedures for each incident as developed by the Official/Officer and/or Committee and what were done to mitigate the exposure.
- (c) **Mitigation Choices** - It is the policy of the City of Pataskala utility department, once presented with the red flags, they be identified and reported. The following possibilities for mitigating the effects of the red flag could include but are not be limited to:
- (i) Monitor accounts
  - (ii) Contact customer
  - (iii) Change passwords
  - (iv) Close and reopen account
  - (v) Don't collect on, or sell, account
  - (vi) Notify law enforcement
  - (vii) No response
- (d) **Employee Training** - It is the policy of City of Pataskala Utility department to train each employee who has access to "identifying information" as defined by the FTC a minimum of between two to four hours for the first year of the Program, and then at least one hour of recurring annual training each year thereafter. The training will be administered by the Privacy Official/Officer or may be administered by a Member of the Committee, pending an assignment by the Committee. The employees will be trained on a "need to know" basis, only receiving information as it relates directly to their job.

For each new employee who it is determined to need access to the "identifying information" as defined by the FTC, that employee will be trained a minimum of between two to four hours for their first year working within the Program and at least one hour of recurring annual training each year thereafter.

A record of the employees trained, date, and hours trained, and curriculum covered shall be maintained.

The Curriculum could include but not be limited to:

- (i) Identity theft defined policy review, etc.
  - (ii) Handling data at the customer “window” (conscious of shoulder surfing and prying ears).
  - (iii) Handling data at your desk, monitoring your work area.
  - (iv) Computer security and safety.
  - (v) Document destruction and disposal.
  - (vi) Handling reports of identity theft.
  - (vii) Case studies in identity theft attempts.
- (e) **Address Discrepancy Notices**- It is the policy of the City of Pataskala Utility department, as users of information received from nationwide consumer reporting agencies (CRA), when notice of address discrepancy is received from the CRA, the procedure is as follows:
- (i) A difference is determined between the address the customer/potential customer provided and the address in the CRA’s files; and
  - (ii) A reasonable belief must exist that the consumer report relates to the consumer about whom the report was requested; and
  - (iii) The information is compared from the consumer report to the information provided by the consumer; and
  - (iv) The information provided in the consumer report is verified with the consumer to the satisfaction of the Privacy Official/Officer; and
  - (v) The utility confirms that the address for the consumer in its reasonable belief relates to the consumer about whom address discrepancy existed; and
  - (vi) Each address discrepancy shall be documented and will include the consumer’s name, address provided by the CRA, address provided by the consumer, date the discrepancy was reported by the CRA, date the consumer was notified and date the discrepancy was resolved.
- (f) **Records Disposal** - It is the policy of the City of Pataskala Utility department that it shall follow all Ohio Revised Code laws and regulations, as well as established City of Pataskala retention schedules to shred and destroy documents. The City shall retain the services of a certified, professional confidential records destruction service to destroy such records.
- (g) **Reports of Identity Theft** - It is the policy of the City of Pataskala Utility department, once a customer identifies themselves to the utility as a victim of identity theft, and notifies the utility of the theft of their identity that the utility request the following of that customer:
- (i) Request the customer provide a picture ID which meets the requirements as an ID for a customer opening a new account. The utility will then make a copy of this ID for its files.
  - (ii) The utility will provide the customer a Notice of Identity Theft form which will be created by the Official/Officer and passed by the Committee. It should include the name, address

- date and time the utility receives the notice, signature of the victim, verification of the identity as in (g)(i) above, and details of the identity theft.
- (iii) The customer will be required to submit a copy of both a police report and the affidavit (as posted on the website of the Federal Trade Commission at <http://www.ftc.gov>) of identity theft.
  - (iv) The City of Pataskala Utility department will document the receipt of these documents.
  - (v) The utility will then provide this documentation to the Official/Officer for further action.
  - (vi) Once received, this data will be reviewed and evaluated for the necessary course of corrective action to help prevent future identity theft.

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## Article III FINANCIAL POLICIES & PROCEDURES

### Section 3.01 Purpose and Scope

- (a) The City of Pataskala has a responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility. The following financial policies provide a summary of significant financial and budgetary policies required by state law, the City Charter, City Ordinances, accounting principles generally accepted in the United States (GAAP), and sound administrative practices. Such policies are designed to: (1) provide conceptual standards for financial decision-making; (2) enhance consistency in financial decisions; and (3) establish parameters for administration to use in directing the day-to-day financial affairs of the City. The scope of these policies includes budgeting, financial reporting, auditing, internal controls, asset management, risk management, capital improvement program, debt management, investments, and financial performance targets. These policies shall be reviewed periodically, and updates presented to City Council on an ‘as-needed’ basis.

### Section 3.02 Budgeting and Financial Planning

- (a) **Financial Planning Elements** – The major elements of the budget and financial planning processes for the City of Pataskala include the following, which will be presented in greater detail later in this policy document:
  - (i) **Annual Operating/Capital Budget** – These represent the annual financial plan of the City and are presented to City Council by the City Administrator, with assistance from the Finance Director in developing the plan. Council approves the annual budget by ordinance prior to December 31<sup>st</sup> of the prior year.
  - (ii) **Capital Improvement Plan** - This document establishes a policy framework to guide the expansion of the City, and the Administration’s proposed infrastructure improvements and capital equipment purchases. Updated annually, this 5-year plan provides City Council with the necessary information and financial requirements of such proposed spending.
  - (iii) **Five-Year Forecast** – The Finance Director, in consultation with the City Administrator and Department Heads, prepares a 5-year forecast of revenues, expenditures and fund balance. It is updated annually during the budget process. It provides estimates of funding needs and identifies funding sources. It serves as a ‘roadmap’ or guide as to where the financial health is projected to be over the succeeding 5 years.
- (b) **Long-Term Focus** – The City recognizes the importance of long-term strategic planning, as evidenced by its Capital Improvement Plan. Similarly, it recognizes that prudent financial planning considers multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term goals and objectives of the City.
- (c) **Conservatism** – One-time, or special purpose revenues should be used to finance capital projects, or for expenditures required by the revenue, and not to subsidize recurring personnel costs or other operating expenses.
  - (i) Revenues will be projected conservatively, but realistically, considering:

- 1) Past experience;
  - 2) The volatility of the revenue source;
  - 3) Inflation and other economic conditions; and
  - 4) The costs of providing the service
- (ii) Expenditures will be projected conservatively considering:
- 1) A conservative, but likely, scenario of events (versus “worst case scenario”);
  - 2) Specific identified needs of the program or service;
  - 3) Historical consumption and trends; and
  - 4) Inflation and other economic trends.

(d) **Annual Operating and Capital Budget**

- (i) **Scope** – The operating and capital budget serves as the City’s annual financial operating plan. All funds, with the exception of Agency or Fiduciary funds, are subject to appropriation by Council.
- (ii) **Balanced Budget** – While it is recognized that operational demands might occasionally require that spending in a fund during any particular year might necessarily exceed projected revenues for that same period, the City Administrator shall strive to present a balanced budget for Council consideration whereby fund revenues either equal or exceed fund appropriations. In no case shall the proposed cash resources of each fund (beginning of year unencumbered fund balances plus estimated receipts) be less than the proposed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
  - 1) Reduce expenditures through improved productivity;
  - 2) Shift expense to other parties;
  - 3) Allocate expenditures to the fund or department which directly benefits from the services.
  - 4) Create new service fees, or increase existing fees;
  - 5) Seek tax rate increases; or
  - 6) Reduce or eliminate services.
- (iii) **Modifications to the Budget** – Amendments to authorized appropriations needed from time to time as changing circumstances dictate shall be made by legislation via a supplemental appropriation ordinance. Such legislation shall be prepared by the Finance Director and submitted to City Council, along with the rationale supporting the request(s). The legislation shall provide detail at the fund, function and object level (ex., Fund 101 – General Fund, Function 100 – General Government, Object 52 – Salary & Related).



(e) **Capital Improvement Program (CIP)/Capital Budget**

- (i) **Scope** – The City shall provide for the adequate maintenance of the capital plant and equipment and provide for the orderly replacement of such equipment and infrastructure.
- (ii) **Five-Year Capital Plan** – The City shall prepare a five-year capital plan and update it annually during the development process for the annual operating budget. Such plan shall be approved by Council in the minutes. The plan shall prioritize all anticipated capital projects and determine availability of funding.
- (iii) **Capital Budget** – An annual capital budget shall be prepared and provided to Council as a part of the annual operating budget development process.
  - 1) **Scope:** The capital budget encompasses any funds of the City which may provide resources for capital improvements as established from time-to-time for specific projects.
  - 2) **Eligible Projects:** The purchase or construction of a capital asset with an acquisition cost of at least \$5,000 and has a useful life of at least five (5) years is eligible for funding as a capital project.
  - 3) **Funding:** Recommended funding source and resource availability information shall be presented to Council for each project. The administration shall investigate any and all potential alternative funding sources, such as federal/state grants or the issuance of debt funding.

(f) **Five-Year Forecast** – A five-year forecast of revenues, expenditures and fund balance shall be updated on an annual basis and presented to Council during the annual operating budget approval process. The document shall be formally accepted by Council within the minutes. The purpose of the forecast is to:

- (i) Identify major policy issues for City Council’s consideration;
- (ii) Prepare annual estimates of projected revenues and operating expenditures over the extended time horizon, as well as incorporating planned capital spending into the plan. This serves to determine the annual funding requirements and projected future fund carryover balances.
- (iii) Identify financial trends in advance, or in the early stages, so that timely corrective action can be taken if needed; and
- (iv) Serve as a communication tool to share the City’s plans to the public and provide an opportunity for the public to comment and provide feedback.

(g) **Budgetary Compliance and Monitoring**

- (i) **Budgetary Control System** - The City shall maintain a budgetary control system to ensure that appropriations and fund balances will not be overdrawn. As a part of such budgetary control, a purchasing control system will be maintained which will generally require advanced authorization of purchases as required by the Ohio Revised Code (ORC §5705.41) and the City of Pataskala purchasing and procurement policy (§2.01). Encumbrance accounting will be utilized as an extension of formal budgetary control. Under this system,

purchase orders (POs), contracts, and other commitments for the expenditure of monies are recorded as an appropriation encumbrance (e.g., restriction) prior to placing the order or entering into the contract, in order to reserve that portion of the applicable appropriation. The integrity of the various funds will be maintained by the proper crediting of revenues, and the proper charging of costs. In the event where there is insufficient appropriations in a specific budget line item to cover a proposed expenditure, the budget should be adjusted to accommodate such spending through either an authorized budget transfer or via a supplemental appropriation ordinance, instead of simply booking or charging the expense to an inappropriate or less than ideal budget line that has sufficient funding.

- (ii) **Financial Reporting** – Monthly cash basis financial reporting shall be prepared by the Finance Director and submitted to City Council, the Mayor and department heads on a timely basis. Such reports will provide information on, and an analysis of, the status of revenue collections as compared to projected revenues and the reasons for any significant favorable or unfavorable variances. In addition, the reports shall also compare actual spending and encumbrances with approved budget amounts, along with the rationale for any favorable or unfavorable variances. Updated projections of year-end fund carryover balances shall also be included in such reporting.

### **Section 3.03 Interfund Transfers and Advances**

- (a) **Definition** – Interfund transfers are identified as the permanent transfer of monies between funds, while interfund advances are identified as the temporary movement of monies between funds. The distinction between the two types of funds movement is that an advance is anticipated to be reversed or repaid within one (1) year from the date of the advance. In the event that an advance appears to be of a more permanent nature, it shall be reclassified on the City’s ledger as a transfer, and must follow the policies required for interfund transfers.
- (b) **Interfund Advances** – In the event that a temporary movement of funds is required to cover/fund an expenditure which has previously been approved by Council through the passage of a supplemental appropriation ordinance, the Finance Director, with the approval of the City Administrator, is authorized to make such temporary advances. This situation typically results from a timing issue whereby the revenues aren’t collected or reimbursement received prior to the required issuance of a purchase order, whereby a fund’s cash balance would otherwise be reduced to a less than zero (e.g., negative) balance, such overdrawn fund balance being in violation of ORC and City policy requirements. Council shall be promptly notified of any interfund advances in the Finance Director’s periodic reporting to Council
- (c) **Interfund Transfers** – Permanent transfers of cash may be made between City funds if authorized, by City Ordinance by an affirmative vote of at least four (4) members of Council. All transfers will be reviewed and determined to be in compliance by the Finance Director in accordance with ORC Sections 5705.14, 5705.15 and 5705.16 prior to Council approval.

### **Section 3.04 Allocation and Assignment of Expenditures**

- (a) **Policy** – The General Government, Legal and Finance functions provide administrative overhead services to other funds. The cost of this overhead must be considered to establish the full cost of operations of all City funds in which such dedicated employees provide services to other City

funds and departments. The Finance Director will recommend, in the Annual Operating and Capital Budget, an equitable allocation of costs and administrative charges based upon a cost accounting analysis.

### Section 3.05 Fund Balance Reserves

- (a) **General Policy** – A Government Finance Officers Association (GFOA) ‘Best Practice’ prescribes the need for maintaining adequate reserves in order to maintain operations during periods of fiscal stress. The City shall budget target year-end carryover cash fund balances for various operating funds, depending upon the type of fund, to provide reserves for unforeseen emergencies, or revenue shortfalls, and to eliminate the need for short-term borrowing for cash flow requirements. The City shall periodically review the status of all fund balances, at least annually, and shall strive to maintain a balance equal to a specified percentage of annual expenditures for each fund.
- (b) **Governmental Funds Policy** –According to the best practice entitled ‘*Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund*’, the GFOA recommends that “*Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months (emphasis added) of regular general fund operating revenues or regular general fund operating expenditures*”. Due to their unique nature, most special revenue, capital improvement and debt service funds shall maintain adequate fund balance in order to maintain operations, although no specific ranges are identified. The City of Pataskala, however, shall endeavor to maintain, at a minimum, the following ranges for its’ primary Governmental Funds:
  - (i) General Fund 25-35%
  - (ii) Street Fund 25-35%
  - (iii) Police Fund 25-35%
- (c) **Utility Funds Policy** - The Government Finance Officers Association (GFOA) ‘Best Practice’ also prescribes the need for maintaining adequate reserves in enterprise (e.g. utility) funds in order to maintain operations during periods of fiscal stress. According to the best practice entitled ‘*Determining the Appropriate Level of Working Capital in Enterprise Funds*’, the GFOA recommends that “*In order to arrive at a customized target amount of working capital, governments should start with a baseline of ninety (90) days’ worth of working capital, and then adjust the target based on the particular characteristics of the enterprise fund in question (using 45 days as the minimum acceptable level)*”. In order to determine the appropriate level of working capital, the City should consider the following characteristics s they pertain to the City’s enterprise funds: (1) level of transfers out; (2) demand for services; (3) control over rates and revenues; (4) asset age and condition; (5) volatility of expenses; (6) control over expenses; and (7) the utility’s debt position. The City of Pataskala, however, shall endeavor to maintain, at a minimum, the following ranges for its’ operating Utility Funds:
  - (i) Water Operations Fund 30-50%
  - (ii) Sewer Operations Fund 30-50%

### Section 3.06 Financial Reporting

- (a) **Policy** – The City will prepare its annual basic financial statements in conformance with applicable statutes and, where applicable, accounting principles generally accepted in the United States (GAAP). The City will endeavor to create a Annual Comprehensive Financial Report, or ACFR, however, it will be evaluated on an annual basis to determine if the benefit of providing this report to City Council, management, rating agencies and its citizens outweighs the cost of preparing such a document.

### Section 3.07 Internal Control Policies

- (a) **Policy** – The City will maintain a system of internal controls to safeguard its' assets against loss, ensure the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.
- (b) **Internal Control System Objectives** – The City's system of internal controls should be able to provide reasonable assurance that the following objectives are met:
  - (i) *Authorization*: All transactions are properly authorized by management;
  - (ii) *Recording Transactions*: Transactions are recorded as necessary to: (1) permit preparation of financial statements in conformance to statutory requirements and accounting principles generally accepted in the United States of America; and (2) maintain accountability for assets;
  - (iii) *Access to Assets*: Access to assets, systems and records should be permitted only with management's authorization;
  - (iv) *Periodic Independent Verification*: The records should be checked against the assets by someone other than the persons responsible for the records of these assets. Examples of independent verification are monthly bank reconciliations and periodic counts of inventory.;
  - (v) *Segregation of Duties*: The organizational plan should separate functional responsibilities. In general, when the work of one employee is checked by another, and when the responsibility for custody of assets is separate from the responsibility for maintaining the records relating to those assets, then there is appropriate segregation of duties. The City will attempt to implement segregation of duties to the extent available based upon the respective size of the City's departments, availability of staff, and cost-benefit relationship of implementing recommendations pertaining to segregation of duties.
- (c) **Written Procedures** - Written procedures will be maintained by the Finance Director for all functions involving the handling of cash and securities. These procedures shall embrace sound internal control principles.
- (d) **Finance Department Responsibilities** - Written procedures will be maintained by the Finance Director for all functions managed within the Finance department, including accounts payable, accounts receivable, etc. These procedures shall embrace sound internal control principles.
- (e) **Department Head Responsibilities** - Each Department Head is responsible to ensure that internal control procedures, including those issued by the Finance Department, are followed throughout the department.

### Section 3.08 Capital Asset Management

- (a) **Asset Class Definition** - Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, infrastructure, and all other assets that are used in operations and that have initial useful lives extending beyond one year. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, sidewalks, and similar items.
- (b) **Asset Valuation** - All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their estimated fair market value at the time received. Interest on constructed capital assets for enterprise funds is capitalized.
- (c) **Capitalization Threshold & Useful Lives** - A capitalization threshold is the cost established by the City that must be met or exceeded if an asset is to be recorded and depreciated as a capital asset. The City has established a detailed listing of estimated useful lives and capitalization thresholds by asset type. A copy of the current schedule is included in Appendix G. The City shall properly and promptly insure all capital assets based on established policies which may differ from the amount captured for financial reporting purposes.
- (d) **Safeguarding of Assets** – The City’s capital assets will be reasonably safeguarded and used only for an appropriate proper public purpose. Responsibility for the safeguarding of the City’s capital assets lie with the Department Head to whose department the capital asset is assigned.
- (e) **Periodic Inventory** – All capital assets shall be tagged with an identifying number, unless the asset does not permit such affixing such a tag. Each department shall conduct a periodic inventory of capital assets using guidelines established by the Finance Department.

### Section 3.09 Risk Management/Insurance

- (a) **Policy** - The City shall make diligent effort to prevent a loss or degradation of City assets, and to reduce the City’s exposure to liability. The City shall transfer risk to other parties, where cost-effective, by purchasing insurance. Such insurance policy shall include, but not limited to, the following policy coverages:
  - (i) General Property
  - (ii) Inland Marine
  - (iii) Computer Coverage
  - (iv) Employee Dishonest/Crime
  - (v) General Liability
  - (vi) Employee Benefits Liability
  - (vii) Employer’s Liability
  - (viii) Public Officials Liability and Employment Practices
  - (ix) Law Enforcement Liability
  - (x) Automobile Liability

(xi) Cyber Coverage

- (b) **Third-Party Indemnification** – Where possible, the City shall shift the legal and financial responsibility for losses or potential losses to the third parties who perform work or provide services to the City, such losses or potential losses being caused by the actions of those third parties. This transfer of risk may occur through a variety of means in leases, purchase and service agreements, and other contracts. The transfer of risk shall be made formally, in writing, and may include indemnification agreements, insurance requirements, and the required provision of certificates of insurance (with the City of Pataskala named as an “additional Insured”).

### **Section 3.10 Enterprise Funds**

- (a) **Purpose** - Enterprise funds are commonly used to account for activities that are fully financed through user charges. Also, they are used when it has been determined that it is beneficial to determine the full cost of operations, including the determination of depreciation and other such private sector accounting conventions. Accordingly, enterprise funds are subject to accounting principles generally accepted in the United States of America applicable to similar businesses in the private sector.
- (b) **Enterprise Activities** – The following activities and associated funds are currently classified as enterprise funds:
- (i) 601 – Water Operations: Water treatment and distribution system operation
  - (ii) 602 – Water Capital Improvements & 603 – Water Bond Improvements: Water treatment and distribution system expansion and improvements.
  - (iii) 604 – Water Debt Service: Provide funding for water treatment and distribution system-related debt service.
  - (iv) 605 – Water Utility State Issue II (OPWC): Accounting for grant and loan proceeds from the Ohio Public Works Commission for the construction of water utility system improvements, and the related expenditures for such improvements.
  - (v) 606 - Water Utility State Issue II (OPWC): Accounting for grant and loan proceeds from the Ohio Public Works Commission for the construction of water utility system improvements, and the related expenditures for such improvements.
  - (vi) 651 – Sewer Operations: Sewer collection and treatment system operation.
  - (vii) 652 – Sewer Capital Improvements & 653 – Sewer Bond Improvements: Sewer collection and treatment system expansion and improvements.
  - (viii) 654 – Sewer Debt Service: Provide funding for sewer collection and treatment system-related debt service.
  - (ix) 655 – The Oaks Special Assessment: Accumulating the special assessments collected from residents of The Oaks subdivision for the construction of water and sewer improvements, and the payment of the related debt service.
  - (x) 656 – Sewer Utility State Issue II (OPWC): Accounting for grant and loan proceeds from the Ohio Public Works Commission for the construction of sewer utility system

improvements, and the related expenditures for such improvements.

- (c) **Enterprise Fund Financial Performance Policies** – The revenue generated by the water and sewer enterprise funds shall be sufficient to support 100% of the following:
  - (i) operating costs, determined on the budgetary basis of accounting;
  - (ii) administrative overhead charges;
  - (iii) debt service;
  - (iv) adequate maintenance and replacement of capital plant and equipment;
  - (v) special replacement reserves, and other reserves required by grant or bond indentures; and
  - (vi) cash fund balance reserves as specified elsewhere in this policy.
- (d) **Enterprise Funds Revenue and Fee Policy** - Rates shall be reviewed annually and adjusted to allow charges to grow at a rate that keeps pace with the cost of providing the service. Projected cash needs for at least five years into the future will be considered when establishing rates. This policy will result in incremental increases in rates rather than large increases that may result in a financial burden to customers. The City may elect to conduct rate studies by third parties to determine the operating, capital, and debt service needs in order to maintain positive cash flow within the City's Enterprise Funds.

### **Section 3.11 Audit**

- (a) **Policy** – The City shall have an annual financial audit conducted by the Ohio Auditor of State, or a duly designated independent public accounting firm (IPA). This audit shall be conducted according to standards established by the Auditor of States office, generally accepted auditing standards (GAAS), and generally accepted governmental auditing standards (GAGAS).

### **Section 3.12 Investments and Deposit of Funds**

- (a) **Policy Overview** - It is the policy of the City of Pataskala, Ohio to invest public funds in a manner which seeks to preserve capital, while at the same time meeting the daily cash flow needs of the City. The policy is intended to comply with all federal, state, and local statutes that govern the investment of public funds.
- (b) **Investment Income Allocation** – Interest shall be distributed to the following funds on a relative proportion each fund is of the prior month's total ending cash balance, and in accordance with generally accepted accounting principles (GAAP):
  - (i) **Governmental Funds:**
    - 1) 101 - General Fund
    - 2) 201 - Street Fund
    - 3) 202 – State Highway
    - 4) 205 – Permissive Tax Fund
    - 5) 206 – Recreation Fund

- 6) 207 – Park Use Fund
- 7) 208 – Police Fund
- 8) 301 – Capital Improvements Fund
- 9) 302 -Bond Improvements
- 10) 401 – Debt Service Fund
- 11) Any other special revenue, capital, or debt service funds with a material balance.

(ii) **Utility Funds:**

- 1) 601 – Water Operations
- 2) 602 – Water Capital Improvements
- 3) 603 – Water Bond Improvements
- 4) 604 – Water Debt Service
- 5) 651 – Sewer Operations
- 6) 652 – Sewer Capital Improvements
- 7) 653 – Sewer Bond Improvements
- 8) 654 – Sewer Debt Service

(c) **Deposit of Funds –**

- (i) **Cash Collection Points:** Monies received at cash collection points throughout the City of Pataskala must be deposited in accordance with this policy. Cash collection points are any areas within the City of Pataskala where money flows into the City. Currently identified cash collection points are:
  - 1) Planning and Zoning department - building permits, etc.
  - 2) Utility billing department - monthly utility use payments
  - 3) Mayor’s Court - fines, forfeitures, and court costs
  - 4) Police Department - typically fingerprinting fees and police report charges
  - 5) Administration Office – shelter house rentals, garage sale permits and miscellaneous activities
  - 6) Municipal swimming pool – daily entry fees, concession stand sales
  - 7) Finance Department –revenue EFT receipts such as income tax revenues, grant proceeds, investment income, etc. and monthly Mayor’s Court distribution (via check)
- (ii) **Deposit Protocol -** Departments that receive monies at cash collection points in the City of Pataskala are required to deposit all monies received with the Finance Director or Assistant Finance Director on the next business day following such receipt, if the total amount of monies exceeds \$100. If the monies received do not exceed \$100, the person shall deposit such monies with the Finance Director or Assistant Finance Director not later than two (2)



business days following the day of receipt in accordance with ORC §9.38. Persons who receive money at cash collection points are responsible for its safekeeping until the money is deposited with the Finance Director or Assistant Finance Director. All funds shall be secured in lock boxes or other secured means on City of Pataskala property and not taken home in the event such funds cannot be deposited timely. Employees which do not deposit monies in accordance with said policy are considered in violation of ORC §9.38, and the appropriate disciplinary action may be taken by the employee's immediate supervisor.

- (d) **Active Funds** – The City shall designate public depositories eligible to receive deposits of the City's active funds at least once every five years. Depositories so designated shall appear on a list of eligible depositories authorized by the State of Ohio. (ORC §135.12). Active funds are defined as those monies that will be needed for immediate use, or for use within the current fiscal period.
- (e) **Change Funds** - The City recognizes the convenience of a change fund in the day-to-day operations of the City. The City authorizes the establishment of a change fund to be in the care of a designated cashier, identified and authorized by the applicable department director, who shall be responsible for providing change as needed. Monies earmarked as change funds are not required to be deposited with the Finance Department or designated financial institution. However, change funds may not be used for the purchase of goods and services. The designated cashier and/or the department director may be subject to disciplinary action if monies are used for an improper purpose. Such funds are subject to unscheduled 'snap' audits to confirm that the proper balance remains in the fund.
- (f) **Interim Funds** - The Finance Director shall maintain a list of entities eligible to receive deposits of the City's interim funds. Interim funds are those funds not needed to satisfy immediate obligations of the City. Entities placed by the Finance Director on the eligibility list shall appear on a list of eligible depositories authorized by the State of Ohio. (ORC §135.12). In addition, authorized representatives of the entity must provide the Finance Director with a signed copy of the City's current investment policy.
- (g) **Investment Policy**
  - (i) **Scope** - The City's investment policy applies to all interim funds that are pooled and deposited in either the General Bank Depository Account or the Utility Bank Depository Account. Except for cash in certain restricted and special funds as required by law or bond indenture, the City will consolidate cash balances from all funds to maximize investment earnings. The investment portfolio shall be regularly monitored in the context of available markets and the relative value of competing investments. The portfolio may be adjusted accordingly.
  - (ii) **Prudence** - All Finance Department officials involved in the investment process shall be responsible custodians of the public trust and will avoid any transaction that may impair said trust and confidence in the City. The investments shall be made in the context of the "prudent investor" rule (ORC §5809.07), which states: "...using the judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds considering the probable income as well as the probable safety of their capital".

Investment officers who exercise due diligence in accordance with written procedures and this policy shall be relieved of personal responsibility for an individual security's credit risk or market price deviations. The deviations from expectations must be reported in a timely fashion and appropriate action must be taken to control adverse developments. Nothing in this policy shall be construed to relieve any investment officer from the legal requirements established by the Ohio Revised Code (ORC 135).

(iii) **Investment Objectives** - The City's investment portfolio is designed and managed in a manner responsive to the public trust and consistent with federal, state, and local statutes. Investments are made on the basis of the following list of objectives. In priority order: safety; liquidity; and return are the three primary objectives that govern the City's investments.

- 1) **Safety**: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital and protection of principal in the overall portfolio. To attain this objective, credit risk and interest rate risk are to be minimized by diversifying the investments by type with independent returns, and various financial institutions.
  - a) *Credit Risk*: The City will minimize the risk of loss due to the failure of an investment issuer by:
    - i) limiting investments to the safest security types, with US ratings of AA+/Aaa;
    - ii) pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors;
    - iii) diversifying the investment portfolio so that the potential loss on individual securities has a minimal impact on the income from the remainder of the portfolio;
    - iv) diversification being reflected in the types of investments held and the financial institutions used; and
    - v) using centralized safekeeping (e.g., custody) accounts for securities, or having such securities registered in the City's name at national depositories (e.g, DTC, etc.).
  - b) *Interest Rate/Market Risk*: The City will minimize the risk of fair value losses from rising interest rates by investing in shorter-term securities and money market mutual funds and similar cash pools. The maximum maturity for securities in the City's investment portfolio is five (5) years. In addition, the portfolio shall be structured so that securities mature when cash is needed to meet obligations.
- 2) **Liquidity** - The second objective of the City's investment program is to provide adequate liquidity to meet all operating obligations that may be reasonably anticipated. The City will primarily meet cash disbursement requirements using current receipts. A portion of the portfolio may be placed in money market funds or local government investment pools that offer same day liquidity for short-term funds. Because all cash

demands cannot be anticipated, the portfolio will consist primarily of securities with active secondary markets (dynamic liquidity).

- 3) **Return on Investment** - The City of Pataskala's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, considering the City of Pataskala's safety and liquidity requirements. Securities shall be purchased with the expectation that they will be held until maturity (e.g., 'buy & hold'). Securities may only be sold prior to maturity for the reasons listed below. If liquidity needs require that an investment be sold at a loss, such sale must be approved by the Finance Director.
- a) To minimize loss of principal due to declining credit; or
  - b) To improve the quality, yield or target duration in the portfolio; or
  - c) To meet liquidity needs of the portfolio.
- (iv) **Delegation of Authority** - The authority to manage the City's investment program is derived from Article VI, 6.02(B) of the Charter of the City of Pataskala. The Finance Director has management responsibility for the investment program and shall be responsible for all transactions undertaken and establish a system of controls to regulate the investment activities.
- (v) **Investment Procedures** - The Finance Director shall establish investment procedures for the operation of the investment program consistent with this policy. The procedures shall include references to the following topics: safekeeping, wire transfer agreements, banking service contracts, cash flow forecasting, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for the investment transactions. No person may engage in an investment transaction except as authorized by, and as provided under, the terms of this policy and the procedures established by the Finance Director.
- Such procedures will include an internal control structure adequate to provide a satisfactory level of accountability by maintaining records incorporating descriptions and investment amounts, transition dates, other relevant information, and regulating subordinate employees' activities. The Finance Director may utilize the advice of a licensed and designated state or SEC Registered Investment Advisor to fully authorize the purchase or sale of investments in accordance with this Investment Policy and to sign investment-related agreements with authorized financial institutions and brokers/dealers on behalf of the City of Pataskala in the City's best interest.
- (vi) **Ethics and Conflicts of Interest** - City officials and employees involved in the investment process shall refrain from personal business activity that could conflict or appear to conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

City officials and employees involved in the investment process shall disclose to City Council any material financial interests in financial institutions with which the City of Pataskala conducts business. They will further disclose any large personal financial or investment positions that could be related to the performance of the investment portfolio of

the City of Pataskala. The disclosure document must contain any personal or financial interest in financial institutions with which they conduct business and shall further disclose any personal or financial positions that could be related to the performance of the investment portfolio.

(vii) **Authorized Financial Dealers and Financial Institutions**

- 1) Employees and officers will refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Pataskala. The officers and employees involved in the investment process shall abide by the standards of professional conduct of the City of Pataskala, the State of Ohio, and the Government Finance Officers Association (GFOA).
- 2) For investments executed by the City, the Finance Director will maintain a list of qualified broker/dealers and financial institutions authorized to execute transaction. All brokers/dealers and financial institutions initiating transactions with the City of Pataskala must acknowledge this investment policy by returning a signed copy of the Investment Policy. The Finance Director:
  - a) may make additions to the authorized list when investment and deposit policy requirements are met;
  - b) shall make deletions from the list: (1) if, and as directed by City Council; (2) upon the failure of the financial institution to meet the requirement of this policy; or (3) upon the request of the financial institution or dealer; and
  - c) may make deletions from the list based on the following: (1) perceived financial difficulties of the financial institution or dealer; (2) consistent lack of competitiveness by the financial institution or dealer; (3) lack of experience or familiarity of the account representative in providing service to large institutional accounts; or (4) when deemed in the best interests of the City.
- 3) All financial institutions and brokers/dealers who desire to execute investment transactions with the City of Pataskala must supply the City with the following:
  - a) Completed broker/dealer questionnaire and FINRA brokercheck background review
  - b) Proof of FINRA registration
  - c) Proof of state registration
  - d) Audited financial statements
  - e) Certificate of having read the City of Pataskala's Investment Policy and depository contract
  - f) Depository agreement
  - g) Other relevant information as requested
- 4) An annual review of the financial condition and registrations of qualified financial institutions and brokers/dealers will be conducted by the Finance Director. A current

audited financial statement is required to be on file for each financial institution and broker/dealer in which the City of Pataskala invests.

- (viii) **Authorized and Eligible Investments** - Investments shall include only those permitted by law, and those that local investment managers are trained and competent to handle. Chapter 135 of the Ohio Revised Code sets forth the requirements and limitations for investments of the state's political subdivision, including the City of Pataskala. The City of Pataskala is authorized to invest in any instrument or security outlined in the Ohio Revised Code 135.14, as amended. All investment transactions will be completed on a competitive basis whenever possible. The purpose of competitive bidding is to ensure that the best price is received by the City. Typically, when securities are purchased or sold a minimum of three bids/offers on similarly structured securities will be obtained. When this is not possible due to operational realities of the marketplace, prudence must be exercised to ensure the best prices are being received. The right is reserved to reject any offering or bid if it is inconsistent with the City's investment strategy.

The City is empowered by statute to invest in the following types of securities:

- a) United States Treasury bills, notes, bonds, or any other obligation, or security issued by the United States Treasury, or any other obligations guaranteed as to principal and interest by the United States. Stripped principal or interest obligations of such eligible obligations are expressly prohibited.
- b) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including the following:
  - i) Federal National Mortgage Association (FNMA);
  - ii) Federal Home Loan Bank (FHLB);
  - iii) Federal Farm Credit Bank (FFCB);
  - iv) Federal Home Loan Mortgage Corporation (FHLMC); or
  - v) Government National Mortgage Association (GNMA).All federal agency securities shall be direct issuances of the federal government agency or instrumentality. The purchase of collateralized mortgage obligations (CMO's) or any other obligation classified as a derivative product is expressly prohibited.
- c) Bonds and other obligations of the State of Ohio, or the political subdivisions of this state, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:
  - i) The bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.
  - ii) The bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer.

- iii) The aggregate value of the bonds or other obligations does not exceed twenty per cent of interim monies available for investment at the time of purchase.
  - iv) The treasurer or governing board is not the sole purchaser of the bonds or other obligations at original issuance.
  - v) The bonds or other obligations mature within ten years from the date of settlement.
- d) Time certificates of deposit (CDs) in authorized depositories, provided those funds are properly insured or collateralized as provided in Ohio Revised Code Section 135.18. The payment of the principal and interest thereon for which eligible securities are pledged must be paid and deposited with the City or qualified and approved trustee.
- e) Negotiable time certificates of deposit (negotiable CDs) which have a secondary market in which to trade such securities. The underlying issuer must be covered by FDIC insurance, and the amount of the acquired security is limited to ninety eight percent (98%) of the available FDIC coverage. For example, an investment in a negotiable certificate of deposit (CD) would be limited to \$245,000 assuming FDIC coverage limit of \$250,000.
- f) For no-load and government money market mutual funds consisting exclusively of obligations described in (A) or (B) above and master repurchase agreements secured by such obligations, the City will have as its due diligence standard a required questionnaire that addresses the following to assure compliance with this Investment Policy:
- i) A description of eligible investment securities, and a written statement of investment policy and objectives;
  - ii) A description of interest calculations and how it is distributed, and how gains and losses are treated;
  - iii) A description of how the securities are safeguarded (including the settlement processes), and how often are the securities priced and the program audited.
  - iv) A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
  - v) A schedule for receiving statements and portfolio listings;
  - vi) Are reserves, retained earnings, etc. utilized by the pool/fund?
  - vii) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?
- g) The Ohio subdivision's funds (STAR Ohio and STAR Plus) are eligible investments, provided that the funds maintain the highest letter rating provided by at least one nationally recognized standard rating service as outlined in the Ohio Revised Code Section 135.45.
- h) Up to ten percent (10%) of interim moneys available for investment may be invested in the following:
- i) Commercial paper notes issued by an entity that has assets in excess of \$500

million dollars, and are defined in division (D) of the ORC §1705.01, and:

- a. Are rated at the time of purchase in the highest two classifications established by at least two nationally recognized standard rating service;
  - b. The aggregate value of the notes does not exceed ten percent (10%) of the aggregate value of the outstanding commercial paper of the issuing corporation; and
  - c. The notes mature not later than one hundred eighty (180) days after purchase.
- ii) Bankers acceptances on banks that are insured by the Federal Deposit Insurance Corporation, and:
- a. The obligations are eligible for purchase by the Federal Reserve System; and
  - b. The obligations mature not later than one hundred eighty (180) days after purchase.
- i) Written Repurchase Agreements (repos) with eligible financial institutions, as set forth in the Ohio Revised Code Section 135.03. All Repurchase Agreements must be entered into, subject to a Master Repurchase Agreement providing for the terms outlined below and satisfactory to the Law Director of the City of Pataskala. The Master Repurchase Agreement must be signed with the bank or dealer. The City of Pataskala elects not to invest in certain legally authorized investments, in accordance with ORC §135.14, as follows:
- a. Derivatives;
  - b. Reverse Repurchase Agreements (Repos); and
  - c. Collateralized Mortgage Obligations (CMO).

**(ix) Collateralization**

- 1) All deposits shall be collateralized pursuant to the requirements of the Ohio Revised Code Section 135.18. Collateralization is required for Certificates of Deposit and Repurchase Agreements. The collateralization level will be 102% of the market value of principal and accrued interest to anticipate market changes and to provide a level of security for all funds.
- 2) Eligible securities used for collateralizing deposits will be held by the depository and/or a third-party bank or trust company in the City of Pataskala's name, subject to security and custodial agreements. In lieu of having to independently managing the collateralization process, deposits held by authorized financial institutions may instead collateralize such deposits through participation in the statewide Ohio Pooled Collateral System program.
- 3) The security agreement must state that the eligible securities are pledged to secure the City deposits together in a single pool with agreed interest, if any, and any collection expenses arising from said deposits. It shall also provide the condition under which the securities may be sold, substituted, presented for payment, or released providing

collateral values are maintained, and the events which enable the City to exercise said rights against the pledged securities, including failure to meet deposit repayment or collateral terms, or the institution’s insolvency.

- 4) Collateral will always be held by an independent third-party. The custodial agreement must state that the securities be held by the bank or trust company, as agent of and custodian for and approved by the City. The securities will be kept separate from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing for any other deposit or liabilities. A clearly marked evidence of ownership must be supplied and retained by the City. The agreement will describe the custodian’s confirmation of the receipt, substitution or release of the securities. The custodial agreement also shall provide for daily revaluation of eligible securities and for the substitution of securities when a change in the security’s rating may cause ineligibility. The custodial agreement shall provide that the custodian will exercise the City’s rights to the security or as instructed by the City. Finally, the agreement must include all provisions to provide the City with a perfected interest in the securities. The right of collateral substitution is granted.
  
- (x) **Safekeeping and Custody of Securities** - All security transactions, including collateral for repurchase agreements, entered into by the City of Pataskala shall be conducted on a delivery-versus-payment (DVP) basis. That is, broker/dealers will not be paid until the securities purchased are delivered to the City or to the City’s designated centralized safekeeping account. The securities will be held by centralized safekeeping at a qualified financial institution, hereafter designated “custodian”. The centralized custodian will be designated by the Finance Director. The securities will be free and clear of any lien. The custodian will issue a safekeeping receipt to the City, listing the instrument, maturity date, and rate. Month-end reports will also be provided to the City by the Custodian, including held securities, book and market values, in addition to a written custodial agreement.
  
- (xi) **Diversification** - It is the policy of the City of Pataskala to diversify its investments by investment instrument, type, issuer, and maturity scheduling to reduce overall portfolio risks while attaining at least the benchmark rate of return. To comply with the principle of proper financial diversification, the following guidelines are set forth with regard to eligible securities to be used at the time of purchase of each security investment. The following percentages are maximum investments for each type of security:
  - 1) US Government Obligations 100%
  - 2) US Federal Agency Securities 100%
  - 3) FDIC-Insured Certificates of Deposit 100%
  - 4) Municipal Bonds/Other Obligations 40%
  - 5) STAR Ohio/STAR Plus 50%
  - 6) Commercial Paper 10%
  - 7) Repurchase Agreements 10%
  - 8) Overnight excess cash deposit (sweep) as needed



(xii) **Maximum Maturities** - To the extent possible, it is the cash management practice of the City to match its interim fund investments with anticipated cash flow requirements to obtain the optimum economic and market conditions. The maximum maturity of any eligible instrument is five (5) years from the settlement date (date of purchase).

(xiii) **Internal Control** - An internal control process shall be established for independent review by an external auditor. The review shall assure internal control compliance with policies and procedures. A system of internal controls shall be designed to protect the City from theft, loss, and misuse of public funds. The City will attempt to prohibit collusion by separating investment transactions from the accounting and recording of those transactions. The City will assure the timely delivery and matching of custodial trust receipts.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

(xiv) **Performance Standards** - The City's investment strategy is passive in nature in that securities are held to maturity. The yield objective is to attain a rate of return equaling or exceeding a weighted benchmark comprised of the following:

- 1) 50% - average yield of two-year Treasury Notes
- 2) 25% - three-month average yield of STAR Ohio
- 3) 25% - Bank of America Merrill Lynch 1-3 year US Treasury Index
- 4) The City shall undertake a formal evaluation of performance and occasional operational audits to determine whether market yields have been achieved. This benchmark is subject to change if it is deemed to no longer be an appropriate target.

(xv) **Investment Advisory Committee** - An Investment Advisory Committee (IAC) shall be established, which includes the Mayor, Council Finance Committee Chair, the City Administrator, and Finance Director. The Investment Advisory Committee assumes the responsibility to review investments and revise the investment policy. It may also adopt rules for assuring that the policy remains current and similar to policies adopted by other Ohio political subdivisions and remains in compliance with all recognized legal and statutory regulations adhering at all times to the Charter of the City of Pataskala.

The Committee shall meet at least annually to recommend any changes to the Investment Policy. If approved by the Committee, the changes will be submitted to City Council for approval. The Committee shall maintain a record of its proceedings.

(xvi) **Reporting** - The Finance Director shall provide a monthly Investment Report to the Investment Advisory Committee, City Council, and other City officials to provide an analysis of the current investment portfolio. The report will be prepared in a manner which will allow the Investment Advisory Committee to ascertain whether investment activities during the reporting period have conformed to the Investment Policy and achieved the benchmark rate of return. The management report shall include, but not be limited to, the following information:

- 1) Description of each security
  - 2) CUSIP number of each security
  - 3) Purchase date of each security
  - 4) Par value of each security
  - 5) Coupon for each security
  - 6) Purchase price of each security
  - 7) Book value of each security
  - 8) Market value of each security
  - 9) Call date/type of each security for callable securities
  - 10) Maturity date of each security
  - 11) Weighted average maturity of the portfolio
  - 12) Weighted average yield to worst
  - 13) Percentage of the portfolio by investment type
  - 14) The custodian bank or broker/dealer shall provide a monthly report showing the current market value of each security owned by the City. CUSIP numbers for each security are to be included in the report.
- (xvii) **Training and Education** - The Finance Director must maintain sufficient investment-related education and training in order to comply with the continuing education (CPIM) requirements prescribed by the Ohio Treasurer of State in ORC Section 135.22.
- (xviii) **Investment Policy Adoption** - To implement the effectiveness of the Investment Policy of the City of Pataskala, the policy was formally adopted by City Council on August 1, 2013, Resolution Number 2013-050. This policy shall be reviewed annually by the Investment Advisory Committee, and any modifications made thereto must be approved by the Investment Advisory Committee and City Council.
- (xix) **Agreement** – The following language shall be provided to the broker/dealers at the end of the investment policy. Authorized officials for the broker/dealer are required to sign and return a copy to the Finance Director in order to be considered for inclusion on the City’s eligibility list.

**By signing this agreement the institution below submits that it has read the City of Pataskala’s Investment Policy and agrees to abide by its content.**

**Name of Financial Institution**  
**Advisor or Broker**  
**Signature of Authorized Officer**  
**Printed Name and Title**  
**Date**

- (xx) **Glossary** - Because this policy is to be available to the public as well as the governing body, it is important that a glossary of related terminology be part of the policy.

**Agencies:** Federal agency securities and/or Government-sponsored enterprises.

**Amortization:** The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

**Annual Comprehensive Financial Report (ACFR):** The Annual Financial Report prepared in conformance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources as well as guidelines recommended by the government finance Officers Association of the United States and Canada (GFOA). This report contains basic financial statements, supplemental statements and other financial and statistical information and the responsibility for the accuracy of the presented data including all disclosures rests with the City.

**Asked:** The price at which securities are offered for sale.

**Asked:** The price at which securities are offered for sale.

**Basis Point:** The measure of the yield to maturity of an investment calculated to four decimal places. A basis point is 1/100th of 1% (0.01 percent).

**Benchmark:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**Bid:** The price offered by a buyer to purchase securities. (When you are selling securities, you ask for a bid).

**Book-Entry-Only:** Bonds that are issued in fully registered form but without ownership certificates. The ownership interest of each actual purchaser is recorded on the computer.

**Broker:** A broker brings buyers and seller together for a commission.

**Call Option:** The right to redeem a bond prior to maturity, either on a given date or continuously.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**Collateral:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper (tax exempt):** Short-term unsecured promissory notes issued in either registered or bearer form with a stated maturity of 270 days or less.

**Coupon:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Coupon Rate:** The interest rate on specific maturation of a bond issue. The term "coupon" comes from previous times when the bonds had coupons attached.

**CUSIP Number:** The Committee of Uniform Securities Identification Procedures. An identification number is assigned to each maturity of an issue and is printed on the face of the certificate of the issue. The CUSIP numbers are intended to facilitate the identification and clearance of municipal securities.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery Versus Payment (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Depository Trust Company (DTC):** A limited trust company organized under the New York Banking Law. DTC facilitates the transaction settlements in municipal securities.

**Derivatives:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, (e.g., U.S. Treasury Bills).

**Diversification:** Dividing investment funds among a variety of securities offering independent returns, while lowering the overall risk of default.

**Federal Credit Agencies:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Funds Rate:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB):** Government-sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district bank.

**Federal National Mortgage Association (FNMA):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owner corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System:** The central bank of the United States created by Congress and consisting of a seven-member board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**Financial Advisor:** A consultant who advises an issuer on matters pertinent to a debt issue, such as structure, sizing, timing, marketing, pricing, terms and bond ratings.

**Governmental National Mortgage Association (GNMA or Ginnie Mae):** Securities influencing the volume of the bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used

to describe Ginnie Maes.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals, or lease payments.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Government Investment Pool (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement:** A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Offer:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**Open Market Operations:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect.

**Original Issue Discount Bonds:** Bonds sold at a substantial discount from Par Value at the time of original sale.

**Par Value:** The face value or principal amount of a security.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities, broker-dealers, banks, and a few unregulated firms.

**Prudent Person Rule:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state – the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Qualified Public Depositories:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Repurchase Agreement (RP or Repo):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities and Exchange Commission (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Structured Notes:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**Treasury Bills:** A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

**Yield:** The rate of annual income returned on an investment, expressed as a percentage:

- a) **Yield:** The rate of annual income return on an investment, expressed as a percentage.
- b) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



### Section 3.13 Debt Management

- (a) **Policy Overview** - Debt will be used only to fund capital improvement projects or the purchase of capital assets that will continue to provide a benefit to the community during (at a minimum) the term of the debt. Under no circumstance will long-term debt be used to finance normal and routine operating expenditures.
- (b) **Creditworthiness Objectives**
  - (i) **Credit Ratings** - The City seeks to maintain the highest possible credit rating consistent with the City's financing objectives. The City of Pataskala will attempt to secure and maintain a long-term credit rating with one or more of the following agencies: Moody's Investors Service, Standard & Poor's, or Fitch. Obtaining, maintaining or improving the City's bond rating is an important objective of the City. Accordingly, the City will strive for continual improvement in its financial policies, practices, and performance.
  - (ii) **Continuing Disclosure** - The City is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, City departments and agencies, other levels of government, and the general public to share clear, comprehensible, and accurate financial information. The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 ("the Rule") concerning primary and secondary market disclosure.

In accordance with the Rule, and to assist the City's underwriters in complying with the Rule, the City will provide the following information pursuant to any Continuing Disclosure Certificate:

- 1) To the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Asset System ("EMMA") as the designated nationally recognized municipal securities information repository certain annual financial information, including financial statements, generally consistent with the information contained under the heading "Financial Reports and Examination of Accounts" ("annual financial information"); such information shall be provided on or before September 1 of each year for the fiscal year ending on the preceding December 31, or in each case, as soon as possible thereafter if such information is not available by such September 1.
- 2) To EMMA, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:
  - a) Principal and interest payment delinquencies;
  - b) Non-payment related defaults, if material;
  - c) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e) Substitution of credit or liquidity providers, or their failure to perform;
  - f) Adverse tax opinions or events affecting the tax-exempt status of the security;
  - g) Modifications to rights of security holders, if material;
  - h) Bond calls, if material, and tender offers (except for mandatory scheduled

redemptions not otherwise contingent upon the occurrence of an event);

- i) Defeasances;
- j) Release, substitution or sale of property securing repayment of the securities, if material;
- k) Rating changes;
- l) Failure to file continuing disclosure by deadline;
- m) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- n) The consummation of a merger, consolidation, or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- o) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Continuing Disclosure Certificate provides bondholders with certain enforcement rights in the event of a failure by the City to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute a default under the Authorizing Legislation. The Continuing Disclosure Certificate may also be subject to amendment or termination under certain circumstances in accordance with the Rule.

(iii) **Capital Planning** - To enhance creditworthiness and prudent financial management, the City of Pataskala is committed to systematic capital planning and long-term financial planning.

- 1) Evidence of this commitment to systematic capital planning will be demonstrated through adoption and periodic adjustment of a Capital Improvement Plan and the annual adoption of a Five-Year Forecast.
- 2) The budgetary impact of debt service expenditures for proposed debt must be illustrated in the Annual and Capital Budgets as adopted, or modified, by Council.

(iv) **Renewal and Replacement Funds** - As a part of the annual budget process, the City will set aside funding (set at a level based upon available funding, as determined by the City Administrator and the Finance Director) for the renewal and replacement of capital assets.

(v) **Statutory Debt Limits** - The City will keep outstanding debt within the limits prescribed by State law, including the “indirect 10-mill limitation”. The City will consider using revenue debt in lieu of general obligation debt, when revenue debt is feasible.

(c) **Purposes and Uses of Debt**

(i) **Minimum Asset Life** - The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five (5) years.

(ii) **Term of Debt** - The improvement will be financed over a period not exceeding the estimated useful life or average useful lives of the improvement or improvements being financed.

(iii) **Council Authorization** - The City shall issue debt only as specifically approved by City

Council. Expenditure of such monies shall be in compliance with the designated purpose.

(iv) **Debt Issuance Considerations** - Factors to consider when determining whether or not to issue debt include, but not limited to the following:

- 1) Are sufficient current resources to fund the improvement?
- 2) Is in the best financial interest of the City, considering the costs of issuance relative to investment opportunities?
- 3) Is debt financing an appropriate method to achieve an equitable allocation of costs between current and future beneficiaries?
- 4) Whether it is in the best financial interest of the City, considering the costs of issuance relative to investment opportunities.

(v) **Interfund Borrowing** - The City shall refrain from interfund borrowing for the purpose of avoiding operating fund deficits, except for short-term (six months or less) borrowing from the General Fund. Interfund borrowing will be considered on a case-by-case basis, to the extent permitted by law, to finance high priority capital needs, but only when planned expenditures in the fund making the loan would not be adversely affected. The borrowing fund will pay interest at a market-based rate.

(vi) **Revenue-Backed Debt** - The City shall seek to finance the capital needs of its revenue-producing enterprise activities through the issuance of revenue-secured debt obligations (including revenue-secured general obligation bonds only upon the determination that such debt is cost beneficial to the City and provides the most attractive financing option to the City). The City will determine if the projected revenues are sufficient to repay the debt. These revenues shall be conservatively projected. Revenue anticipatory notes shall not exceed six (6) months in duration and shall be issued only in anticipation of revenues to be received during the same calendar year.

(vii) **Debt Service** - Debt service expenditures shall take priority over all other expenditures in the annual budget.

(d) **Debt Standards and Structure**

(i) **Term** - Debt will be structured to achieve the shortest period consistent with an equitable allocation of costs to current and future beneficiaries or users.

(ii) **Repayment Schedule** -

- 1) The City shall seek to repay its outstanding debt in a timely manner, and, where possible, in advance (e.g., principal prepayment) when excess funds are available and the debt structure permits prepayment.
- 2) The City will seek to structure debt with relatively level debt service (principal and interests) costs over the life of the debt.

(iii) **Credit Enhancements** – Enhancements such as letters of credit or bond insurance may be used, but only when its use reduces the present value of the net debt service by more than the cost of the enhancement.

(iv) **Call Provisions** - Call features shall be made as short as possible in context of seeking the optimal true interest cost and should generally be at par. Typical call provisions would provide for a 10-year call on a 20-year or greater term.

(v) **Issuance Costs** – Costs of issuance, such as bond counsel, municipal advisor, registrar/paying agent, printing costs and underwriter’s discount will be charged to the bond issue to the extent permitted by law.

(vi) **Notes/Short-Term Debt** –

- 1) Use of short-term borrowing, such as bond anticipation notes (BANs) will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal borrowing, or the available cash is insufficient to meet capital funding requirements.
- 2) Rollovers/refinancing of short-term debt shall be accomplished through either a negotiated sale or private placement. The City believes that this approach is the most appropriate, due to the sensitivity to the ability to pay off the original note. Extreme market conditions could result in an undersubscribed situation in a competitively bid offering, leaving the City with a lack of funding to pay off the original note.

(vii) **Refundings** –

- 1) Periodic reviews of all outstanding debt will be undertaken to evaluate refunding opportunities.
- 2) A refunding will be considered if, and when, there is a net economic benefit to the refunding. In general, advance refundings will be undertaken when a net present value (NPV) savings of at least three percent (3%) of the refunded debt can be achieved. Refundings that produce a NPV benefit of less than three percent (3%) will be considered on a case-by-case basis.
- 3) Advanced refundings, if legally permissible, will be typically offered through either a negotiated sale or private placement. As was the case in short-term debt, the City believes that this approach is the most appropriate, due to the sensitivity to the ability to pay off the original note. Extreme market conditions could result in an undersubscribed situation in a competitively bid offering, leaving the City with a lack of funding to pay off the original note.

(e) **Debt Administration and Process**

(i) **Competitive versus Negotiated Value**

- 1) In general, it is the policy of the City to issue ‘new money’ debt through a competitive bid process. Bids will be awarded on a true interest cost basis (TIC), providing other bidding requirements are satisfied.
- 2) Negotiated sales or private placements of debt will be considered when:
  - a) the complexity of the issue requires specialized expertise;
  - b) the size of the issue may limit the number of potential bidders;
  - c) a negotiated sale/private placement would result in substantial savings in time or

- money;
  - d) the City has determined that all competitive bids received are unsatisfactory; or
  - e) market conditions or City credit are unusually volatile or uncertain.
- (ii) **Investment of Bond Proceeds** - All bond proceeds shall be invested consistent with the City's investment policy. Investment of proceeds and records thereof will be structured to comply with the arbitrage rebate compliance requirements of federal tax code.

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## **Article IV      EMPLOYEE WAGE PAYMENT POLICIES AND PROCEDURES**

### **Section 4.01      Payroll Processing**

- (a) **Electronic Payment Requirement** - All City employees, elected officials and members of Boards and Commissions are required to be paid via ACH direct deposit into their personal account at their financial institution. Employee pay statements, which provide the breakdown of earnings, deductions and net pay, are provided electronically to every employee, elected official and members of Boards and Commissions each payday. It is the employee's responsibility to ensure that the city has their current banking information on file for this purpose.
- (b) **Payroll Schedule** - Earnings are paid on a bi-weekly basis, on the Friday following the end of each pay period. If a scheduled payday falls on a city-observed holiday or is a Federal Reserve holiday, employees will be paid on the preceding weekday.

### **Section 4.02      Employee Timesheets**

- (a) **Timekeeping Requirement** - All hourly non-exempt employees are required to record their starting time, any unpaid breaks, quitting time and total hours worked for each workday on the City's timekeeping system maintained by the City's Finance Department. Salaried exempt employees may record their hours worked using the City's timekeeping system to track their time worked; however, they are not required to do so.
- (b) **Early Clock-In** - For their convenience, employees may clock-in up to seven (7) minutes prior to their scheduled start time. Unless directed by their supervisor to clock in early, however, such early clock-in time will not be considered 'hours worked'. Employees are expected to clock in at their scheduled start time, and to clock out at their scheduled quitting time. Any exceptions to this policy must be approved by the employee's supervisor, prior to such exception occurring. Time worked by employees outside their scheduled hours, that was not approved or directed by their supervisor, will be paid to the employee, and appropriate disciplinary action may be taken up to, and including, termination of employment.
- (c) **Timecard Rounding Policy** - The City's timekeeping system records hours worked on a quarter-hour, or fifteen (15) minute basis. It uses a '7 down – 8 up' rounding basis in its calculations, which means that it rounds down to the nearest quarter hour whenever an employee clocks out between 1-7 minutes before or after their shift ends, and it rounds up to the nearest quarter hour whenever an employee clocks out between 8-14 minutes before or after their shift ends. Employees who are directed by their supervisor to clock out between eight (8) or fifteen (15) minutes after the end of their scheduled shift shall have their timecard rounded up to the nearest quarter hour and will receive payment for such time. Employees are prohibited from intentionally clocking out eight (8) or more minutes after their scheduled quitting time or clocking in eight (8) minutes before their scheduled starting time for the purpose of receiving an additional quarter hour, or fifteen (15) minutes of pay.
- (d) **Timecard Approval** - Department heads and supervisory staff are required to electronically approve their employees' timecards by noon (12:00 pm) on the Monday following the end of each pay period. Any required timecard adjustments, employee requests for conversion of overtime to compensatory time, or other miscellaneous adjustments (such as compensatory time cashout requests) are to be submitted to the Assistant Finance Director by that deadline as well. If

adjustments to an employee's timecard are required, they shall also be documented on the Employee Timecard Adjustment Form and submitted to the Finance Department with any other payroll documentation for that pay period. A copy of the adjustment form is provided in Appendix D. If the Monday falls on a City-observed holiday, approvals shall be submitted by the next day as early in the morning as possible due to the abbreviated payroll processing schedule.

### **Section 4.03 Payroll Deductions**

- (a) **General** – Deductions are made from an employee's paycheck as required by law, in accordance with the employee benefit plan, or as requested by the employee. These deductions are itemized on the employee's biweekly pay statement. The following are explanations of some of the deductions employees may see on their paychecks.
- (b) **Payroll Taxes** – Federal and state laws, local ordinances and school districts, require that taxes be withheld from wages. Employees are required to file a completed withholding tax certificate (W-4) for Federal and State deductions, upon initial employment and to inform the Assistant Finance Director of any exemption changes whenever they occur.
- (c) **Pension System Contributions** - Membership in the Ohio Public Employees Retirement System (OPERS), or the Ohio Police and Fire Pension Fund (OP&F) (for full-time police officers) is compulsory upon being employed with the City, with the exception of those employees specifically exempted under the provisions of ORC Sec. 145.03. Members of City boards and commissions do not qualify for participation in OPERS and will be paid as IRS 1099 independent contractors in lieu of contributions to OPERS. State law requires that all employees contribute to OPERS or OP&F rather than Social Security and establishes the rate of deduction for the employee's contribution to the pension systems. At the time of hire, employees shall acknowledge in writing that their employment with the City does not qualify for future social security benefits (SSA-1945). Newly elected officials (Mayor and City Council) may elect not to participate in OPERS and instead have Social Security deducted from their compensation.
- (d) **Exempt Employee Payroll Deductions** - The City complies with the salary basis requirements of the Fair Labor Standards Act (FLSA) and does not make improper deductions from the salaries of exempt employees. Exempt employees are those employed in a *bona fide* executive, administrative or professional capacity, and who are exempt from the FLSA's overtime pay requirements.
  - (i) **Permitted Deductions** - There are certain circumstances where deductions from the salaries of exempt employees are permissible. Such circumstances include:
    - 1) When an exempt employee is absent from work for one or more full days for personal reasons other than sickness or disability; or
    - 2) When an exempt employee is absent for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; or
    - 3) To offset amounts received as witness or jury fees, or for military pay; or
    - 4) For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions; or



- 5) The City is not required to pay the full salary in the initial or terminal week of employment; for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act, if applicable; or for penalties imposed in good faith for infraction of safety rules of major significance. In these circumstances, either partial day or full day deductions may be made.
- (ii) ***What to do if an improper deduction occurs*** – Employees who believe that an improper or incorrect deduction amount has been taken, should immediately report this information to their direct supervisor, or the Finance Department. Reports of improper or incorrect deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be reimbursed for any improper deduction made at the next regularly scheduled payroll processing.
- (e) **Miscellaneous Deductions** – Other deductions may include, but are not limited to:
  - 1) Health insurance co-pay
  - 2) Child support
  - 3) Court-order garnishments or bankruptcy
  - 4) Union dues
  - 5) Sec. 457 or deferred compensation programs
  - 6) Medical flexible spending arrangement (FSA)

#### **Section 4.04 New Hires**

- (a) **Onboarding** – The city uses the HR Butler (HRB) onboarding system to enter new employee information into the payroll/HR system. The HR department shall provide the Finance department with the individual's application and an offer letter that spells out the specifics of the new hire, specifically: new hire full legal name, a proposed hire date, position title and rate of pay. The offer letter indicate that the offer letter is subject to the successful completion of several pre-employment checks and should contain instructions for the individual to undergo a BCI background check, a pre-employment drug screen, and a credit background check (if appropriate). If there are any other relevant terms or conditions of employment (such as a lateral transfer receiving a higher PTO accrual rate), these should be clearly defined in the offer letter. At this point, an employee personnel file shall be created.
  - (i) Upon receipt of the results of both the BCI background check and the pre-employment drug screen, the hiring manager will be notified so that they can confirm a formal start date with the individual.
  - (ii) The Assistant Finance Director (AFD) shall contact the proposed new hire to obtain their social security number and date of birth for entry into the onboarding system. Additionally, the AFD shall also request that the individual send copies of their social security card and driver's license (or other documents that would qualify for I-9 purposes) to the Finance department. The AFD shall then enter the key information into the onboarding system which will then send the individual an email instructing them how to create an online HRB account and to complete the onboarding process.

- (iii) Once the AFD receives notification from HRB that the individual has completed the onboarding process, the AFD shall review and finalize the onboarding process. It is important to remember that the following areas of the system must be manually maintained:
  - 1) Position title and primary department
  - 2) Salary/rate of pay
  - 3) PTO accruals (for full-time employees only)
  - 4) Social security-exempt status (or local tax exemption if employee is under 18 years of age). Only first-term elected officials may choose to participate in either social security or OPERS – all other employees are required to participate in a statewide pension system.
  - 5) Pension system (OPERS or OP&F) participation
  - 6) Employee labor allocation (if relevant)
- (iv) Upon completion of the onboarding process, all documents on the system should be printed and placed into the employee's personnel file. The relevant pension system employee enrollment form should be personally signed by the employee within their first days of employment. In addition, the Ohio Auditor of State's Fraud Hotline acknowledgement form should also be personally signed and placed in the file.
- (b) **Time Clock Registration** – All hourly non-exempt employees are required to use the city's timeclocks to track their hours of work. On the first day of employment, they should visit the Finance department to have their fingerprints registered on the timeclock system. Employees are able to clock-in at any timeclock in the city.
- (c) **Insurance Enrollment** - All full-time employees are eligible to participate in the city's health insurance program effective with their first day of employment with the city. On the first day of employment, the individual should visit the Finance department to receive the appropriate enrollment forms. Employees wishing to waive coverage should complete the insurance waiver form in order to receive the appropriate monetary stipend.

#### **Section 4.05 Updating/Changing Employee Information**

- (a) **Basic Information Change** - The city uses the HR Butler HR (HRB) system to manage employee information. Changes to basic personal information such as home address, email address, telephone number and dependents are to be requested by the employee on the HRB system. These changes are then routed by the system to the Assistant Finance Director (AFD) for their review and approval. Please note that changes of this nature do not require a verbal confirmation by the AFD. If the requested change seems unusual or suspicious, however, the AFD will call the employee to verbally confirm the validity of the requested change.
- (b) **Employee Tax & Banking Information Changes** – As was the case with Basic Information Changes described in Section 4.05(a) above, employee tax and banking information changes are also managed through the HRB system. It is possible, however unlikely, that a 'bad actor' could take control of the employee's login credentials and submit payroll-related changes to an employee's banking information without the employee's knowledge. Therefore, it is imperative that any requested changes be independently verified prior to making such changes. No requests

for changes to an employee's banking information will be accepted via email or fax. Employees are to submit the changes via the HRB system which are then routed to the AFD for review and approval. The AFD will personally contact the employee to verbally confirm the validity of the requested change. In the case of changing tax information, the AFD will print the updated W-4 and/or IT-4 documents and insert them in the employee's personnel file.

- (c) **Employee Pay Rate Changes** – All rates of pay are governed by either a collective bargaining agreement (CBA), the non-union Pay Matrix or a standalone Employment Contract (in the case of the City Administrator and Finance Director). These documents are approved by Council and set the official rates of pay based upon the position and the employee's length of time in that position. In December of each year, the Finance Director will prepare an annual 'Salary Notice' form for the following year for every full-time and permanent part-time employee. For each employee these notices shall provide the following information:

- (i) Name
- (ii) Primary department
- (iii) Original full-time hire date
- (iv) Anniversary/promotion date (may differ from original hire date)
- (v) Current position title
- (vi) Pay scale/step detail on anniversary date
- (vii) Wage and benefit allocation detail
- (viii) Rate of pay as of 12/31 of the current year
- (ix) Rate of pay as of the first full pay period in the following year
- (x) Rate of pay as of their anniversary date in the following year
- (xi) Other incentive pay (FTO, educational incentives, etc.)
- (xii) Longevity bonus amount (if eligible) and eligibility date

The completed salary notices are then printed and delivered to each employee. The employees are responsible for reviewing the document to ensure accuracy and they are to sign the document acknowledging the information and agreeing with its' accuracy. Upon receipt of the returned signed salary notice, the Finance Director (FD) then enters the pay rate information for the following year. Once the information has been entered into the payroll system, the AFD reviews the entered information to confirm accuracy and places the signed salary notice document in each employee's personnel file.

- (d) **Processing Regular Payroll** – The city uses the HR Butler Time & Attendance and Payroll systems to enter and process its' biweekly payroll. The city uses a 2-week pay period that begins at 12:01 a.m. on Sunday and ends at 12:00 midnight on Saturday (14 days after the pay period begins). The HRB timekeeping system is used for employees to record their hours of work. This is done by using their fingerprints (biometrics) to log in whenever they start the work period and to log out when their shift is done. Requesting time off for sick, vacation or the use of accumulated compensatory time is done through the HRB leave request system. Approved leave requests are

then reflected on the appropriate timesheet.

- (e) **Timesheet Review & Approval** - Supervisors are responsible for reviewing timesheets by 12:00 noon on the Monday following the pay period end. If the Monday following the pay period end is a holiday, the review period window shifts to Tuesday. Supervisors are responsible for reviewing, correcting as appropriate and approving their subordinates' timesheets. In addition, they should be entering other types of earnings such as call-in hours, mandatory overtime, K9 FLSA overtime hours, etc.

Once all the timesheets have been verified/approved by the relevant supervisors/managers, the AFD should lock all the employee timesheets to prevent potential after-the-fact changes being made by the employee or supervisor/manager. The AFD then reviews each of the individual employee timesheets to ensure that each employee worked and will be paid for 40 hours (assumes full-time status) in each of the two weeks in the pay period. Additionally, the AFD is also ensuring that all the terms and conditions of the various CBAs and Employee Handbook are being observed and complied with. This would include (but not limited to) ensuring that the compensatory time balance does not exceed the limit stated in the respective governing document. Typically, this would be 120 hours, but it may differ among the various contracts.

- (f) **Compensatory Time** - Employees can request that any/all overtime hours earned during the pay period be converted into compensatory (comp) time hours (subject to the 120-hour limit). To request that this conversion takes place, the employee must complete and submit an Overtime Designation/Compensatory Time Cash-Out Request form to the AFD on the Monday following the pay period end. Employees who do not timely submit the request form may lose the ability to have their overtime hours converted to comp time. The AFD will review the employee's current period comp time balance and the impact the request will have on the employee's balance and the maximum amount limit.
- (g) **Other Payroll Items** - The AFD also enters the Field Training Officer hours into the payroll system to ensure that the relevant officer is being paid the additional earnings they are entitled to. If there are any other payroll adjustments needing to be made should be entered into the payroll system, and could include the following (not an exhaustive list):
  - (i) Taxable fringe benefits
  - (ii) Employee reimbursements
  - (iii) Longevity
  - (iv) Field Training Officer hours
  - (v) Cash outs of vacation or comp time
  - (vi) Prior-period payroll corrections
- (h) **Finance Director Initial Review** - After all timesheets have been reviewed (and corrected, if necessary) by the AFD and printed, copies of the timesheets are then provided to the FD for a secondary review. Any minor corrections or adjustments are made by the FD and updated timesheets then printed out. At this point, either the FD or AFD can commit the payroll and process a preview of the payroll. Once the preview processing is completed, a copy of the draft payroll register report should be printed and reviewed.

- (i) **FLSA Overtime Impact** - If everything on the payroll preview report is correct, the information contained in the payroll register should now be entered into the FLSA overtime calculation worksheet (20xx Overtime Analysis.xlsx where xx is the 2-digit year). This document calculates the FLSA-required overtime impact of ancillary earnings such as shift differential, Field Training Officer (FTO) pay, officer in-charge pay, etc. Based upon the impact of the various additional earnings and the number of overtime hours worked in that specific pay period, the spreadsheet will determine the overtime financial impact that is required to be paid to the employee. This information will need to be entered into the payroll system and another payroll preview processed. Due to the nature of any annual longevity payment received, the FLSA impact for this item will be calculated in either the last pay period of the year or the first pay period of the following year.
- (j) **Finalizing Payroll** - After reviewing the final payroll preview report and agreeing with the results, either the FD or AFD can submit payroll to HR Butler for processing. It typically takes about 3 hours to process and make take overnight if the file is submitted later in the day. Payroll should typically be submitted by noon on the Wednesday following the pay period end to ensure adequate time for HRB to process the payroll and to provide a limited window to correct any oversights or errors that went undetected as part of the review process.
- (k) **Payroll Reports** - Upon receipt of a successful payroll processing notice from HRB, the following reports should be downloaded and saved to the server for future reference. The required reports are:
- (i) Payroll Summary
  - (ii) Payroll Register
  - (iii) Employee Timecards
  - (iv) Employee Vouchers
  - (v) Payroll Invoice
  - (vi) Deduction Register
  - (vii) Deduction Register by Code
- (l) **Posting Payroll to the General Ledger** - Now that payroll has been processed, it must be posted to the General Ledger and the funding bank transfers calculated and initiated.
- (i) **Payroll Expense Upload File Creation:** To begin the process, the FD will download the \*Custom GL report (in CSV format) from HR Butler. To download the file from the HRB payroll system, click on the 'Payroll Processing' menu option and then click on the 'Process Payroll' sub-menu. Click on the tab labeled 'Last Payroll Processed' and select the \*Custom GL report from the 'Payroll Reports' drop-down menu and click on 'Go'. This will open the report in an Excel worksheet.
- You will need to open the prior pay period's bi-weekly payroll worksheet (Payroll Upload File Template *mm-dd-yy.xlsx*) where *mm-dd-yy* is the payroll period end date (2-digit month-date-year). Before working with the spreadsheet, save a copy (Save As) with the current pay period ending date. Go to the tab labeled 'Upload File' and enter the current pay period end date in cell B3. Now go to the tab labeled 'HR Butler Data Import' and erase everything in the cells

shaded blue (F2:L239). All of the information from the HRB payroll system file (excluding the payroll invoice line) will be copied and pasted as values into cell F2 on the 'HR Butler Data Import' tab. Once that information has been imported, you should go to the 'Summary' tab of the worksheet to ensure that the value in cell C36 matches that in cell E64. If they match, you're good to proceed with the payroll posting process but if not, you'll need to determine why the totals don't match.

Once the totals match, you should print the summary page to a PDF labeled PPE $mmddyy$ .pdf where  $mmddyy$  is the payroll period end date (2-digit month-date-year). You should then open the previously saved Payroll Summary report and copy/paste all the pages from the report into the PPE $mmddyy$ .pdf file and save it. This document will be used to attach as documentation and support for the ledger posting entries.

To create the payroll expense posting file, go to the tab labeled 'Upload File'. You should first create a copy of the tab as a new file and then copy the entire file on top of itself as values (Copy, Paste Values) to eliminate any links or formulas. You will need to delete all rows and columns that are not highlighted in blue. Once these have been removed, you will use the drop-down filter in the 'Amount' column and select the lines that have a \$0 in them. These lines will need to be deleted to eliminate any non-value lines. You should save a copy of this tab as PPE $mmddyy$ .csv where  $mmddyy$  is the payroll period end date (2-digit month-date-year). It will be used to import the values into the VIP Accounts Payable subsystem.

- (ii) **Payroll Miscellaneous Receipt Upload File Creation:** To create the payroll miscellaneous receipt posting file, go to the tab labeled 'Misc Receipt Upload'. You should create a copy of the tab as a new file and should then copy the entire file on top of itself as values (Copy, Paste Values) to eliminate any links or formulas. Most likely you will have lines that have \$0 in them. You should delete the account numbers and \$0 in those cells and move the lines below up to eliminate any blank lines. Any excess lines at the end can be deleted. You should ensure that the values under LineNumber (column G) are sequential from 1-14 (or whatever it ends up needing), and that the total of the values in column B (Amount) equal the total on the summary report. You can now save the file as PPE $mmddyy$ MISCRECPT.csv where  $mmddyy$  is the payroll period end date (2-digit month-date-year). This file will be used to import the values into the VIP Miscellaneous Receipts subsystem.

- (iii) **Posting Expense & Receipts to Ledger:** You should now log into VIP to post the payroll expense and the Payroll fund miscellaneous receipt to the General Ledger.

To post the payroll expense to the ledger, go to 'Accounts Payable' menu and then the 'Process' submenu and select the 'Payment Batches, Open' option. Click on the green plus (+) symbol to open a new batch header. In the 'Description' line enter 'Payroll PPE  $mm/dd/yy$ ' where  $mm/dd/yy$  is the payroll period end date (2-digit month-date-year) and click on the 'Save and Close' icon. Now that the batch header has been created, click on the 'Import – Checks' icon. The system will prompt you to confirm that you want to proceed as it will create invoices associated with this payment batch. Click on 'OK' to proceed. The system will then prompt you to find the appropriate file. You should select the 'PPE $mmddyy$ .csv' file you just created. Once you confirm that you want to proceed, the system should present you with two checks – one from the Governmental account and the other from the Utility account. Confirm that the

amounts of these individual checks (and the total) match the numbers in the shaded box on the summary page from the PPEmmdyy.pdf file. If they don't match, you'll have to void the checks (and the corresponding invoices that were created) and figure out where you're out of balance. If it's correct, you can post the batch (do not select 'Post to Print Tray' as you are posting to multiple checking accounts) and then print the report by clicking on 'Show in Report' and then selecting 'Payment Batch Details'. Once you've printed the batch report, you can begin the check printing process.

To print each check, go to 'Print Tray' and click on the 'Add to Print Tray' icon to select which check to print. Begin by selecting the Utility check to print and selecting 'OK' to add it to the print tray. Click on the drop-down box labeled 'Print Checks' and select 'Print Check Register'. Print the check register report produced by the system. The next step is to click on 'Print Checks' and print the check produced by the system. Please note that this is a 'pseudo-check' that is printed on blank printer paper (not check stock) as it will not be sent anywhere nor go through the banking system. Next select the drop-down box labeled 'Print Checks' and select the 'Check Addendum' option. Print the addendum report generated by the system. Once it has printed, click on the 'Mark All Printed' and then click on 'OK' to complete the process. This entire check printing process should then be repeated for the Governmental check.

- (iv) **Posting Miscellaneous Receipt to Ledger:** The next step in the payroll posting process is to post a miscellaneous receipt into the Payroll fund. This represents payroll spending from the Governmental and Utility funds and the 'deposit' of the pseudo-checks that were printed. We will be receipting those proceeds into the various liability accounts in the Payroll fund to post the employee deduction checks and to fund the payroll and Child Support ACH funding debits initiated by HRB. Here are the liability accounts and their descriptions:

- 1) 999.000.22021 Wage Expenses Payable (net)
- 2) 999.000.22022 Pension Payable (OPERS)
- 3) 999.000.22023 Pension Payable (OP&F)
- 4) 999.000.22024 Group Health Insurance Deductions (MDVL)
- 5) 999.000.22025 Child Support Deductions
- 6) 999.000.22026 Garnishment Deductions
- 7) 999.000.22027 Bankruptcy Deductions
- 8) 999.000.22028 Deferred Compensation Deductions
- 9) 999.000.22029 Union Dues Payable (FOP, OPBA & USW)
- 10) 999.000.22030 AFLAC deductions payable
- 11) 999.000.22031 Employee Cell Phone Reimbursement
- 12) 999.000.22032 Employee FSA Deduction
- 13) 999.000.22033 Other Misc EE Payroll Deductions
- 14) 999.000.22034 Colonial Life Deductions Payable

15) 999.000.22035 Payroll Taxes Withheld

16) 999.000.22036 Payroll processing charges

To begin posting the miscellaneous receipt in VIP, click on the 'Miscellaneous Receipt' menu section and then click on 'Receipt Batches, Open' to begin creating the batch. Click on the green plus (+) symbol to open a new batch header. In the 'Description' line enter 'Payroll PPE *mm/dd/yy* Funding' where *mm/dd/yy* is the payroll period end date (2-digit month-date-year) and click on the 'Save and Close' icon. Now that the batch header has been created, click on the 'Add Misc' icon. Ensure that the receipt date is correct and then begin by entering the information. In the 'Receipt From' you should enter 'Bank Transfer' and in the 'Receipt For' field you will enter 'Payroll PPE *mm/dd/yy* Funding' where *mm/dd/yy* is the payroll period end date (2-digit month-date-year). You will enter the total amount of the receipt in the amount field associated with the 'ACH/EFT' tender type and click on the 'Save and Close' icon.

At this point you will want to import the miscellaneous receipt file created earlier. To do that, you will click on the 'Import Lines' icon and the system will prompt you to find the appropriate file. You should select the 'PPE*mmddyy*MISCRECPT.csv' file you just created. You should confirm that the control total matches the sum of the imported lines. If it is correct, you should click on the 'Attachments' tab. Click on the green plus (+) sign to create an attachment. The system will prompt you to select the correct file which you created earlier in this process and is labeled PPE*mmddyy*.pdf where *mmddyy* is the payroll period end date (2-digit month-date-year). Click on the 'Save and Close' icon to complete the attachment creation process.

Completing the receipt process requires the user to print the receipt and post the batch. Start by clicking on the 'Print Receipt' icon. Once this is done, the receipt cannot be modified only voided. After printing the receipt, click on the hyperlink in the 'Receipt Batch' field. You will now enter the batch total amount in the correct line in the header. If the control total matches the receipt total, you can now post the batch by clicking on the 'Post' icon and then print the batch report. This can be done by clicking on the 'Show in Report' icon and selecting 'Receipt Batch Details'

- (m) **Transferring Funds at Bank:** Now that the miscellaneous receipting process on VIP has been completed, you will need to log into Park National Bank's (PNB) online banking system and transfer the appropriate amount of funds from the Governmental and Utility accounts into the Payroll account. The amounts can be found on the first (summary) page of the PDF labeled PPE*mmddyy*.pdf where *mmddyy* is the payroll period end date (2-digit month-date-year). The description field for the funds transfer on the PNB system should be 'Payroll PPE *mm/dd/yy* funding' where *mm/dd/yy* is the payroll period end date. Once the funds have been transferred into the Payroll account, print the transaction confirmation and put it in the payroll file for that pay period.
- (n) **Posting Payroll ACH Debits to Ledger:** The next step in the payroll process is to post the various ACH debit transactions that are initiated by HRB and will hit the Payroll account to VIP as EFT transactions. These transactions include:
  - (i) Net payroll funding
  - (ii) Tax impounds
  - (iii) Child support payments



(iv) Payroll processing charges

The amounts for the first three of these debits are displayed on the first (summary) page of the PDF labeled PPE $mmddyy$ .pdf where  $mmddyy$  is the payroll period end date (2-digit month-date-year). You will also need to print the Payroll Invoice from the saved payroll reports to obtain that information. The first step is to post the Net Payroll funding and Tax Impounds in the same Payment Request on VIP. To post the net payroll and income tax expenses to the ledger, go to 'Accounts Payable' then 'Process' and select the 'Payment Requests, Unapproved' option. Click on the green plus (+) symbol to open a payment request. Please note that there is no PO outstanding for these charges. In the Workflow field, select 'Payment for Finance Director Review Only'. In the 'Remit To' field you should select HR Butler (vendor #619) as the vendor. The system will prompt you to select one of two options and the 'Net Checks' option should be selected. In the 'Description' line enter 'Payroll PPE  $mm/dd/yy$ ' where  $mm/dd/yy$  is the payroll period end date (2-digit month-date-year) and click on the 'Save and Close' icon. Here are the other fields and how they should be completed:

- (i) Journal Date: Enter the date of the posting
- (ii) Invoice Number: Enter 'PPE $mmddyy$ ' (where  $mmddyy$  is the payroll period end date)
- (iii) Invoice Date: Enter the same date as Journal Date
- (iv) Prepaid Pymnt Type: Select 'EFT-Payroll' from the drop down menu
- (v) Prepaid Date: Enter the same date as Journal Date
- (vi) Attachments: Select the 'PPE $mmddyy$ .pdf' file and click on 'Upload'

In the payment request lines, click on the green plus (+) symbol to add a new line to the payment request. The 'Line Description' field will prefill with the description entered earlier. You should add ' – tax impounds' or ' – net payroll' to the description and then enter the appropriate amount from the summary worksheet. Duplicate this process for the 2nd line and then click on the 'Create Payment Request' icon to complete the payment request process. Under the 'Unapproved Payment Requests' menu, you should see the previously created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point any errors or omissions should be corrected (including that the 'Prepaid Payment Type' field has been entered as 'EFT-Payroll'). If everything is correct, click on the 'Submit' icon to create the payment request. Once the payment has been approved you should print the journal entry report. This can be done by going to the 'General Ledger' menu and then selecting the 'Maintain' sub-menu. Select the 'Journals, Posted' menu option, locate the specific transaction and then print the 'Journal Details' report.

- 1) **Child Support Processing:** The next step is to post any child support deductions. Since HRB sends funds via ACH directly to Ohio Child Support Payment Central, the disbursement of the funds simply needs to be reflected on the ledger. You will need to print the payroll deduction sheet printed specifically for the child support deductions and use this document as support for the posting and will attach it to the payment request. The process for this entry will be very similar to that done for the HRB payroll-related ACH debit. One significant difference is that the vendor for this transaction is #2512 – Ohio Child Support Payment Central. The only real difference in the payment request details

between this payment and the payroll expenses is in the 'Description' line. In this line you should enter 'Payroll PPE mm/dd/yy EE dedts'. As was the case for the payroll expense ACH debit, this transaction will also have a 'Prepaid Payment Type' of 'EFT-Payroll'. Beyond that, the process is pretty much the same as that done for the payroll expenses.

- 2) **Payroll Processing Fee Posting:** Posting the bi-weekly payroll processing charge ACH debit by HRB is a bit more complicated as we have to recognize the EFT expenses in the Governmental and Utility accounts, recognize the miscellaneous receipt into the Payroll account and then recognize the ACH debit by HRB from the Payroll account. To begin, you will need to print the payroll invoice for the pay period which was saved as a part of the payroll reporting process. You will use this document as support for the posting and will attach it to the payment request. The process for this entry will be very similar to that done for the HRB child support ACH debit. One significant difference is that a purchase order should exist for this expense. Once you locate the correct PO, the vendor for this transaction is #619 – HR Butler. The system will prompt you to select one of two options and the one that is not 'Net Checks' option should be selected. In the Workflow field, select 'Payment for Finance Director Review Only'. The only real difference in the payment request details between this payment and the child support expenses is in the 'Description' line. In this line you should enter 'Payroll PPE mm/dd/yy proc exps'. The total charge on the invoice should be divided by the 5 funds to ensure that all funds share in the cost. As was the case for the child support expense ACH debit, this transaction will also have a 'Prepaid Payment Type' of 'EFT-'. You will need to enter the Governmental EFT separately from the Utility EFT. Beyond that, the process is pretty much the same as that done for the child support expenses.
- (o) **Posting Miscellaneous Receipt to Ledger:** The next step is to recognize the Payroll account receipt of the funds from the Governmental and Utility accounts. To begin posting the miscellaneous receipt in VIP, click on the 'Miscellaneous Receipt' menu section and then click on 'Receipt Batches, Open' to begin creating the batch. Click on the green plus (+) symbol to open a new batch header. In the 'Description' line enter 'Payroll PPE mm/dd/yy proc exps' where mm/dd/yy is the payroll period end date (2-digit month-date-year) and click on the 'Save and Close' icon. Now that the batch has been created, click on the 'Add Misc' icon. Ensure that the receipt date is correct and then begin by entering in the information. In the 'Receipt From' you should enter 'Bank Transfer' and in the 'Receipt For' field you will enter 'Payroll PPE mm/dd/yy proc exps' where mm/dd/yy is the payroll period end date (2-digit month-date-year). You will enter the total amount of the receipt in the amount field associated with the 'ACH/EFT' tender type and click on the 'Save and Close' icon.

At this point you will want to add the correct account number to the receipt. Clicking on the 'Edit Pen' icon will provide you with the ability to edit the receipt. In the 'Miscellaneous Receipt Lines' tab click on the green plus (+) symbol to add a general ledger line. The correct account number to enter is 999.000.22036 (Payroll Processing Charges). You should enter the combined total of the two payroll processing expenses entered previously and should equal the invoice amount. Click on the 'Save' icon in the receipt line to retain the account and amount information into the receipt. You should confirm that the control total matches the sum of the entered lines. If it is correct, you should click on the 'Attachments' tab. Click on the green plus (+) sign to create an attachment.

The system will prompt you to select the correct file which you downloaded earlier in this process and is labeled Payroll Invoice PPE *mm-dd-yy.pdf* where *mm-dd-yy* is the payroll period end date (2-digit month-date-year). Click on the 'Save and Close' icon to complete the attachment creation process.

Completing the receipt process requires the user to print the receipt and post the batch. Start by clicking on the 'Print Receipt' icon. Once this is done, the receipt cannot be modified, only cancelled. After printing the receipt, click on the hyperlink in the 'Receipt Batch' field. If the control total matches the receipt total, you can now post the batch by clicking on the 'Post' icon and then print the batch report. This can be done by clicking on the 'Show in Report' icon and selecting 'Receipt Batch Details'.

- (p) **Transferring Funds at Bank:** Now that the miscellaneous receipting process on VIP has been completed, you will need to log into Park National Bank's (PNB) online banking system and transfer the appropriate amount of funds from the Governmental and Utility accounts into the Payroll account. The amounts can be found on the journal details reports printed after posting the Governmental and Utility expenses and the combined total should match the payroll invoice amount. The description field for the funds transfer on the PNB system should be 'Payroll PPE *mm/dd/yy* proc exps' where *mm/dd/yy* is the payroll period end date. Once the funds have been transferred into the Payroll checking account, print the transaction confirmation and put it in the payroll file for that pay period.
- (q) **Posting ACH Debit to Ledger:** The final step in posting the payroll processing expenses is to reflect the ACH debit from the Payroll account by HR Butler. The process for this entry will be very similar to that done for the Governmental and Utility recognition of the processing charges. The vendor for this transaction will be #2512 – Ohio Child Support Payment Central which is the same as before. In the 'Description' line you should enter 'Payroll PPE *mm/dd/yy* EE deds' where *mm/dd/yy* is the payroll period end date. As was the case for the payroll expense ACH debit, this transaction will also have a 'Prepaid Payment Type' of 'EFT-Payroll'. Beyond that, the process is pretty much the same as that done for the payroll expenses. When everything has been entered, click on the 'Create Payment Request' to generate the draft entry and close the Payment Request screen.

In the 'Accounts Payable' menu and the 'Process' sub-menu, click on the 'Payment Requests, Unapproved' menu option. You should see the just- created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point any errors or omissions should be corrected (including that the 'Prepaid Payment Type' field has been entered as 'EFT-Payroll'. If everything is correct, click on the 'Submit' icon to create the payment request. Once the payment has been approved you should print the journal entry report. This can be done by going to the 'General Ledger' menu and then selecting the 'Maintain' sub-menu. Select the 'Journals, Posted' menu option, locate the specific transaction and then print the 'Journal Details' report.

- (r) **Payroll Closeout:** All reports and confirmations should be gathered and placed into the payroll folder specific to that pay period in the event the auditors or others wish to review them in the future.

#### Section 4.06 Bi-Weekly Payroll Deduction Checks

- (a) **General:** Employees have a number of authorized deductions taken from their pay and may include any or all the following:
- (i) Health insurance (medical, dental, vision and life)
  - (ii) Retirement contributions (OPERS, OP&F and Social Security (if appropriate))
  - (iii) Sec. 125 Flexible Spending
  - (iv) Sec. 457 deferred compensation contributions
  - (v) Child Support
  - (vi) Union Dues
  - (vii) Other insurance benefits (AFLAC, Colonial Life, etc.)
  - (viii) Court-ordered garnishments
  - (ix) Employee cell phone reimbursements
  - (x) Miscellaneous employee expense reimbursements (typically prior-year HRA “claw backs”)
- (b) **Print Reports:** To prepare for posting the deduction check information to VIP, print the payroll deduction report titled ‘Payroll Deductions by Code PPE *mm-dd-yy*’ where *mm-dd-yy* is the payroll period end date (2-digit month-date-year) for each deduction excluding Child Support (which was addressed separately in Processing Payroll above). The report should be printed single-sided to facilitate scanning each document into a PDF document. These documents will be used as support for the posting and attached to the payment request.
- (c) **Entering Deduction Information into VIP:** To post the individual expense deductions to the ledger and print checks, go to ‘Accounts Payable’ then select the ‘Payment Requests, Unapproved’ option. Click on the green plus (+) symbol to open a payment request. Please note that there are no purchase orders outstanding for these charges. In the Workflow field, select ‘Payment for Finance Director Review Only’. In the ‘Remit To’ field you should select the appropriate vendor. Here is a current listing of the deduction vendors in the system:
- (i) 2618 - Ohio Public Employees Retirement System (OPERS)
  - (ii) 2605 - Ohio Police & Fire Pension System (OP&F)
  - (iii) 694 - Huntington National Bank (COHCC)
  - (iv) 1052 - Delta Dental
  - (v) 3592 - Vision Service Plan (VSP)
  - (vi) 3178 - The Standard Insurance Company
  - (vii) 2515 - Ohio Deferred Compensation
  - (viii) 3435 - Total Administrative Services Corporation (TASC)
  - (ix) 1405 - Fraternal Order of Police (FOP)
  - (x) 2607 - Ohio Patrolmen’s Benevolent Association (OPBA)

- (xi) 3515 - United Steelworkers Union International (USW)
- (xii) 155 - AFLAC
- (xiii) 787 - Colonial Life & Accident Insurance Company
- (xiv) 3590 - Verizon
- (xv) 391 - AT&T Mobility/National Business Services
- (xvi) 725 - City of Pataskala

In the 'Description' line enter 'Payroll PPE *mm-dd-yy* EE ded's' where *mm-dd-yy* is the payroll period end date (2-digit month-date-year) and click on the 'Save and Close' icon. Here are the other fields and how they should be completed

- (i) Journal Date: Enter the date of the posting
- (ii) Invoice Number: If an invoice exists, enter the invoice number from the document. Otherwise, enter 'PPE*mmddyy*' (where *mmddyy* is the payroll period end date)
- (iii) Invoice Date: Enter the same date as Journal Date
- (iv) Attachments: Select the appropriate file that contains a scanned page from the payroll deductions report and click on 'Upload'.

In the payment request lines, click on the green plus (+) symbol to add a new line to the payment request. The 'Line Description' field will prefill with the description entered earlier. You should enter the appropriate liability account and then enter the amount. Click on the 'Create Payment Request' icon to complete the payment request process. Under the 'Unapproved Payment Requests' menu, you should see the previously created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point, any errors or omissions should be corrected. If everything is correct, click on the 'Submit' icon to create the payment request.

At this point the submitted payment requests will be advanced in the workflow process to the FD queue waiting for their review and approval. Once all have been approved, you can proceed with printing the checks.

- (d) **Posting the Deduction Check Payment Batch:** The control total for all of the employee deduction checks is displayed on the first (summary) page of the PDF labeled PPE*mmddyy*.pdf where '*mmddyy*' is the payroll period end date (2-digit month-date-year). It is listed on the report as the 'Total Amount of Deduction Checks (w/o EFT)'. You will use this amount to compare the payment batch to ensure that the batch is entered correctly.

Begin by creating a payment batch for all of the deduction checks. First click on the 'Accounts Payable' menu option, and then select the 'Process' sub-menu and then click on the 'Payment Batches, Open' option. Click on the green plus (+) symbol to open up a new payment batch. In the description field enter 'Payroll PPE *mm/dd/yy* deduction checks' where *mm/dd/yy* is the payroll period end date (2-digit month-date-year). Click on the 'Add Payment' icon and select either the 'Preferred Method' or 'Checks' options from the drop down menu. The system will now prompt you with a number of unpaid payment requests that can be brought into the payment batch. Filter

and select whichever checks are appropriate to include in the deduction check batch and click on the 'OK' icon to bring the items into the payment batch. If the amount matches the control total, you can post the batch by clicking on the 'Post' icon. If not, you'll need to determine if an unexpected item has been included or an expected item not included and correct the error. After correcting the error and confirming that the control total matches the total of all the items selected, you can now post the batch. Once the batch has been posted, print the batch report by clicking on the 'Show in Report' icon and selecting the 'Payment Batch Details' from the drop down menu.

Navigate to the 'Print Tray' menu option which is located directly beneath the 'Payment Batches, Open' menu option. Click on the 'Add to Print Tray' menu option and the system will prompt you with all of the approved open invoices that can be paid. It is important that you only select checks from one bank account each time you process checks. In this case you only want to select checks from the Payroll account. Once you've selected the checks to be paid, click on the 'OK' icon to complete the selection process.

- (e) **Printing the Deduction Checks:** Begin by clicking on the 'Print Checks' icon and select 'Check Register' from the drop-down menu. You should print the report that is generated by VIP. Next, click on 'Print Checks' and select 'Checks as Text' from the drop-down menu. This will create a text file that will be downloaded later in the process into the check printing system. Finally, click on the 'Print Checks' icon and select 'Check Addendum' from the drop-down menu. It is highly unlikely that you will have a check addendum report, but it's a good practice to check for the report's availability each time you print checks.

Under the 'Accounts Payable menu option, click on the 'Export' sub-menu to see the check file that was created. You should download this file into the following folder on the network: Z:\Payroll\_Checks. You are now ready to physically print the checks.

Prior to beginning the printing process, insert red blank check stock into the MICR-enabled laser printer. The checks should be inserted face down with the stub to the back of the print tray. Log into the InterLaser check printing system used to process the check file. Click on the Under the 'Utilities' section of the home screen, click on 'Automatic Processing' to begin the process. Check the two prompt boxes ('Is the printing paper installed in the printer?' and 'Is the MICR cartridge installed in the printer?').

Download the check text file previously created into the Z:\Payroll\_Checks folder and then go back to the InterLaser system. After a brief delay, the system should automatically print the checks. Once the printing is done, it will print a report listing all of the checks with the payee and amount information. Exit out of the automatic processing and return to the home screen.

If everything is good (and you don't need to reprint any checks), go back to VIP and in the 'Print Tray', click on the 'Mark All as Printed' icon at the top of the screen. This will remove these checks from the print tray and mark them as printed. If you fail to do this step, they will be included in your next check run as the system doesn't think that they've been printed.

- (f) **Positive Pay Processing:** The next step is to create the positive pay file for transmission to the bank. In InterLaser, click on the #5 menu option – Positive Pay. The system will request that you select the specific checks or you can simply select 'All' to ensure all checks printed on that day are included in the file. Click on the 'Process' system icon to create the file which will be stored in the Z:/Positive\_Pay folder. The filename will have 'ACH' included in the name. For example,

the payroll checking account file will be named 'Payroll.txt'.

- (g) **Transferring funds at Bank:** Log into the Park National's online banking system and click on the 'Transaction Management' app. Once in the Transaction Management Portal, click on the 'Submit Issued Check File' menu option. In Step 1, select the file by clicking on the 'Choose File' icon and clicking on the correct file. In Step 2, click on the correct 'Account Nickname' which (for Payroll) is 'PAYROLL CKG 2' and then click on the correct 'File Processing Type'. For payroll it should be 'CITY OF PATASKALA PAYROLL'. Click on the 'Process File' icon to transmit the file and add the additional checks issued to the positive pay database.

The check printing process is now complete and you can log out of the online banking system and close the InterLaser system.

#### **Section 4.07 Pension System Employee Enrollment & Monthly Reporting**

- (a) **Overview** – Both statewide pension systems (OPERS and OP&F) require the city as an employer to enroll its' employees into the respective pension system within 30 days of their starting work. They also require the city to report its' employee earnings and submit the pension contributions (employee deductions and employer contributions) for the prior month. This reporting is due on or before the last day of the month following the prior month's earnings/reporting period. For example, if the December earning period ending date is December 24, the report and contributions are due on or before January 31. The reporting period is based on a 'when earned' basis and not on a 'when paid' basis.
- (b) **Employee Enrollment** – Each pension system has unique requirements to enroll new employees into the appropriate pension system, but both have a 30-day window from the employee's first day of work to file the required documentation.
  - (i) **OPERS:** OPERS has a 'Form A - Personal History Record' that the employee must complete and sign on or before their first day of employment. The FD completes the employer section of the form and uses the information for the online enrollment.

Log into the OPERS Employer Contribution System (ECS). On the left-hand side of the screen, click on the 'Online Forms' menu option. In the 'Data Entry' section of the screen, click on the 'Personal History Record (Form A)' hyperlink. Enter all of the information into the system from the signed form and click on the 'Submit' button.

Print a copy of the accepted registration and attach it to the signed Form A and place it in the employee's personnel file.

- (ii) **OP&F:** The Ohio Police & Fire pension system has more extensive enrollment requirements that must be filed on or before their 30th day of employment with the city. The documents are to be scanned and sent to the city's representative. The reporting requirements include the following:
    - 1) *Member Information Form* – This form is to be completed by the member, signed and returned to the Finance department. This document is to be retained in the employee's personnel file.
    - 2) *Employer Certification of Member Enrollment* – This form is to be completed by the

employer and signed by the Finance Director. This document is to be retained in the employee's personnel file.

- 3) *Social Security Form SSA-1945* – This form is to be completed by the employee as part of the onboarding process. They should physically sign a printed copy of the form that is retained in the employee's personnel file.
  - 4) *Pre-Employment Physical* – A copy of the Member's Medical Questionnaire and all supporting documentation shall be provided to the Finance department and retained in their personnel file. If this a lateral transfer and the member is already a member of OP&F then no additional physical is required.
- (c) **Data Collection/Source** – The city uses the HRB payroll system to report the earnings and generate the reporting required to provide the information to the pension systems. Here is where the information can be obtained:
- (i) **OPERS:** Log into the HRB payroll system and click on the 'Reporting' menu option and then the 'Report Writer' sub-menu. The report you are looking for is the 'OPERS Custom' report. Select that report by clicking on it. All the required fields, etc., have already been set up in this report and need no additional changes. Click on 'Preview by Company' tab and enter the following information:
    - 1) *Company* – Select 'City of Pataskala' from the drop-down menu.
    - 2) *From Date* – Enter the first day of the first pay period in the month.
    - 3) *To Date* – Enter the pay period end date for the last pay period in the month.
    - 4) *Date Type* – Select 'Period Ending Date' from the drop-down menu.
    - 5) *Output Type* – Select 'PDF' from the drop-down menu.To submit the parameters to the system and generate the report, click on the 'Generate Report' in the black menu bar in the middle of the screen. Once the system acknowledges the request, you should go to the 'My Reports Queue' area to view the report. To view the report, click on the 'View Report' hyperlink next to the report information. When the system generates the PDF, print the report and use the information to enter into the OPERS reporting system.
  - (ii) **OP&F:** The Police & Fire Pension system report is created by HRB staff, and the Excel file is typically emailed sometime during the middle of the month the reporting is due. The filename is typically labeled 'OPNF\_Reporting\_yyyy MMM' where 'yyyy' is the year number and 'MMM' is the month name (i.e., March not '03'). As this file contains non-rounded numbers, it is important to calculate the individual employee deductions amount as well as the employer contributions. In the 'Employee Contributions' column, enter the following equation: **"=Round(H3\*0.1225,2)"** where column H is the 'Gross Salary' column. In the 'Employer Contributions' column, enter the following formula: **"=Round(H3\*0.195,2)"** where column H is the 'Gross Salary' column. Copy and paste these two formulas to all cells where there is an employee name. In the line immediately following the last employee line, enter a SUM formula that will total all the individual cells in the 'Hours Paid', 'Employee Contributions' and 'Employer Contributions' column. In the next line in column J, enter a sum formula that adds the total 'Employee Contributions' and 'Employer Contributions'.



(d) **Data Entry** – Once you have all the employee compensation and contribution information, you'll need to log into the respective pension system's online portal to submit your report.

(i) **OPERS Reporting:** Log into the OPERS Employer Contribution System (ECS). On the left-hand side of the screen, click on the 'Online Reports' menu option. In the 'Data Entry' section of the screen, click on the 'Regular' hyperlink. The system should pre-populate the fields, but here's what should be in there:

1) Employer Code 472108

2) *Reporting Period End Date* This should be the last day of the month you are reporting for. For example, April 2024 would be 4/30/2024.

Click on the 'Continue' icon to continue to the data entry screen. This is the payroll frequency screen. All of our pay periods are on a frequency of '7' (or 14 days). The dates below are required and should match the report you produced earlier.

3) *Begin Date* This should be the first day of the first pay period in the reporting month.

4) *End Date* This should be the last day of the last pay period in the reporting month.

If you've previously already started and saved a report, you'll want to click on the 'View Reports' tab and then on the 'Saved Report List' hyperlink. The report you've already started should be listed on the screen. Click on the 'Select' button and then the 'Go To Report' system icon. This will take you into the report that was previously started.

Click on the 'Continue' icon to continue to the 'Data Entry' screen where all employees are listed. You will want to enter the earnable salary from the report for each employee in the appropriate cell. If an employee is not listed on the screen, you will need to add them to the file. To do that, click on the '+Add Employee' menu icon and follow the prompts. The specific codes you'll enter can be found in the OPERS Employer Manual. The employee's social security number and other information can be found on the HRB system. If this is an employee's final pay period, you should click on the employee's name and enter the appropriate Pay Period Ending (PPE) code.

After all employees have been entered into the system, you click on the 'Calculate Contributions' and then compare the employee contribution amount (under 'Retirement Contribution') with the totals from the report. You should now immediately save a copy of the report to ensure that no data is lost. The next step is to submit the report to OPERS for verification. Click on the 'Submit Report for Verification' to proceed. If the system responds with any error messages, you'll need to address them prior to submitting the file to OPERS. When you have all of the error messages corrected, click on the 'Submit Report for Verification' one more time. The system will produce a 'Data Entry: Verify Report' for purposes of verifying and new, returning and/or terminating employees. You should print the report and verify that all of the information listed is correct. If so, click on the 'Submit to OPERS' button.

The system will now produce a confirmation report. You are encouraged to click on the 'Create Printer Friendly Version' and then print the resulting report for the files. The next step is to schedule the ACH payment of both the employee and employer contributions.

- (ii) **OP&F Reporting:** Log into the OP&F Employer Self-Serve website. On the left-hand side of the screen under the ‘Work History Shortcuts’, click on the ‘Manual Entry’ menu option. Select the ‘City of Pataskala Police’ account and verify that the date displayed in the ‘Next Report Period’ is the first day of the desired reporting period. Click on the ‘Generate Work Report’ menu icon to create a draft report and begin the reporting process. In the ‘Initial Work History Reports’ section of the screen, click on the ‘Work Report Entry Screen’ hyperlink. The system should pre-populate the fields, but here’s what should be in there:

At this point all participants should be listed on the screen. If there are multiple lines for employees on the worksheet you will need to add additional line(s) for those employees. To duplicate a line, click on the left-hand check box for the employee and click on the ‘Copy’ icon to duplicate the employee to the data entry screen. If there are more than 2 lines, you’ll need to repeat this process as necessary. For each employee, you’ll need to enter the following information on the data entry section:

- 1) *Pay Code* - OP&F requires us to report earnings by pay code. You need to enter the appropriate code in this field. A complete list of codes can be found in the OP&F Employer handbook, here are the most commonly used ‘Pay Code’ options:
  - a) 0 – Regular
  - b) 1 – Holiday
  - c) 3 – Longevity
  - d) 6 – Retroactive Pay Increase
  - e) 7 – CAAS (or Current Additional Allowable Salary - This field is used for shift differential, Officer In Charge and Field Training Officer pay.)
- 2) *Base* - This is the base number of hours in the reporting. Depending upon how many payrolls are in the period it will be either 160 or 240 hours. You only need to enter this information into Pay Code ‘0’ (regular) earnings. For all other pay codes, leave this field blank.
- 3) *Hours* - This is the actual number of regular hours worked in the pay period. This will typically be the same as the number of hours entered into the ‘Base’ field. You only need to enter this information into Pay Code ‘0’ (regular) earnings. For all other pay codes, leave this field blank.
- 4) *Gross* - This field is to report the gross salary earned in the pay period.
- 5) *Taxed* - This field is to report any taxed contributions to OP&F. You will typically never use this field.
- 6) *Salary* - This field is to report any pre-tax contributions to OP&F. This is where you will typically report employee contributions.
- 7) *ERPaid* - This is used to report an employer-paid (“picked-up”) contributions on behalf of the employee. The city doesn’t have a pick-up plan for the Police department, so this field will not be used.
- 8) *WrkCd* - This is a ‘Work Code’ field that is typically used when the employee has less

hours in the 'Hours' field than in the 'Base' field. Here are the options you can use:

- a) N – New Employee
  - b) T – Terminated Employee
  - c) R – Retired Employee
  - d) D – Deceased Employee
  - e) S - Suspended Employee
  - f) M – Military Leave
  - g) L – Leave without Pay
  - h) A – Pay Adjustment for Prior Reporting Period
- 9) *Description* – You will typically use this field to provide details on the '7 - CAAS' line. Enter a brief description such as 'SD, OIC & FTO pay' to provide the pension system with details behind those earnings.

The reporting system tends to log you off if you're working on it and haven't entered any recent information. If you haven't already saved the entered information that information will be lost when it logs you out of the system. To minimize that risk, you are strongly encouraged to save periodically so that you won't lose any information. If you've previously already started, saved a report and are re-entering the system, you'll want to click on the 'Work History Reports' tab. The report you've already started should be listed on the screen. Select the current report and then click on the 'Work Report Entry Screen' hyperlink. This will take you back into the report that was previously started.

After all employees have been entered into the system, you click on the 'Reports' and then select the 'View Report' to create and print the current draft submission. You should then compare all of the totals from the OP&F system to the original HRB report. You should now immediately save a copy of the report to ensure that no data is lost. If everything matches and is correct, click on 'Close' to close the data entry screen. The next step is to submit the report to OP&F. Click on the 'Work History Reports', select the current report and click on the 'Submit' button to proceed. If the system responds with any error messages, you'll need to address them prior to resubmitting the file to OP&F.

- (e) **Schedule Payments** – Once you have all of the employee earnings information sent to the respective pension systems, you will need to schedule an ACH debit from the Payroll account for the employee and employer pension contributions.
- (i) **OPERS Payment Processing:** From the 'Data Entry: Confirm Report' you will need to click on the 'Schedule Payment' button to initiate the transaction. Generally speaking, you will always select the 'Pay Net Liability' option by clicking on the button. That will preload the employee and employer contribution amounts. In the 'Payment Type' field, you should select the 'Paperless Payment (ACH)' option from the drop-down menu. The account selected should be '0369502' which is the Payroll checking account. As for the payment date, you can select any date prior to the last day of the current month. It is recommended that you select a date at least 1 or 2 business days prior to month-end to ensure adequate time to address any issues that might arise from the ACH debit request.

Once you have all of the required fields completed, click on the 'Pay Net Liability' button to process the transaction request. The system will prepare a draft 'Payment Remittance Advice: Verify Payment Details' report. You should print and review this report to ensure that the information is all correct. Once everything has been confirmed to be correct, click on the 'Submit to OPERS' button to finalize the transaction. The system will then print a payment remittance advice that you should print and retain for the files. Once that report has been printed, click on the 'Review Payment Remittance Advice' and print the report for the files.

- (ii) **OP&F Payment Processing:** From the OP&F system home screen, you will need to click on the 'Employer Payment Remittance' button to initiate the transaction. You will need to confirm the employer information is correct. In Section B enter the reporting period starting and ending dates. Generally speaking, you will always select the 'Standard Monthly Report' option by clicking on the button. If this is a corrected report that requires additional funds to be paid click on the 'Corrected report and additional money owed' button. In the 'Payment Type' field, you should select the 'Funds will be sent by ACH' option and enter the date the funds are to be debited from the city's bank account. It is recommended that you select a date at least 1 or 2 business days prior to month-end to ensure adequate time to address any issues that might arise from the ACH debit request. Enter the 'Gross pensionable wages', 'Member contributions' and 'Employer contributions' amounts from the system report. Click on the 'Submit' button to complete the remittance reporting. Print the report and retain with the file.

Once you have all of the required fields completed, click on the 'Online Payment Requests' button to process the transaction request. The system will prompt you for the 'Division' and you should select 'Remittance Payment' from the drop-down menu. From the 'Scheduled Payments' screen click on the 'Add' button to begin the creation of the ACH debit transaction. Enter the following information into the system:

- 1) *Posting Date* - This should be the ACH debit date in the remittance report.
- 2) *Description* - Enter the description as 'mmm-yy OP&F pension payment' where 'mmm' is the 3-character month abbreviation for the reporting month and 'yy' is the 2-digit year number.
- 3) *Amount* - Enter the total amount of the ACH debit as listed on the Employer Payment Remittance report.

Once the information has been entered, click on the 'Save' button to create the ACH debit transaction. The system will provide a confirmation message to indicate that the payment has been created. You should print and retain this confirmation for the files.

- (f) **Posting Payments to the General Ledger** - Log into the VIP accounting system, click on the 'Accounts Payable' menu and then click on the 'Process' sub-menu. The next step in the pension expense payment process is to post the ACH debit transaction to VIP as an EFT transaction.
- (i) **Expense Funds Transfer:** To post the ACH expense to the ledger, go to 'Accounts Payable' then select the 'Payment Requests, Unapproved' option. Click on the green plus (+) symbol to open a payment request. Please note that there will not be a PO outstanding for these charges.
- 1) *Posting EFT Transaction without a Purchase Order* – Since a PO hasn't been issued, you will need to enter a significant amount of information that would have been otherwise pre-

populated from a PO. In the Workflow field, select 'Payment for Finance Director Review Only'. In the 'Remit To' field you should select the correct vendor (2618-OPERS or 2605-OP&F) as the vendor. In the 'Description' line enter 'mmm-yy OPERS pension contributions' or 'mmm-yy OP&F pension contributions' where 'mmm' is the 3-digit month abbreviation for the reporting month (i.e. MAR, OCT, etc.) and 'yy' is the 2-digit year number (i.e., 2024 = 24) and then click on the 'Save and Close' icon. Here are the other fields and how they should be completed:

- a) *Journal Date* - Enter the date of the posting. It should be the same date that the ACH debit will post to the bank.
  - b) *Invoice Number* - Enter the invoice number as 'mmmyyOPERS' or 'mmmyyOPF' where 'mmm' is the 3-digit month abbreviation (i.e. MAR, OCT, etc.) for the month you are reporting and 'yy' is the 2-digit year number (i.e., 2024 = 24).
  - c) *Invoice Date* - Enter the date the pension information was submitted to the pension system.
  - d) *Prepaid Payment Type* - Select 'EFT-Payroll' from the drop-down menu.
  - e) *Prepaid Date* - Enter the same date as Journal Date
  - f) *Attachments* - Scan all of the appropriate supporting documentation for the wire transfer to the server. Click on 'Browse', locate the file, select it and then click on 'Upload' to attach the file to the payment request.
- 2) In the payment request lines, click on the green plus (+) symbol to add a new line to the payment request. The 'Line Description' field will prefill with the description entered earlier. You will then need to enter the account number and then the amount. It will either be 999.000.22022 for OPERS or 999.000.22023 for OP&F. Enter the amount of the ACH debit in the 'Amount' field and then click on the 'Create Payment Request' icon to complete the payment request process. Under the 'Unapproved Payment Requests' menu, you should see the previously created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point any errors or omissions should be corrected (including that the 'Prepaid Payment Type' field has been correctly entered as 'EFT-Payroll'. If everything is correct, click on the 'Submit' icon to create the payment request. Once the payment has been approved you should print the journal entry report. This can be done by going to the 'General Ledger' menu and then selecting the 'Maintain' sub-menu. Select the 'Journals, Posted' menu option, locate the specific transaction and then print the 'Journal Details' report.

#### **Section 4.08    Employment Verification**

- (a) **Overview** - The city periodically receives requests from lenders, title agencies, potential employers, etc. to verify employment (hire date and current status) and salary for employees.
- (b) **General Policies** –
  - (i) The city requires that the requesting party provide a copy of the authorization form the employee signed via email or fax prior to us verifying the employee's information.

- (ii) Once a signed authorization has been received, either the FD or the AFD shall confirm the information requested and respond accordingly to the requestor. No other employee outside of the FD or AFD shall confirm an employee's employment.
- (iii) The authorization form and any other documents created as a part of the verification process shall be placed, and maintained, in the employee's personnel file.

## **Article V      ACCOUNTS PAYABLE & PURCHASING**

### **Section 5.01    Adding a New Vendor**

- (a) **Overview** - Periodically new vendors must be added to the VIP Accounts Payable system. However, care should be given to ensure that the information is accurate and legitimate when determining if a vendor should be added to the system.
- (b) **Responsibility** – The Finance Director has the sole responsibility/authority for the addition of new vendors to the system. All vendors must submit the city’s vendor set-up forms (including IRS Form W-9) in order to be created on the VIP system. These forms shall be sent to the vendor electronically and then returned to the Finance department in the same way.
- (c) **General Policies** –
  - (i) Vendors will not be created until the city’s vendor set-up forms (including IRS Form W9) have been fully completed and received/reviewed by the Finance department.
  - (ii) All potential vendors shall be vetted against the Ohio Auditor of State’s Findings for Recovery database to ensure that they are not otherwise prohibited from doing business with the city.
  - (iii) If a vendor doesn’t currently exist in the city’s accounting system, then a unique vendor number shall be assigned to the vendor. Parks department 1099 vendors shall be assigned a vendor number that begins with ‘P’ and then up to the first 8 characters of their last name and the first character of their first name. Members of the city’s boards and commissions shall have a vendor number that begins with ‘B’ and follows the same naming convention.
  - (iv) Vendors requesting to participate in the city’s ACH vendor payment system shall provide the name, phone number and email address of a point of contact (accounts receivable, sales, etc.) for the company. The validity of this email address shall be confirmed by the city sending a confirmation email to the email address provided.
  - (v) Purchase orders are not to be issued (or contract/purchase confirmed) until the vendor set-up has been completed and the vendor number communicated to the requesting department.
  - (vi) Vendors that fail to perform satisfactorily, provide fraudulent or misleading information or violate Ohio ethics laws may be listed as ‘Inactive’ on the accounting system and not permitted to be used in the future.
- (d) **Procedures** –
  - (i) Departments should verify that a vendor that they wish to do business with is not already set-up in the accounting system. Many times, companies are known by their ‘DBA’ and not their corporate names. If a department is having difficulty confirming the existence of an established vendor, they should contact the Finance department for assistance.
  - (ii) The city’s Finance department maintains the official vendor set-up forms and will update them periodically. Departments should send the current version of the documents via email to a proposed vendor, directing them to return them via email to the city’s Finance Director. At this stage, an initial review of the documents shall occur to ensure that all information appears correct, and that no information is missing.

- (iii) The Finance Director shall next confirm that the vendor doesn't currently exist on the accounting system. It is strongly encouraged to use the blanket search function of the system to ensure the search yields the desired results. To do that, enter the search parameter into the search box located at the upper right-hand corner of the screen.
- (iv) The Finance Director shall perform a search of the Ohio Auditor of State's Findings for Recovery database to ensure that the vendor is not prohibited or otherwise debarred from doing business with the city. A copy of the database report shall be printed and included with the set-up documents.
- (v) After successfully verifying that the vendor isn't listed in the Findings for Recovery database, the Finance Director shall assign a vendor code to the vendor. Most vendors shall be assigned a unique vendor number that is based upon the alphabetic location of the vendor's company name. Parks department 1099 vendors shall be assigned a vendor number that begins with 'P' and then up to the first 8 characters of their last name and the first character of their first name. Members of the city's boards and commissions shall have a vendor number that begins with 'B' and follows the same naming convention.
- (vi) All relevant information is now entered into the vendor set-up screen, including mailing address, tax ID number and W9 type. If the vendor is an individual, partnership or law firm, the 'Requires 1099' box must be checked to ensure that a 1099 (if meeting the IRS reporting requirements) is generated for that year's activity.
- (vii) OPERS also requires the city to monitor and annually report on the non-contributing status of our vendors. However, this requirement only applies to individuals or partnerships and is used to report 1099 income that isn't subject to the pension system requirements. C-Corp and S-Corp organizations are not subject to this requirement and do not need to have any information entered in this section. For all others, there are three (3) fields that must be completed as part of the vendor set-up process:
  - 1) *Non-Contributing Status* - There are two (2) codes that are to be used in this field: 'I' – Independent Contractor and 'X' – Exempt Payee.
  - 2) *Non-Contributing Position* - Enter the description of the position or services being provided.
  - 3) *Non-Contributing Start* - Enter the date the services began being provided.

After finishing the data entry of the vendor information, click on the 'Save and Close' icon to finish the initial set-up of the new vendor. Copies of all the vendor set-up documents should be scanned and attached to the vendor file using the 'Attachments' tab. If a vendor requests to be paid via ACH, the next section of these policies and procedures documents that aspect of the vendor set-up.

## **Section 5.02 Setting Up/Maintaining Vendor ACH Payments**

- (a) **Overview** - Vendors are encouraged to participate in the city's ACH vendor payment program. ACH payments benefit the city by eliminating the effort and cost associated with printing and mailing physical checks. A vendor benefits from receiving payment via ACH as they receive the payment more quickly than if a physical check was printed and mailed. The city will not offer



some vendors (particularly utilities such as gas or electricity) with the ability to receive payment via ACH due to their inability to properly and timely post the payments to the correct accounts. It is important to remember that this function can increase the risk of loss to the city. This risk can be mitigated however, if care is given to ensure that information is accurate and legitimate and controls over the creation and maintenance of vendor ACH information are followed.

- (b) **Responsibility** - The Finance Director has the sole responsibility/authority for the addition and maintenance of vendor ACH information to the system. All vendors must submit the city's vendor ACH set-up form for the electronic payments function to be established on the VIP system. These forms shall be sent to the vendor electronically and then returned to the Finance department in the same way.

- (c) **General Policies** –

- (i) Vendors requesting electronic payments as part of their initial vendor set-up process shall provide the name, phone number and email of a contact for remittance information. ACH payment functionality shall not be established unless all of that information (along with the bank-specific information) is provided. If a vendor requests this capability later, in addition to the city's ACH payment set-up form, they should also send you a copy of a letter from their bank that provides the relevant banking information and a bank contact for the city to verify its' authenticity.
  - (ii) If a vendor sends correspondence requesting a change to their established banking information, that information will be confirmed independently of the correspondence. The Finance Director shall contact the name given when the electronic payment function was initially established. This shall be done via a phone call to the phone number originally provided for the contact. No changes shall be considered without this independent verification being successfully completed.
  - (iii) Only the Finance Director is authorized to make changes to a vendor's ACH banking information to avoid the risk of payment redirections.

- (d) **Procedures** –

- (i) During an initial vendor set-up, the ACH payment function can be established after all the vendor information has been submitted and a new vendor created. To begin the process, click on the 'Direct Deposits' tab on the vendor set-up screen. Click on the green plus (+) symbol to add a vendor direct deposit.
  - (ii) There are a number of required fields that must be completed to create the direct deposit capability:
    - 1) *Remit To* - Using the drop-down menu, select the appropriate 'Remit To' vendor.
    - 2) *Transaction Code* - Using the drop-down menu, select whether the vendor's bank account is a checking or savings account.
    - 3) *Routing Number* - Enter the 9-digit ABA routing/transit number provided by the vendor.
    - 4) *Account Number* - Enter the account number provided by the vendor.
  - (iii) After all of the above information has been entered, click on the 'Save and Close' icon to close

the screen and establish the ACH direct deposit functionality.

- (iv) If an existing vendor is requesting new ACH payment functionality or is modifying the existing banking or contact information (after the required reviews), you'll need to locate the vendor file on VIP. This can be done by clicking on the 'Accounts Payable' menu and then on the 'Maintain' sub-menu. From this screen click on the 'Vendors' menu option. This will enable you to search and find the existing vendor. Once you're on the appropriate vendor screen, you can click on the 'Direct Deposits' tab to make the changes. The process to add or modify an existing vendor's ACH information is like the previous steps except that you'll use the edit pen to enable changes to be made.
- (v) Regardless of whether it is an initial ACH set-up or a future addition/edit to ACH, the requesting documents should be scanned and attached to the vendor file for future reference and documentation purposes.
- (vi) Once the ACH information has been entered/updated, an update copy of the ACH vendor file needs to be created and uploaded to the Z:\ACH\_Payments folder. To do this, click on the 'Accounts Payable' menu and then on the 'Report' sub-menu. From this screen click on the 'Vendor Direct Deposits' menu option. This will generate a table of all vendors electing ACH along with all the relevant information. Click on the 'Export to Text' menu option and save the file as 'VendorACH.txt' in the Z:\ACH\_Payments folder. This file is then used by the InterLaser check printing system to determine which checks to send via ACH and which checks to print physical documents.

### **Section 5.03    Updating/Changing Vendor Information (non-ACH)**

- (a) **Overview** – Periodically, established vendors will notify the city that some aspect of their company information has changed. This typically involves changing their payment mailing address, although name changes occur as well.
- (b) **Responsibility** - The Finance Director has the sole responsibility/authority for the maintenance of vendor information on the system. All vendors must submit documentation on the company's letterhead indicating what has changed.
- (c) **General Policies** –
  - (i) Vendors should send the request in writing, either a formal letter or via email from a company email address. If the request is made via email, the Finance Director shall use the contact name and phone number provided during the initial vendor set-up to verify the change verbally prior to making any changes to the system.
  - (ii) Corporate name changes can be made, provided that the vendor's tax ID hasn't changed. We can reflect the name change on the VIP system immediately, but if their tax ID has changed, a new vendor will need to be created on the system and require updated vendor set-up forms completed and submitted to the Finance department.
  - (iii) Due to the increased risk associated with it, changes to a vendor's banking information for ACH payments require an additional level of scrutiny and verification. Complete details on

that process can be found in the ‘Setting Up/Maintaining Vendor ACH Payment Capability’ policy previously addressed.

#### **Section 5.04 Processing Vendor Invoices/Payment Requests**

- (a) **Overview** – On a daily basis, the city receives invoices (via mail and electronically) requesting payment for items purchased or services rendered. The city is subject to the risk of loss whenever an invoice is presented for payment. Controls have been developed and are in place to minimize this risk of loss and include (but not limited to): encumbrance (PO) accounting; workflow/approval routing; system access controls; and document scanning/attachment to individual payment requests.
- (b) **Responsibility** - Typically the Accounting Clerk (AC) is the individual authorized to create and post a draft payment request to the accounts payable system. The city uses the VIP system’s workflow routing system to ensure that a multi-level review and approval takes place prior to issuing payment.
- (c) **General Policies** –
  - (i) The FD manages access to the VIP system. The VIP system limits access by the type or nature of the transaction, account number and the role the individual has within the city. For example, clerks have a much lower level of access/authority compared to department Directors, and the Directors have less access/authority than the FD. This minimizes the risk of a user entering information or making changes to the system that they shouldn’t be able to do.
  - (ii) Purchase orders are required to be issued by the Finance department prior to a purchase/order taking place, or a contract being signed. Requisitions are prepared by each department and go through a multi-level review process (VIP Workflow Routing) prior to being finally approved by the Finance Director. Departments are encouraged to request blanket POs at the beginning of each year to minimize the effort required for routine operating transactions. However, if a department fails to request a PO prior to the purchase/transaction date, a ‘Then & Now’ PO can be issued by the FD, provided that the total amount is \$3,000 or less. If the amount is greater than \$3,000 it will require Council authorization via resolution prior to being paid.
  - (iii) Upon receipt of an invoice, the AC matches it to an existing open PO. If the AC is unable to locate a PO or there are multiple POs to choose from, they will contact the department for assistance. The invoice information is then entered into a payment request using the open PO. The PO pre-populates most of the information on to the screen, although the invoice-specific information (such as invoice number, date and amount) must still be manually entered.
  - (iv) The invoice and all supporting documentation shall be scanned and attached to the payment request. This provides the documentation needed for the various review and approval processes, as well as facilitating the annual audit process.
  - (v) Once the payment request has been entered, it will move into the workflow routing approval process on the VIP system. The payment request will initially be routed to the relevant department director(s), then to the City Administrator and finally the FD for review and approval. Once the FD has approved the payment request, it becomes an open invoice on the system and is ready for import into a payment batch and ultimately payment.

## Section 5.05 Bank Payment Controls/Positive Pay

- (a) **Overview** – The city is subject to the risk of loss whenever a physical check is printed and presented to the city’s bank for payment. Controls have been developed and are in place to minimize this risk of loss and include (but not limited to): secured check printing; use of fraud-preventing check stock; and payee positive pay.
- (b) **Responsibility** - Typically the AFD is the individual authorized to create and post a payment batch to the accounting system. If the AFD is out of the office or otherwise unable to initiate a payment batch, the FD may process the payment batch.
- (c) **General Policies** –
  - (i) Once payment requests have been approved via the VIP workflow process, a payment batch shall be created on the VIP system to post the transactions as invoices on the system. The AC will batch the transactions and provide an adding machine tape with a batch control total to the AFD. The AFD will import the transactions into a payment batch and confirm that the batch total matches the control total prior to posting the batch.
  - (ii) The city shall use blank check stock that incorporates current technology to minimize the risk of fraudulent activity (such as check washing, etc.). This check stock shall be colored differently for governmental (green), utility (blue) and all other accounts (red). This approach aids in deterring fraud, since the checks from the primary checking accounts are each printed on a different color and a fraudulent check may be printed on a different color. The check stock shall be stored in a secured location and access to it limited.
  - (iii) Printing of the checks shall be performed using a secure check printing system. This system shall have a separate access control system which restricts access to only authorized users. The system shall print to a dedicated printer with a MICR toner cartridge installed.
  - (iv) The city shall use the bank’s Payee Positive Pay functionality which limits the payment of presented items to only those which match information previously provided by the city. After each payment batch has been processed, a file will be created and uploaded by the AFD to the bank which contains the following information:
    - 1) Payee name
    - 2) Check date
    - 3) Check number
    - 4) Check amount
  - (v) The bank’s system will compare the information from the physical check against the payment information provided by the city. If anything doesn’t exactly match, the bank will notify the city of the discrepancy and provide the opportunity for the city to review and either approve or reject the item. Many times, the error results from a poor scan of the original item which causes it to not match. These are easy to review and approve but must be done by a deadline each morning (typically 10:30 am).
  - (vi) When the AFD is preparing the positive pay file on the InterLaser system, the system will also create the vendor ACH payment file. These files are then uploaded to the city’s bank for

payment and the confirmation document printed. The InterLaser system also produces a report (by checking account) listing all the items that were paid via ACH (check number, payee name and amount). Copies of this report are provided to the FD which are then used in the bank reconciliation process.

- (vii) The daily bank activity is reviewed by the AFD to identify any items (credit or debit) that have been posted to the account which haven't already been posted to the accounting system. Unexpected or unidentified items are researched to identify if they should be reversed or simply posted to the accounting system.
- (viii) As a part of the month-end closing process, bank reconciliations shall be performed by the FD each month on the first business day following the end of month. Any unidentified variances shall be researched, and a course of action determined. If it is simply ledger activity needing to be posted, that will occur while the prior month's ledger is still open. If a bank transfer or error is determined, that will become an adjustment on the month-end reconciliation and the action taken in the following month.

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## Article VI OUTGOING WIRE TRANSFERS

### Section 6.01 Creating a Wire Transfer Request

- (a) **Overview** - Due to the transactional cost, wire transfers are typically only used for large dollar, non-recurring payments, or payments where an element of time-sensitivity is present. It is critical to understand that once a wire transfer has been released by the bank it is virtually impossible to recall the outgoing wire.
- (b) **Responsibility** - Typically the FD will be the only individual authorized to create and initiate an outgoing wire transfer. If the FD is out of the office or otherwise unable to initiate an outgoing wire transfer and the matter is time-sensitive, the AFD may be given the authority to request the wire transfer.
- (c) **General Policies & Procedures** –
  - (i) *Initiating a Wire Transfer* – To initiate the outgoing wire transfer, the FD will log into the Park National Bank (PNB) online system. Once you're logged into the banking system, click on the 'Payments & Transfers' line and then select 'Wire Transfer' from the drop-down menu. If a wire transfer template was previously created and used, click on the 'Manage Templates' to edit the description or amount for the wire transfer. Once you've made any required changes to the template, click on the 'Save Template' to update the template with the current correct information.
  - (ii) To submit the wire transfer request, click on the 'Create Transfer' menu option and 'Select Template' to use the existing transfer. If this wire will be a one-time only wire, you can create the wire by selecting the 'Create – Single Free-Form Wire' menu option. Once you've entered all of the relevant information, click on the 'Request Transfer' icon to submit the request.
  - (iii) At this point the wire will still be in pending mode as it requires a 2nd user to review and approve the wire transfer. To facilitate this review, you should print all supporting documentation and provide it to the AFD for their review.

### Section 6.02 Approval/Authorization of a Wire Transfer Request

- (a) *Approving the Wire Transfer Request* – The AFD will receive a notification from PNB that there is an outgoing wire transfer request that is in pending status and requires their approval. The AFD should log into the PNB online system and click on the 'Wire Approvals Pending' in the 'Action Center'. The AFD should compare all the information in the pending wire to the supporting documentation provided by the FD. If there are any discrepancies, these should be addressed and corrected. Once all the information is correct, the AFD should approve the wire transfer.
- (b) To maximize internal controls, it is very likely that PNB will call the FD to confirm the wire transfer. While this is a great service and adds another layer of security in the process, **DO NOT RELY ON PNB AS THE PRIMARY SOURCE OF CONTROL in this process.**

### Section 6.03 Posting the Wire Transfer to the Ledger

- (a) Log into the VIP accounting system, click on the 'Accounts Payable' menu and then click on the 'Process' sub-menu. The next step in the wire transfer process is to post the wire transfer debit

transaction to VIP as an EFT transaction.

- (b) **Non-Expense Funds Transfer** - If the wire transfer transaction is being made to simply move funds between bank/investment accounts and not to pay an expense, only a bank transfer entry needs to be made to the ledger to reflect the movement of funds. To enter such a transfer on the ledger, go to 'General Ledger' and then click on the 'Maintain' sub-menu and select the 'Banks' menu option. At the top of the screen is an icon labeled 'Bank Transfer'. Click on the icon to begin the bank transfer posting process. Here are the required fields and how they should be completed:

- (i) *From Bank* - Using the drop-down menu, select the bank where the funds are being transferred from.
- (ii) *To Bank* - Using the drop-down menu, select the bank where the funds are being transferred to.
- (iii) *Transaction Description* - Enter a meaningful description for the purpose of the transfer.
- (iv) *Transaction Date* - Enter the date that the wire transfer was posted.
- (v) *Transfer Amount* - Enter the amount of the requested transfer.

Click on the 'OK' icon to post the transfer to the general ledger. You will want to print confirmation of the transfer. To do that, go to the 'Journals, Posted' sub-menu option (within the General Ledger – Maintain menu). Identify and select the entry just made. This can be done by filtering by amount or transaction type. To select by transaction type, filter the 'Journal Configuration' column by selecting only 'Transfer Journal' as the transaction type. If you want to filter by amount, enter the amount in the 'Total Debit' or 'Total Credit' column.

Once you've identified the transaction, click on it (but not on the hyperlink) to select the journal entry. At the top of the screen, click on the 'Journal Details' button. Print the report generated by the system and place it into the monthly transaction file.

- (c) **Expense Funds Transfer** - To post the wire transfer expense to the ledger, go to 'Accounts Payable' then select the 'Payment Requests, Unapproved' option. Click on the green plus (+) symbol to open a payment request. Please note that there may or may not be a PO outstanding for these charges.
- (i) **Purchase Order Exists** – If a purchase order exists and you've identified the correct PO, the vendor for this transaction will be provided by the system. In the Workflow field, select 'Payment for Finance Director Review Only'. With an existing PO, a significant amount of information will be pre-populated from the PO such as the transaction description being carried down from the PO. This wire transfer debit transaction must also have a 'Prepaid Payment Type' of 'EFT-'. You will need to select the correct PNB account where the wire transfer is being sent from (either Governmental or Utility).
- 1) *Journal Date* - Enter the date of the posting
  - 2) *Invoice Number* - Enter the invoice number or other information that would be meaningful to the auditors.
  - 3) *Invoice Date* - Enter the same date as Journal Date



- 4) *Prepaid Payment Type* - Select 'EFT-Governmental' or 'EFT-Utility' from the drop-down menu whichever is appropriate.
- 5) *Prepaid Date* - Enter the same date as Journal Date
- 6) *Attachments* - Scan all of the appropriate supporting documentation for the wire transfer to the server. Click on 'Browse', locate the file, select it and then click on 'Upload' to attach the file to the payment request.

In the payment request lines, click on the green plus (+) symbol to add a new line to the payment request. The 'Line Description' field will prefill with the description entered earlier. You should enter the amount in the appropriate cell and then click on the 'Create Payment Request' icon to complete the payment request process.

Under the 'Unapproved Payment Requests' menu, you should see the just-created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point any errors or omissions should be corrected (including that the 'Prepaid Payment Type' field has been correctly entered as 'EFT-Governmental' or 'EFT-Utility'. If everything is correct, click on the 'Submit' icon to create the payment request. Once the payment has been approved you should print the journal entry report. This can be done by going to the 'General Ledger' menu and then selecting the 'Maintain' sub-menu. Select the 'Journals, Posted' menu option, locate the specific transaction and then print the 'Journal Details' report.

- (ii) **No Purchase Order Exists** – If a PO hasn't been issued, you will need to enter a significant amount of information that would have been otherwise pre-populated from a PO. In the Workflow field, select 'Payment for Finance Director Review Only'. In the 'Remit To' field you should select the correct vendor as the vendor. In the 'Description' line enter a relevant description that will provide adequate information for future review and audit, then click on the 'Save and Close' icon. Here are the other fields and how they should be completed:

- 1) *Journal Date* - Enter the date of the posting
- 2) *Invoice Number* - Enter the invoice number or other information that would be meaningful to the auditors.
- 3) *Invoice Date* - Enter the same date as Journal Date
- 4) *Prepaid Payment Type* - Select 'EFT-Governmental' or 'EFT-Utility' from the drop-down menu whichever is appropriate.
- 5) *Prepaid Date* - Enter the same date as Journal Date
- 6) *Attachments* - Scan all of the appropriate supporting documentation for the wire transfer to the server. Click on 'Browse', locate the file, select it and then click on 'Upload' to attach the file to the payment request.

- (iii) In the payment request lines, click on the green plus (+) symbol to add a new line to the payment request. The 'Line Description' field will prefill with the description entered earlier. You will then need to enter the account number and then the amount. Click on the 'Create Payment Request' icon to complete the payment request process. Under the 'Unapproved Payment

Requests' menu, you should see the previously created payment request under a draft workflow state. Clicking on the payment request will open the request up for a final review. At this point any errors or omissions should be corrected (including that the 'Prepaid Payment Type' field has been correctly entered as 'EFT-Governmental' or 'EFT-Utility'. If everything is correct, click on the 'Submit' icon to create the payment request. Once the payment has been approved you should print the journal entry report. This can be done by going to the 'General Ledger' menu and then selecting the 'Maintain' sub-menu. Select the 'Journals, Posted' menu option, locate the specific transaction and then print the 'Journal Details' report.

## **Article VII     APPENDICES**

### **Section 7.01   Appendix A - Employee Acknowledgement**

#### **ACKNOWLEDGMENT**

By signing below, I acknowledge I have received a copy of the City of Pataskala’s Employee Handbook & Policy Manual (“the Manual”). I understand it is my continuing responsibility to read, understand, and comply with all the policies contained in the Manual and any revisions/amendments made to it. If I have any questions about anything in the Manual, I will contact my direct supervisor.

I understand the Manual is intended only to outline the City’s policies and provide its employees with important information. Following the policies contained in the Manual is considered a condition of continued employment. However, the Manual does not create, and will not be interpreted to create, a contract for employment nor forfeit or change the employee’s employment status, whether at-will or via collective bargaining. I have entered into my employment relationship with the City voluntarily and understand it is for no specific length of time. Likewise, I recognize the Manual does not create, and will not be interpreted to create, a promise of future employment. I know my employment can be terminated at any time according to the City Charter, employment contract (if applicable), any applicable collective bargaining agreement, and/or Ohio law.

The Manual, and any of its provisions, may be changed, amended, or revoked by the City at any time without prior notice to the employee. No individual has the authority to change policies or the terms of the Manual. Only Council for the City of Pataskala can change policies or the contents of the Manual. The Manual is effective immediately and supersedes and replaces all previous versions. Unless contrary to the provisions of a collective bargaining agreement, failure to strictly follow any policy set forth in the Manual will result in discipline, up to and including termination.

Should any provision in the Manual be found to be unenforceable and/or invalid, such finding does not invalidate the entire Manual, but only the subject provision.

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Employee Name (printed)

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Employee Signature

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## Section 7.02 Appendix B – Overtime Designation/Compensatory Time Cash-Out Request Form

### OVERTIME DESIGNATION/COMPENSATORY TIME CASH-OUT REQUEST FORM

**Purpose:** This form is to be used whenever: (1) an employee has worked overtime hours and would like to retain the hours in their compensatory time bank instead of being paid overtime wages; or (2) an employee has accumulated compensatory time hours and would like to cash-out (e.g., be paid for) all or a portion of those hours. Completed forms must be submitted to the Finance Department by the last day of the pay period requesting payment, or earlier. Forms received after the cutoff for comp time cash out will be processed in the next regularly scheduled payroll process. Late overtime designation forms will not be processed and the hours will be paid out as overtime.

**Employee Name:** \_\_\_\_\_ **Department:** \_\_\_\_\_

**Total Overtime Time Hours to be added to Comp Time Balance:** \_\_\_\_\_

**Total Comp Time hours requested to be paid out:** \_\_\_\_\_

**Comments:** \_\_\_\_\_

**I am hereby requesting that the Finance Department:**

- ☐ Add the overtime hours (straight time) as indicated above to my accrued compensatory time balance at a ratio of 1.5 hours of comp time for every overtime hour earned.
- ☐ Redeem the compensatory time recorded above and include in the current payroll cycle. Should my current balance be insufficient in order to be honored, I agree to accept the redemption of whatever reduced amount would be required in order to maintain compliance with any city policies.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance/Payroll Signature

\_\_\_\_\_  
Date

**Finance Use Only:**

Beginning of Period Comp Time Balance: \_\_\_\_\_

Comp Hours Cashed Out/Taken: \_\_\_\_\_

Comp Hours Added: \_\_\_\_\_

Adjusted End of Period Comp Time Balance: \_\_\_\_\_

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**Section 7.03   Appendix C – Employee Mileage Reimbursement Form .**

**Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Period From:** \_\_\_\_\_ **To:** \_\_\_\_\_

**Mileage Reimbursement Guidelines:**

- The City will reimburse employee mileage at Internal Revenue Service approved federal rate.
- The employee is solely responsible for reporting all mileage incurred while conducting City business. Mileage is subject to review and approval by the department supervisor and the Finance Department. Amount requested for reimbursement may be changed upon review.

<b>Date</b>	<b>Destination/Purpose</b>	<b># Miles</b>	<b>X</b>	<b>IRS Rate</b>	<b>= Reimbursement</b>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>TOTAL MILEAGE REIMBURSEMENT REQUESTED</b>					<b><u>\$</u></b>

_____	_____
Employee Signature	Date

_____	_____
Supervisor Signature	Date

_____	_____
Finance Department Approval	Date

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## Section 7.04 Appendix D – Employee Timecard Adjustment Form



### CITY OF PATASKALA, OHIO EMPLOYEE TIMECARD ADJUSTMENT FORM

Employee Name: \_\_\_\_\_

Date	Required Adjustment	Time In				Time Out				Reason for Request
		Original Punch	AM/PM	Adjusted Punch	AM/PM	Original Punch	AM/PM	Adjusted Punch	AM/PM	
	<input type="checkbox"/> Missing <b>IN</b> Punch <input type="checkbox"/> Unauthorized Early <b>IN</b> Punch <input type="checkbox"/> Missing <b>OUT</b> Punch <input type="checkbox"/> Unauthorized Late <b>OUT</b> Punch <input type="checkbox"/> Duplicate Punch <input type="checkbox"/> Other: _____		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Forgot to punch IN/OUT <input type="checkbox"/> Lost/misplaced badge <input type="checkbox"/> Double-punched in error <input type="checkbox"/> Other: _____
	<input type="checkbox"/> Missing <b>IN</b> Punch <input type="checkbox"/> Unauthorized Early <b>IN</b> Punch <input type="checkbox"/> Missing <b>OUT</b> Punch <input type="checkbox"/> Unauthorized Late <b>OUT</b> Punch <input type="checkbox"/> Duplicate Punch <input type="checkbox"/> Other: _____		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Forgot to punch IN/OUT <input type="checkbox"/> Lost/misplaced badge <input type="checkbox"/> Double-punched in error <input type="checkbox"/> Other: _____
	<input type="checkbox"/> Missing <b>IN</b> Punch <input type="checkbox"/> Unauthorized Early <b>IN</b> Punch <input type="checkbox"/> Missing <b>OUT</b> Punch <input type="checkbox"/> Unauthorized Late <b>OUT</b> Punch <input type="checkbox"/> Duplicate Punch <input type="checkbox"/> Other: _____		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Forgot to punch IN/OUT <input type="checkbox"/> Lost/misplaced badge <input type="checkbox"/> Double-punched in error <input type="checkbox"/> Other: _____
	<input type="checkbox"/> Missing <b>IN</b> Punch <input type="checkbox"/> Unauthorized Early <b>IN</b> Punch <input type="checkbox"/> Missing <b>OUT</b> Punch <input type="checkbox"/> Unauthorized Late <b>OUT</b> Punch <input type="checkbox"/> Duplicate Punch <input type="checkbox"/> Other: _____		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM		<input type="checkbox"/> AM <input type="checkbox"/> PM	<input type="checkbox"/> Forgot to punch IN/OUT <input type="checkbox"/> Lost/misplaced badge <input type="checkbox"/> Double-punched in error <input type="checkbox"/> Other: _____

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**Section 7.05   Appendix E – Missing Receipt Form**

**EMPLOYEE EXPENSE MISSING RECEIPT CERTIFICATION FORM**

I, \_\_\_\_\_, hereby certify that I have conducted business on behalf of the City or have purchased and received goods utilizing the City’s credit card. I further certify that the original receipt supporting the transaction was either inadvertently lost or destroyed, or I was not provided such receipt. I hereby certify that the purchase was allowable, for a proper public purpose, and relates to business conducted on behalf of the City which is described below (please include date, location, dollar amount, and purpose of expenditure):

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The employee identified above understands that per City policy, the City Administrator or Finance Director have the authority to approve or deny the reimbursement request based upon the information provided, and the circumstances involved. Violations of City policy may result in the employee reimbursing the City for the cost of the item purchased or other non-approved spending.

_____ Employee Signature	_____ Date
_____ Supervisor Signature	_____ Date
_____ Finance Department Approval	_____ Date

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## Section 7.06 Appendix F – City Cardholder Agreement Form

I, \_\_\_\_\_ hereby acknowledge receipt of the following

credit card: \_\_\_\_\_  
(type of credit card)

I understand that improper use of this card may result in disciplinary action, as outlined in City policy, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached City Credit Card Policies and Procedures agreement.

I acknowledge receipt of said Agreement and Policies/Procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the City and that the City will be liable to

\_\_\_\_\_ for all charges made on this card.

(Name of Credit Card Company)

As a holder of this City credit card, I agree to accept the responsibility and accountability for the protection and proper use of the card, as enumerated above. I will return the card to the Finance Director, upon demand, during the period of my employment. I further agree to return the card upon termination of employment. I understand that the card is not to be used for personal purchases. If the card is used for personal purchases or for purchases for any other entity, the City will be entitled to reimbursement from me of such purchases. The City shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Cardholder)

Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Finance Director)

Accounting Department use only:

Date \_\_\_\_\_ Credit limit approved \$ \_\_\_\_\_

Account Number: \_\_\_\_\_

Signature \_\_\_\_\_  
(Finance Director)

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## Section 7.07 Appendix G - Schedule of Capitalization Thresholds & Useful Lives

Class Description	Asset Category	Category Description	Useful Life (yrs)	Asset Class	Capitalization Threshold
Buildings & Improvements	CARP	Carpeting	5	BLDGS	\$10,000.00
	CEIL	Ceiling Finish	10	BLDGS	\$10,000.00
	COMF	Computer Flooring	10	BLDGS	\$10,000.00
	ELEC	Electrical	20	BLDGS	\$10,000.00
	ELEV	Elevators	20	BLDGS	\$10,000.00
	EXCV	Excavation	50	BLDGS	\$10,000.00
	EXWL	Exterior Walls	50	BLDGS	\$10,000.00
	FIRS	Fire System	25	BLDGS	\$10,000.00
	FLCV	Floor Covering	15	BLDGS	\$10,000.00
	FLST	Floor Structure	50	BLDGS	\$10,000.00
	FOUN	Foundation	50	BLDGS	\$10,000.00
	FRAM	Frame	50	BLDGS	\$10,000.00
	HVAC	HVAC	20	BLDGS	\$10,000.00
	INCO	Interior Construction	15	BLDGS	\$10,000.00
	INRN	Interior Renovation	10	BLDGS	\$10,000.00
	PERM	Permanent Structures	50	BLDGS	\$50,000.00
	PLUM	Plumbing	20	BLDGS	\$10,000.00
	PORT	Portable Structures	25	BLDGS	\$10,000.00
	ROOF	Roof Cover	15	BLDGS	\$10,000.00
	WIND	Windows	20	BLDGS	\$10,000.00
Infrastructure	ALYA	Alleys – Asphaltic Concrete	20	INFRAS	\$25,000.00
	ALYC	Alleys – Concrete	20	INFRAS	\$25,000.00
	ELEC	Electric Service	30	INFRAS	\$25,000.00
	FIBR	Fiberoptic Cabling	20	INFRAS	\$25,000.00
	PLTA	Parking Lot - Asphalt	15	INFRAS	\$25,000.00
	PLTC	Parking Lot - Concrete	30	INFRAS	\$25,000.00
	ROAD	Asphaltic Concrete Road	20	INFRAS	\$25,000.00
	SDRC	Storm Drains – Concrete	40	INFRAS	\$25,000.00
	SDRI	Storm Drains - Cast Iron	30	INFRAS	\$25,000.00
	SDRM	Storm Drains - Metal Corrugated	30	INFRAS	\$25,000.00
	SDRP	Storm Drains - Plastic	25	INFRAS	\$25,000.00
	STRL	Street Lights	20	INFRAS	\$25,000.00
	SWLK	Sidewalks - Concrete	35	INFRAS	\$25,000.00
	SWLP	Sidewalks – Asphalt	15	INFRAS	\$25,000.00
	SWRB	Sewer Lines - Brick	90	INFRAS	\$25,000.00
	SWRC	Sewer Lines - Concrete	50	INFRAS	\$25,000.00

Class Description	Asset Category	Category Description	Useful Life (yrs)	Asset Class	Capitalization Threshold
Infrastructure	SWRF	Sewer Lines - Fiberglass Sleeve	75	INFRAS	\$25,000.00
	TLTH	Traffic Lights - Hung Wire	15	INFRAS	\$15,000.00
	TLTM	Traffic Lights - Mast Arms	20	INFRAS	\$15,000.00
	WMTR	Water Meters	15	INFRAS	\$10,000.00
Land	LDIM	Improved Lands	0	LAND	\$0.00
	LDNI	Unimproved Lands	0	LAND	\$0.00
Land Improvements	ATHL	Athletic Fields	15	LANDIMP	\$25,000.00
	BLEA	Bleachers	20	LANDIMP	\$25,000.00
	FENC	Fencing & Gates	20	LANDIMP	\$25,000.00
	FHYD	Fire Hydrants	30	LANDIMP	\$25,000.00
	FLAG	Flagpole	20	LANDIMP	\$25,000.00
	FNTN	Fountains	20	LANDIMP	\$25,000.00
	FUEL	Fuel Tank (above ground)		LANDIMP	\$25,000.00
	LAND	Landscaping	10	LANDIMP	\$25,000.00
	OLIT	Outdoor Lighting	20	LANDIMP	\$25,000.00
	PKLT	Parking Lots	20	LANDIMP	\$25,000.00
	RETN	Retaining Walls	20	LANDIMP	\$25,000.00
	RNTR	Running Track	15	LANDIMP	\$25,000.00
	SEPT	Septic Systems	15	LANDIMP	\$25,000.00
	SOCR	Soccer Fields	15	LANDIMP	\$25,000.00
	SPRN	Outside Sprinkler Systems	25	LANDIMP	\$25,000.00
	STAD	Stadiums	45	LANDIMP	\$25,000.00
Land Improvements	SWIM	Swimming Pools	20	LANDIMP	\$25,000.00
	TENN	Tennis Courts	20	LANDIMP	\$25,000.00
	UTIL	Water & Sewer Treatment System Components	20	LANDIMP	\$25,000.00
Land Improvements – Not Depreciated	LIND	Land Improvements – not depreciated	0	LANDIMPN D	\$0.00
Equipment	AEQU	Athletic Equipment	10	EQUIP	\$10,000.00
	AGRI	Grounds & Agricultural Equipment	15	EQUIP	\$10,000.00
	APPL	Appliances & Food Service Equipment	10	EQUIP	\$10,000.00
	AUDI	Audiovisual Equipment	7	EQUIP	\$10,000.00
	BOOK	Books & Multimedia Materials	5	EQUIP	\$10,000.00
	COMM	Communications Equipment	10	EQUIP	\$5,000.00



Class Description	Asset Category	Category Description	Useful Life (yrs)	Asset Class	Capitalization Threshold
	COMP	Computer Equipment	3	EQUIP	\$5,000.00
	CONS	Construction Equipment	12	EQUIP	\$10,000.00
	CUST	Custodial Equipment	15	EQUIP	\$5,000.00
	FURN	Furniture	20	EQUIP	\$5,000.00
	LABS	Lab & Science Equipment	10	EQUIP	\$5,000.00
	LAW	Law Enforcement Equipment	10	EQUIP	\$5,000.00
	MACH	Machinery & Tools	15	EQUIP	\$5,000.00
	OEQP	Office Equipment	5	EQUIP	\$5,000.00
	OREC	Outdoors Recreational Equipment	15	EQUIP	\$5,000.00
	SFTW	Computer Software	5	EQUIP	\$10,000.00
	STAG	Stage & Auditorium Equipment	20	EQUIP	\$5,000.00
	XERX	Photocopiers	5	EQUIP	\$10,000.00
Vehicles	CARS	Cars & Light Trucks	5	VEHCL	\$25,000.00
	DUMP	Dump Trucks	10	VEHCL	\$25,000.00
	HEVY	Heavy Equipment	15	VEHCL	\$25,000.00
	TRAL	Trailers	15	VEHCL	\$25,000.00
Intangible Assets	MKTG	Marketing, Branding & Promotional Investment	10	INTANG	\$50,000.00
	OINT	Other Intangible Assets	10	INTANG	\$50,000.00

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## Section 7.08 Appendix H - Federal Per Diem Meal Reimbursement Guide

The Finance Department shall publish the updated Federal per diem meal reimbursement guide as appropriate. Reimbursement for all meals shall be in accordance with the guide in effect as of the date of travel, and in compliance with Section 13.02 (Travel and Expense Reimbursement) of this Employee Handbook & Policy manual. Updated copies should be maintained in this section of the manual for future reference.

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
AL	Birmingham	Jefferson	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
AL	Gulf Shores	Baldwin	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
AL	Mobile	Mobile	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
AR	Hot Springs	Garland	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
AZ	Grand Canyon / Flagstaff	Coconino / Yavapai less the city of Sedona	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
AZ	Kayenta	Navajo	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
AZ	Phoenix / Scottsdale	Maricopa	\$14.96	\$15.79	\$28.25	<b>\$59.00</b>
AZ	Sedona	City Limits of Sedona	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
AZ	Tucson	Pima	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
CA	Antioch / Brentwood / Concord	Contra Costa	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Bakersfield / Ridgecrest	Kern	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
CA	Barstow / Ontario / Victorville	San Bernardino	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
CA	Death Valley	Inyo	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Eureka / Arcata / McKinleyville	Humboldt	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
CA	Fresno	Fresno	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Los Angeles	Los Angeles / Orange / Ventura / Edwards AFB less the city of Santa Monica	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Mammoth Lakes	Mono	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	Mill Valley / San Rafael / Novato	Marin	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	Monterey	Monterey	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	Napa	Napa	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Oakhurst	Madera	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
CA	Oakland	Alameda	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Palm Springs	Riverside	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Point Arena / Gualala	Mendocino	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	Sacramento	Sacramento	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	San Diego	San Diego	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
CA	San Francisco	San Francisco	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	San Luis Obispo	San Luis Obispo	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
CA	San Mateo / Foster City / Belmont	San Mateo	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
CA	Santa Barbara	Santa Barbara	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
CA	Santa Cruz	Santa Cruz	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
CA	Santa Monica	City limits of Santa Monica	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
CA	Santa Rosa	Sonoma	\$18.00	\$19.00	\$34.00	\$71.00
CA	South Lake Tahoe	El Dorado	\$16.73	\$17.66	\$31.61	\$66.00
CA	Stockton	San Joaquin	\$15.46	\$16.32	\$29.22	\$61.00
CA	Sunnyvale / Palo Alto / San Jose	Santa Clara	\$16.73	\$17.66	\$31.61	\$66.00
CA	Tahoe City	Placer	\$15.46	\$16.32	\$29.22	\$61.00
CA	Truckee	Nevada	\$19.27	\$20.34	\$36.39	\$76.00
CA	Visalia	Tulare	\$15.46	\$16.32	\$29.22	\$61.00
CA	West Sacramento / Davis	Yolo	\$18.00	\$19.00	\$34.00	\$71.00
CA	Yosemite National Park	Mariposa	\$19.27	\$20.34	\$36.39	\$76.00
CO	Aspen	Pitkin	\$19.27	\$20.34	\$36.39	\$76.00
CO	Boulder / Broomfield	Boulder / Broomfield	\$16.73	\$17.66	\$31.61	\$66.00
CO	Colorado Springs	El Paso	\$16.73	\$17.66	\$31.61	\$66.00
CO	Cortez	Montezuma	\$15.46	\$16.32	\$29.22	\$61.00
CO	Crested Butte / Gunnison	Gunnison	\$19.27	\$20.34	\$36.39	\$76.00
CO	Denver / Aurora	Denver / Adams / Arapahoe / Jefferson	\$19.27	\$20.34	\$36.39	\$76.00
CO	Douglas	Douglas	\$15.46	\$16.32	\$29.22	\$61.00
CO	Durango	La Plata	\$18.00	\$19.00	\$34.00	\$71.00
CO	Fort Collins / Loveland	Larimer	\$15.46	\$16.32	\$29.22	\$61.00
CO	Grand Lake	Grand	\$19.27	\$20.34	\$36.39	\$76.00
CO	Montrose	Montrose	\$14.20	\$14.99	\$26.81	\$56.00
CO	Silverthorne / Breckenridge	Summit	\$19.27	\$20.34	\$36.39	\$76.00
CO	Steamboat Springs	Routt	\$19.27	\$20.34	\$36.39	\$76.00
CO	Telluride	San Miguel	\$19.27	\$20.34	\$36.39	\$76.00
CO	Vail	Eagle	\$19.27	\$20.34	\$36.39	\$76.00
CT	Bridgeport / Danbury	Fairfield	\$16.73	\$17.66	\$31.61	\$66.00
CT	Cromwell / Old Saybrook	Middlesex	\$15.46	\$16.32	\$29.22	\$61.00
CT	Hartford	Hartford	\$15.46	\$16.32	\$29.22	\$61.00
CT	New Haven	New Haven	\$15.46	\$16.32	\$29.22	\$61.00
CT	New London / Groton	New London	\$18.00	\$19.00	\$34.00	\$71.00
DC	District of Columbia	Washington DC (also the cities of Alexandria, Falls Church and Fairfax, and the counties of Arlington and Fairfax, in Virginia; and the counties of Montgomery and Prince George's in Maryland)	\$19.27	\$20.34	\$36.39	\$76.00
DE	Lewes	Sussex	\$15.46	\$16.32	\$29.22	\$61.00
DE	Wilmington	New Castle	\$14.20	\$14.99	\$26.81	\$56.00
FL	Boca Raton / Delray Beach / Jupiter	Palm Beach / Hendry	\$15.46	\$16.32	\$29.22	\$61.00
FL	Bradenton	Manatee	\$14.20	\$14.99	\$26.81	\$56.00
FL	Cocoa Beach	Brevard	\$18.00	\$19.00	\$34.00	\$71.00
FL	Daytona Beach	Volusia	\$14.20	\$14.99	\$26.81	\$56.00
FL	Fort Lauderdale	Broward	\$16.73	\$17.66	\$31.61	\$66.00

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
FL	Fort Myers	Lee	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Fort Walton Beach / De Funiak Springs	Okaloosa / Walton	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Gulf Breeze	Santa Rosa	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
FL	Key West	Monroe	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Miami	Miami-Dade	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Naples	Collier	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Orlando	Orange	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Panama City	Bay	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Pensacola	Escambia	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Punta Gorda	Charlotte	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Sarasota	Sarasota	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Sebring	Highlands	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	St. Augustine	St. Johns	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Stuart	Martin	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
FL	Tallahassee	Leon	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Tampa / St. Petersburg	Pinellas / Hillsborough	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
FL	Vero Beach	Indian River	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
GA	Athens	Clarke	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
GA	Atlanta	Fulton / Dekalb	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
GA	Augusta	Richmond	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
GA	Jekyll Island / Brunswick	Glynn	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
GA	Marietta	Cobb	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
GA	Savannah	Chatham	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
IA	Dallas	Dallas	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
IA	Des Moines	Polk	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
ID	Boise	Ada	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
ID	Coeur d'Alene	Kootenai	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
ID	Sun Valley / Ketchum	Blaine / Elmore	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
IL	Bolingbrook / Romeoville / Lemont	Will	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
IL	Chicago	Cook / Lake	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
IL	East St. Louis / O'Fallon / Fairview Heights	St. Clair	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
IL	Oak Brook Terrace	DuPage	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
IN	Bloomington	Monroe	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
IN	Ft. Wayne	Allen	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
IN	Hammond / Munster / Merrillville	Lake	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
IN	Indianapolis / Carmel	Marion / Hamilton	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
IN	Lafayette / West Lafayette	Tippecanoe	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
KS	Kansas City / Overland Park	Wyandotte / Johnson / Leavenworth	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
KS	Wichita	Sedgwick	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
KY	Boone	Boone	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
KY	Kenton	Kenton	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
KY	Lexington	Fayette	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
KY	Louisville	Jefferson	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
LA	Alexandria / Leesville / Natchitoches	Allen / Jefferson Davis / Natchitoches / Rapides / Vernon Parishes	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
LA	Baton Rouge	East Baton Rouge Parish	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
LA	New Orleans	Orleans / Jefferson Parishes	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Andover	Essex	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MA	Boston / Cambridge	Suffolk, city of Cambridge	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Burlington / Woburn	Middlesex less the city of Cambridge	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MA	Falmouth	City limits of Falmouth	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Hyannis	Barnstable less the city of Falmouth	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Martha's Vineyard	Dukes	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
MA	Nantucket	Nantucket	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
MA	Northampton	Hampshire	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Pittsfield	Berkshire	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MA	Plymouth / Taunton / New Bedford	Plymouth / Bristol	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MA	Quincy	Norfolk	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MA	Springfield	Hampden	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MA	Worcester	Worcester	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MD	Aberdeen / Bel Air / Belcamp	Harford	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MD	Annapolis	Anne Arundel	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MD	Baltimore City	Baltimore City	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MD	Baltimore County	Baltimore	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MD	Cambridge / St. Michaels	Dorchester / Talbot	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MD	Centreville	Queen Anne	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MD	Columbia	Howard	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MD	Frederick	Frederick	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MD	Ocean City	Worcester	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
ME	Bar Harbor / Rockport	Hancock / Knox	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
ME	Kennebunk / Kittery / Sanford	York	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
ME	Portland	Cumberland / Sagadahoc	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MI	Ann Arbor	Washtenaw	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MI	Detroit	Wayne	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	East Lansing / Lansing	Ingham / Eaton	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Grand Rapids	Kent	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MI	Holland	Ottawa	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Kalamazoo / Battle Creek	Kalamazoo / Calhoun	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Mackinac Island	Mackinac	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Midland	Midland	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Muskegon	Muskegon	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MI	Petoskey	Emmet	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MI	Pontiac / Auburn Hills	Oakland	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
MI	South Haven	Van Buren	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MI	Traverse City	Grand Traverse	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MN	Duluth	St. Louis	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
MN	Eagan / Burnsville / Mendota Heights	Dakota	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
MN	Minneapolis / St. Paul	Hennepin / Ramsey	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
MN	Rochester	Olmsted	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MO	Kansas City	Jackson / Clay / Cass / Platte	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MO	St. Louis	St. Louis / St. Louis City / St. Charles	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MS	Oxford	Lafayette	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MS	Southaven	Desoto	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
MS	Starkville	Oktibbeha	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MT	Big Sky / West Yellowstone/Gardiner	Gallatin/Park	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MT	Helena	Lewis and Clark	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
MT	Kalispell/Whitefish	Flathead	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
MT	Missoula	Missoula	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NC	Asheville	Buncombe	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NC	Atlantic Beach / Morehead City	Carteret	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NC	Chapel Hill	Orange	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NC	Charlotte	Mecklenburg	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NC	Durham	Durham	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NC	Fayetteville	Cumberland	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NC	Greensboro	Guilford	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NC	Kill Devil Hills	Dare	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NC	Raleigh	Wake	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NC	Wilmington	New Hanover	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NE	Omaha	Douglas	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NH	Concord	Merrimack	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NH	Conway	Carroll	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NH	Durham	Strafford	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NH	Laconia	Belknap	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NH	Lebanon / Lincoln / West Lebanon	Grafton	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
NH	Manchester	Hillsborough	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NH	Portsmouth	Rockingham	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Cherry Hill / Moorestown	Camden / Burlington	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Eatontown / Freehold	Monmouth	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Edison / Piscataway	Middlesex	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Flemington	Hunterdon	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NJ	Newark	Essex / Bergen / Hudson / Passaic	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Parsippany	Morris	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Princeton / Trenton	Mercer	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NJ	Somerset	Somerset	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NJ	Springfield / Cranford / New Providence	Union	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>



State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
NJ	Toms River	Ocean	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NM	Albuquerque	Bernalillo	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
NM	Carlsbad	Eddy	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NM	Santa Fe	Santa Fe	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NM	Taos	Taos	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NV	Incline Village / Reno / Sparks	Washoe	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NV	Las Vegas	Clark	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Albany	Albany	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Binghamton	Broome	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Buffalo	Erie	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Floral Park / Garden City / Great Neck	Nassau	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
NY	Glens Falls	Warren	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Ithaca	Tompkins	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Kingston	Ulster	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Lake Placid	Essex	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	New York City	Bronx / Kings / New York / Queens / Richmond	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
NY	Niagara Falls	Niagara	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
NY	Nyack / Palisades	Rockland	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Poughkeepsie	Dutchess	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
NY	Riverhead / Ronkonkoma / Melville	Suffolk	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>
NY	Rochester	Monroe	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Saratoga Springs / Schenectady	Saratoga / Schenectady	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Syracuse / Oswego	Onondaga / Oswego	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	Tarrytown / White Plains / New Rochelle	Westchester	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
NY	Troy	Rensselaer	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
NY	West Point	Orange	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OH	Akron	Summit	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Canton	Stark	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Cincinnati	Hamilton / Clermont	\$19.27	\$20.34	\$36.39	<b>\$76.00</b>
OH	Cleveland	Cuyahoga	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
OH	Columbus	Franklin	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OH	Dayton / Fairborn	Greene / Montgomery	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Hamilton	Butler / Warren	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Mentor	Lake	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Sandusky	Erie	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OH	Wooster	Wayne	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OK	Oklahoma City	Oklahoma	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OR	Beaverton	Washington	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OR	Bend	Deschutes	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OR	Clackamas	Clackamas	\$14.20	\$14.99	\$26.81	<b>\$56.00</b>
OR	Eugene / Florence	Lane	\$15.46	\$16.32	\$29.22	<b>\$61.00</b>
OR	Lincoln City	Lincoln	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
OR	Portland	Multnomah	\$16.73	\$17.66	\$31.61	<b>\$66.00</b>
OR	Seaside	Clatsop	\$18.00	\$19.00	\$34.00	<b>\$71.00</b>



State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
PA	Allentown / Easton / Bethlehem	Lehigh / Northampton	\$15.46	\$16.32	\$29.22	\$61.00
PA	Bucks	Bucks	\$12.50	\$17.50	\$31.00	\$61.00
PA	Bucks	Bucks	\$15.46	\$16.32	\$29.22	\$61.00
PA	Bucks	Bucks	\$15.46	\$16.32	\$29.22	\$61.00
PA	Chester / Radnor / Essington	Delaware	\$14.20	\$14.99	\$26.81	\$56.00
PA	Erie	Erie	\$14.20	\$14.99	\$26.81	\$56.00
PA	Gettysburg	Adams	\$16.73	\$17.66	\$31.61	\$66.00
PA	Harrisburg	Dauphin County excluding Hershey	\$15.46	\$16.32	\$29.22	\$61.00
PA	Hershey	Hershey	\$18.00	\$19.00	\$34.00	\$71.00
PA	Lancaster	Lancaster	\$15.46	\$16.32	\$29.22	\$61.00
PA	Malvern / Frazer / Berwyn	Chester	\$15.46	\$16.32	\$29.22	\$61.00
PA	Montgomery	Montgomery	\$16.73	\$17.66	\$31.61	\$66.00
PA	Philadelphia	Philadelphia	\$15.46	\$16.32	\$29.22	\$61.00
PA	Pittsburgh	Allegheny	\$14.20	\$14.99	\$26.81	\$56.00
PA	Reading	Berks	\$15.46	\$16.32	\$29.22	\$61.00
PA	State College	Centre	\$15.46	\$16.32	\$29.22	\$61.00
RI	East Greenwich / Warwick	Kent	\$15.46	\$16.32	\$29.22	\$61.00
RI	Jamestown / Middletown / Newport	Newport	\$16.73	\$17.66	\$31.61	\$66.00
RI	Providence / Bristol	Providence / Bristol	\$15.46	\$16.32	\$29.22	\$61.00
SC	Charleston	Charleston / Berkeley / Dorchester	\$18.00	\$19.00	\$34.00	\$71.00
SC	Columbia	Richland / Lexington	\$15.46	\$16.32	\$29.22	\$61.00
SC	Hilton Head	Beaufort	\$15.46	\$16.32	\$29.22	\$61.00
SC	Myrtle Beach	Horry	\$15.46	\$16.32	\$29.22	\$61.00
SD	Deadwood / Spearfish	Lawrence	\$15.46	\$16.32	\$29.22	\$61.00
SD	Hot Springs	Fall River / Custer	\$18.00	\$19.00	\$34.00	\$71.00
SD	Rapid City	Pennington	\$15.46	\$16.32	\$29.22	\$61.00
TN	Brentwood / Franklin	Williamson	\$15.46	\$16.32	\$29.22	\$61.00
TN	Chattanooga	Hamilton	\$15.46	\$16.32	\$29.22	\$61.00
TN	Knoxville	Knox	\$14.20	\$14.99	\$26.81	\$56.00
TN	Memphis	Shelby	\$15.46	\$16.32	\$29.22	\$61.00
TN	Nashville	Davidson	\$15.46	\$16.32	\$29.22	\$61.00
TX	Arlington / Fort Worth / Grapevine	Tarrant County / City of Grapevine	\$15.46	\$16.32	\$29.22	\$61.00
TX	Austin	Travis	\$15.46	\$16.32	\$29.22	\$61.00
TX	Big Spring	Howard	\$15.46	\$16.32	\$29.22	\$61.00
TX	Corpus Christi	Nueces	\$14.20	\$14.99	\$26.81	\$56.00
TX	Dallas	Dallas	\$16.73	\$17.66	\$31.61	\$66.00
TX	El Paso	El Paso	\$15.46	\$16.32	\$29.22	\$61.00
TX	Galveston	Galveston	\$15.46	\$16.32	\$29.22	\$61.00
TX	Houston (L.B. Johnson Space Center)	Montgomery / Fort Bend / Harris	\$15.46	\$16.32	\$29.22	\$61.00
TX	Midland / Odessa	Midland / Andrews / Ector / Martin	\$15.46	\$16.32	\$29.22	\$61.00

State	Destination	Location/County Defined	Breakfast	Lunch	Dinner	Total
TX	Pecos	Reeves	\$16.73	\$17.66	\$31.61	\$66.00
TX	Plano	Collin	\$14.20	\$14.99	\$26.81	\$56.00
TX	Round Rock	Williamson	\$14.20	\$14.99	\$26.81	\$56.00
TX	San Antonio	Bexar	\$15.46	\$16.32	\$29.22	\$61.00
TX	South Padre Island	Cameron	\$14.20	\$14.99	\$26.81	\$56.00
TX	Waco	McLennan	\$14.20	\$14.99	\$26.81	\$56.00
UT	Moab	Grand	\$18.00	\$19.00	\$34.00	\$71.00
UT	Park City	Summit	\$19.27	\$20.34	\$36.39	\$76.00
UT	Provo	Utah	\$14.20	\$14.99	\$26.81	\$56.00
UT	Salt Lake City	Salt Lake / Tooele	\$14.20	\$14.99	\$26.81	\$56.00
VA	Blacksburg	Montgomery	\$14.20	\$14.99	\$26.81	\$56.00
VA	Charlottesville	City of Charlottesville / Albemarle	\$18.00	\$19.00	\$34.00	\$71.00
VA	Loudoun	Loudoun	\$15.46	\$16.32	\$29.22	\$61.00
VA	Lynchburg	Campbell / Lynchburg City	\$15.46	\$16.32	\$29.22	\$61.00
VA	Richmond	City of Richmond	\$16.73	\$17.66	\$31.61	\$66.00
VA	Roanoke	City limits of Roanoke	\$15.46	\$16.32	\$29.22	\$61.00
VA	Virginia Beach	City of Virginia Beach	\$15.46	\$16.32	\$29.22	\$61.00
VA	Wallops Island	Accomack	\$15.46	\$16.32	\$29.22	\$61.00
VA	Williamsburg / York	James City / York Counties / City of Williamsburg	\$15.46	\$16.32	\$29.22	\$61.00
VT	Burlington	Chittenden	\$18.00	\$19.00	\$34.00	\$71.00
VT	Manchester	Bennington	\$19.27	\$20.34	\$36.39	\$76.00
VT	Montpelier	Washington	\$16.73	\$17.66	\$31.61	\$66.00
VT	Stowe	Lamoille	\$19.27	\$20.34	\$36.39	\$76.00
VT	White River Junction	Windsor	\$18.00	\$19.00	\$34.00	\$71.00
WA	Everett / Lynnwood	Snohomish	\$16.73	\$17.66	\$31.61	\$66.00
WA	Ocean Shores	Grays Harbor	\$16.73	\$17.66	\$31.61	\$66.00
WA	Olympia / Tumwater	Thurston	\$16.73	\$17.66	\$31.61	\$66.00
WA	Port Angeles / Port Townsend	Clallam / Jefferson	\$19.27	\$20.34	\$36.39	\$76.00
WA	Richland / Pasco	Benton / Franklin	\$16.73	\$17.66	\$31.61	\$66.00
WA	Seattle	King	\$19.27	\$20.34	\$36.39	\$76.00
WA	Spokane	Spokane	\$15.46	\$16.32	\$29.22	\$61.00
WA	Tacoma	Pierce	\$18.00	\$19.00	\$34.00	\$71.00
WA	Vancouver	Clark / Cowlitz / Skamania	\$16.73	\$17.66	\$31.61	\$66.00
WI	Appleton	Outagamie	\$15.46	\$16.32	\$29.22	\$61.00
WI	Brookfield / Racine	Waukesha / Racine	\$14.20	\$14.99	\$26.81	\$56.00
WI	Madison	Dane	\$15.46	\$16.32	\$29.22	\$61.00
WI	Milwaukee	Milwaukee	\$16.73	\$17.66	\$31.61	\$66.00
WI	Sturgeon Bay	Door	\$15.46	\$16.32	\$29.22	\$61.00
WI	Wisconsin Dells	Columbia	\$15.46	\$16.32	\$29.22	\$61.00
WV	Charleston	Kanawha	\$14.20	\$14.99	\$26.81	\$56.00
WV	Morgantown	Monongalia	\$14.20	\$14.99	\$26.81	\$56.00
WY	Cody	Park	\$18.00	\$19.00	\$34.00	\$71.00
WY	Jackson / Pinedale	Teton / Sublette	\$19.27	\$20.34	\$36.39	\$76.00
WY	Rock Springs	Sweetwater	\$15.46	\$16.32	\$29.22	\$61.00

## Section 7.09 Appendix I – Mobile Phone Election Form



### CITY OF PATASKALA MOBILE TELEPHONE ELECTION FORM

**Purpose:** This form is to be used whenever an employee has been issued a city mobile telephone, or desires to use their personal mobile phone for city business. Section 13.04 of the Employee Handbook & Policy Manual governs the issuance of, and administrative policies for, the usage of mobile phones for city business.

**Employee Name:** \_\_\_\_\_ **Department:** \_\_\_\_\_

**PLEASE SELECT ONE OF THE OPTIONS BELOW:**

- ☐ **NO PERSONAL USAGE:** I will not use my city-issued mobile phone for personal usage (other than minimal usage provided for in the Handbook). By selecting this option, I acknowledge that material usage of the city mobile phone for other than city business may subject me to discipline per the terms and conditions of the Employee Handbook & Policy Manual.
- ☐ **STIPEND:** I am eligible for the \$65.00 monthly mobile phone stipend (per 13.04(b)(iv)) and am requesting that the city provide the payment to me in lieu of providing me with a city-issued mobile phone. I recognize that by selecting this option, I am required to have a data-enabled smart phone and agree to use my personal mobile phone for city business. I also acknowledge and accept that any data plan overages as a result of city business is my responsibility, and not eligible for reimbursement by the city. Furthermore, I recognize that the IRS considers this to be a taxable fringe benefit, and I am responsible for any payroll taxes on such stipend.
- ☐ **PERSONAL USAGE:** I wish to use my city-issued mobile as my personal phone and agree to reimburse the city for a portion of the monthly cost, such cost to be based upon the type of mobile phone used. Based upon my city phone, I am selecting the option below, and agree that the stated amount (subject to change) shall be deducted from my bi-weekly pay (1<sup>st</sup> and 2<sup>nd</sup> pays in each month only) on an after-tax basis.
- ☐ Standard phone (voice and text only) \$5.00 per bi-weekly pay (\$10 per month)
- ☐ Smart phone (data, voice and text) \$12.50 per bi-weekly pay (\$25 per month)

**ACKNOWLEDGEMENT**

I have received and agree to comply with all of the policies and conditions contained in the Employee Handbook & Policy Manual which govern the issuance and usage of mobile telephones for city business.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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**Section 7.10 Appendix J – Employee Information Release Authorization**

**EMPLOYEE REQUEST TO RELEASE PERSONNEL FILE RECORDS**

I, \_\_\_\_\_, hereby acknowledge that I understand that it is the City of Pataskala’s policy to disclose to prospective employers, financial institutions and other similar organizations only the following information about current or former employees or volunteers: dates of employment, position title, current/final rate of pay and job description.

By signing below, I am voluntarily requesting and authorizing the City of Pataskala to deviate from this policy and disclose any written reference information from my personnel file on my job performance in addition to dates of employment, position title, rate of pay and job description.

In doing so, I agree to indemnify and hold harmless the City of Pataskala against all claims, causes of action, damages, judgements, costs or expenses, including attorney fees and other litigation costs, which may in any way arise from the City of Pataskala complying with this request.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
HR/City Administrator/Finance Director Approval

\_\_\_\_\_  
Date

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**City of Pataskala, Ohio  
Finance Department  
621 West Broad Street, Suite 1D  
Pataskala, Ohio 43062**

**Phone:** (740) 927-3167  
**Fax:** (740) 919-3560

**[www.cityofpataskalaohio.gov](http://www.cityofpataskalaohio.gov)**