

Date Approved: April 28, 2003 (Ordinance #2003-09)

**POLICY TITLE:** Financing & Taxation, Claims & Purchases

**AUTHORIZATION:** Village Board Ordinance #2003-09

**POLICY STATEMENT:**

**WHEREAS**, the Village of Howard has created and amended Section 3 of the Municipal Code related to finance, taxation, claims and purchases; and

**WHEREAS**, the Village Board has taken action through Board motions and resolutions that have effectively changed Section 3 of the Municipal Code; and

**WHEREAS**, the Governmental Accounting Standards Board issued Statement #34 (GASB #34) in June 1999 that establishes new financial reporting requirements for state and local governments that are intended to “make annual reports more comprehensive and easier to understand and use;” and,

**WHEREAS**, a major provision of GASB #34 is to capitalize, report and depreciate, or use a modified approach of depreciation, infrastructure assets such as roads, storm sewers, bridges and culverts, beginning in 2003; and

**WHEREAS**, the Village desires to follow all governmental accounting standards in the preparation of its financial statements; therefore,

**BE IT RESOLVED THAT** the Village Board of the Village of Howard, Brown County, Wisconsin, do ordain that section 3.01, 3.03, 3.04, 3.05, 3.07, 3.09 and 3.10 be created to read as follows:

**SECTION 1. 3.01 PREPARATION OF TAX ROLL AND TAX RECEIPTS.**

**(1) AGGREGATE TAX STATED ON ROLL.** Pursuant to Section 70.65(2), Wis. Stats., the Village Clerk shall, in computing the tax roll, insert only the aggregate amount of State, County, School and Local taxes in a single column in the roll opposite the parcel or tract of land against which the tax is levied, or, in the case of personal property, in a single column opposite the name of the person against whom the tax is levied.

**3.01 Preparation of Tax Roll and Tax Receipts (Continued)**

- (2) **UNIFORM TAX BILLS AND RECEIPTS** (Rep. & Recr. Or. #86-2). The Village Clerk shall use uniform tax bills and receipts as prescribed by the Department of Revenue under Section 70.09(3)(a), Wis. Stats. Tax bills shall be mailed to taxpayers and include all of the information required by Section 70.665, Wis. Stats. *The Village Treasurer shall have the authority to enter into a contract with the Brown County Treasurer for printing and mailing of tax bills and for collection services of the January installment real property installment. The Treasurer is not obligated to use the county's services but shall have authority to enter into such an agreement for such services.*

**3.03 BUDGET PROCESS.** (94-19)

- (1) Annually, on or before September 15, the Administrator shall commence preparation of the budget for the ensuing calendar year. The Administrator shall work with the various Village officials to construct a proposed budget document to be submitted to the Village Board or Committee of the Whole on or before November 15.
- (2) The budget document shall be prepared in accordance with Section 65.90 Wis. Stats. and shall include all funds expecting to incur expenditures/expenses in the ensuing calendar year. The budget document shall also include the following information:
- (a) A summary by fund of all revenues (by source) and expenditures/expenses (categorized by function), including debt service requirements, for the ensuing calendar year and corresponding items for the current year (estimated or actual through at least the first eight months) and last preceding year. Explanations for changes from appropriations for the current year as compared with the proposed budget should be included in the document as part of the summary or included in other detail areas of the budget.
  - (b) An itemization of all accounts as proposed shall also be included in the *final adopted budget document.*
  - (c) An itemization of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the debt service requirement and the proposed expenditures.
  - (d) Such other information as may be required by the Village Board.

**3.03 BUDGET PROCESS (Continued)**

- (3) The Administrator shall prepare a summary of the budget and shall publish the notice required under Section 65.90(3)(a), Wis. Stats. Pursuant to Section 65.90(3)(b), Wis. Stats. the budget summary shall include the following:
- (a) All revenues, by major revenue source.
  - (b) All expenditures, by major expenditure category.

- (c) All financing sources and uses not included under pars. (a) and (b) above.
  - (d) All beginning and year end fund balances.
- (4) A public hearing shall be held after submission of the proposed budget by the Administrator to the Village Board subject to a class I notice being published at least 15 days prior to such hearing. The hearing will allow any resident or taxpayer of the Village to have an opportunity to be heard on the proposed budget.
  - (5) Following the public hearing, a reading shall be made of a proposed appropriation resolution providing for the expenditures proposed for in the budget document. The proposed appropriation resolution may be changed or amended and shall take the same course as other ordinances.
  - (6) The Village Board may pursuant to Section 65.90(5), Wis. Stats., upon the written recommendation of the Committee of the Whole or upon its own motion, at any item by a 2/3 vote of the entire membership transfer any portion of an unencumbered balance of an appropriation to any other purpose or object. Notice of such transfer shall be given by publication within 10 days thereafter in the official Village newspaper.
  - (7) No money shall be drawn from the Treasury of the Village, nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual resolution, or of such resolution when charged as authorized by sub. (5) above. ~~At the close of each fiscal year, any unencumbered balance of an appropriation shall revert to the general fund and shall be subject to reappropriation; but appropriations may be made by the Village Board, to be paid out of the income of the current year, in furtherance of improvements or other objects or works which will not be completed within such year, and any such appropriation shall continue in force until the purpose for which it was made shall have been accomplished or abandoned.~~ Each fund that derives a surplus of revenues over expenditures/expenses shall maintain such surplus within the fund unless the Village Board authorizes a transfer of funds.

**3.04 CLAIMS, INVOICES OR OTHER ASSERTIONS.** ~~All claims shall be reviewed by the Village Clerk and approved by the Village Board before payment, except that the Clerk may make such immediate payments as may be necessary for weekly or semimonthly payrolls, social security and health and life insurance premiums, contracted services and utility bills.~~

- (1) All claims, invoices or other assertions on purchases made by authorized employees of the Village shall be reviewed by the Village Administrator and/or Village Finance Director. A summary of such items will be prepared and submitted to the Village Board for approval before payment is made. An exception to this rule shall exist for the following payments:
- (2) Biweekly or monthly payrolls and all related payroll liabilities (including but not limited to social security taxes, federal withholdings taxes, state withholdings, health and life insurance premiums, pension liabilities and other related items authorized by the Village Board)
- (3) Contracted services from contracts previously approved by the Village Board
- (4) Utility bills or other purchases in order to avoid interest or finance charges

- (5) Refunds, overpayments and park rental key deposits
- (6) All payments to third party administrator of self funded health and dental plan
- (7) Emergency payments for budget items with approval of the Department Director and the Administrator in order to avoid late payment penalties or to maintain existing services
- (8) Cash purchases as explained in Section 3.05

**3.05 PURCHASES.** ~~No equipment or supplies shall be purchased by any person unless previously budgeted and approved by the appropriate committee chairman, or approved by the Village Board. However, emergency purchases not to exceed \$300 may be approved by a department head. (1) All purchases shall be made by authorization of Department Directors (or designated employee in absence of Director) or Administrator. All purchases in excess of \$500, except for those items listed in paragraph (2) below, must have a purchase order completed. All purchases must be made within the limitations of the appropriated budget of the Village or a budget amendment must be made to allow for increasing expenditures within a department that are in excess of that department's appropriated budget. Cash payments for items of less than \$500 can be made by an authorized Department Director from funds on hand with proper documentation as prescribed by the Finance Director. Credit card purchases are allowed provided that procedures contained herein are followed on such purchases. Village Board shall designate authorized credit card holders within the adopted personnel policies.~~

(2) The following items are excluded from preparing a purchase order:

- a. Utility bills (water/sewer, gas, electric, telephone, cellular phone)
- b. Glasses purchased by public works employees as a non-purchase order authorization form is required for such purchases by the vendor.
- c. Fuel purchased for Village storage tanks.

**3.06 ORDER CHECKS, EXECUTION OF** (Am. Ord. #89-9). (Am. Ord. 92-11) All disbursements of the Village shall be by order check which shall not be valid unless signed by the Village Clerk or ~~Deputy Clerk~~ and countersigned by the Village President in accordance with Wisconsin Statutes Section 61.25(6) and 61.26(4). The Village shall utilize an automated check signature or a signature stamp that will be held in the custody of the Finance Director.

**3.09 FINANCIAL REPORTING, ANNUAL AUDIT** The Village shall prepare annual financial reports in accordance with governmental accounting standards. The annual financial report shall be audited by an independent certified public accountant. The annual report will strive to meet all the standards of the Governmental Finance Officer's Association of the United States and Canada in preparing a comprehensive annual financial report.

**3.10 CAPITALIZATION OF OUTLAY ITEMS IN ACCORDANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT # 34 AND AMENDMENTS.** All purchases of items categorized as capital outlay for governmental funds will utilize a \$5,000 threshold for capitalizing the item as a fixed asset for financial reporting and depreciation purposes. Proprietary funds will use a capitalization threshold of \$2,000 as requested by the Public Service Commission. All governmental accounting standards will be utilized in determination of capital asset for purposes of this

section. All computers, printers, scanners and other computer equipment with a purchase price of more than \$100 will be capitalized as fixed assets.

The Finance Director will be responsible for establishing an inventory system of fixed assets and to determine if depreciation or the modified approach as discussed in GASB #34 will be utilized for financial reporting purposes. If the modified approach is used, the Village Board will establish the standard for rating the roads.

**SECTION 2.** All ordinances or parts of ordinances, in conflict herewith are hereby repealed.

**SECTION 3.** This ordinance shall take effect upon its adoption and publication.

Approved and adopted this 28th day of April, 2003.

