

- I. Pre-Audit & E-Verify:
 - a. What is Pre-Audit
 - b. Procedures
 - i. Are we meeting the requirements?
 - c. E-Verify Updates
 - d. Iran Divestment Act
- II. Updates:
 - a. MUNIS Update - October 24 – 28
- III. Internal Controls:
 - a. Major Topics
- IV. Vendors:
 - a. New Vendor Form
 - b. W9 – Required
- V. Budget:
 - a. Budget Amendments/Funds Transfer
 - b. Budget Information
- VI. Accounts Payable:
 - a. Sales Tax
 - b. Fuel Receipts
- VII. Purchase Orders
 - a. Best Practices
 - b. Change Order Form
 - c. Purchase Orders for P-Card purchases
- VIII. Contracts:
 - a. When you need one?
 - b. General Services
 - c. Procedures/Amendments
 - d. Bonds in lieu
 - e. Iran Divestment Act
- IX. Deposit:
 - a. Detailed Information
 - b. Two employee's initial on deposit receipt
- X. Fixed Assets
- XI. Surplus
- XII. Reports
- XIII. Employee Self Service
- XIV. Records Management

PRE-AUDIT & E-VERIFY

Pre-Audit

General Statute 159-28 states:

(a) Incurring Obligations. - No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project or a grant project authorized by a project ordinance unless that project ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. If an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with this subsection unless the obligation or a document related to the obligation has been approved by the Local Government Commission, in which case no certificate shall be required. The certificate, which shall be signed by the finance officer or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

(Signature of finance officer)."

Certificates in the form prescribed by G.S. 153-130 or 160-411 as those sections read on June 30, 1973, or by G.S. 159-28(b) as that section read on June 30, 1975, are sufficient until supplies of forms in existence on June 30, 1975, are exhausted.

An obligation incurred in violation of this subsection is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this subsection.

When is the pre-audit required:

- When a contract/agreement or an order is placed for goods/services, this must be accounted for within the budget
- When the County is obligated to pay money by the terms of the contract/agreement
- When it is anticipated paying at least some of the funds within the fiscal year the contract/agreement was entered into.
- Applies to ALL transactions (*contracts, purchase orders, food, p'card, fuel, new hires, etc.*)

Minimum dollar threshold for pre-audit:

- ALL purchases/services/goods, etc. are subject to the pre-audit, no matter the amount. This also applies to ALL procurement card/credit card purchases.

Pre-Audit Requirements:

- Finance Officer must ensure there are sufficient funds remaining to pay obligations for that fiscal year.
- Finance Officer must ensure that there is an appropriation authorizing obligation.
- Must be evidenced by the pre-audit certificate and signed by the Finance Officer.

Who performs the pre-audit:

- Gary Groce, as the appointed Finance Officer for Yadkin County, is the only person authorized to sign the Certificate of pre-audit.

Pre-Audit Process:

- Finance Officer checks to see if there is an appropriation in current fiscal year for the amount due.
- Finance Officer ensures there are sufficient funds remaining in the appropriation to cover amount that will be due.
- Stamps with the Pre-Audit Certificate and signs

Penalties for not following the process:

- The contract/agreement is VOID and cannot be enforced
- Any individual or Officer who enters into a contract/agreement without following the process may be held personally liable for amounts disbursed.
- Non pre-audited purchases, contracts, etc. cannot legally be paid by the Finance Officer.

- G.S. 159-181 states:
 - (a) If any finance officer, governing board member, or other officer or employee of any local government or public authority (as local government and public authority are defined in G.S. 159-7(b)) shall approve any claim or bill knowing it to be fraudulent, erroneous, or otherwise invalid, or make any written statement, give any certificate, issue any report, or utter any other document required by this Chapter, knowing that any portion of it is false, or shall willfully fail or refuse to perform any duty imposed upon him by this Chapter, he is guilty of a Class 3 misdemeanor and upon conviction shall only be fined not more than one thousand dollars (\$1,000) and forfeits his office, and shall be personally liable in a civil action for all damages suffered thereby by the unit or authority or the holders of any of its obligations.

E-Verify

What is E-Verify:

- E-Verify is a free, web-based system operated by the US Department of Homeland Security's Citizenship and Immigration Service that allows employers to verify legal status of newly hired employees. It was started on the local government level in 2012 with new hires and expanded in 2013 to all vendors.

What's this mean for us?:

- There was an update to the E-Verify Law:

“UPDATE: The General Assembly amended the E-Verify contracting prohibition for cities and counties during the 2014 legislative session. Under Section 13 of **S.L. 2014-119**, which went into effect on October 1, 2014, the E-Verify contracting prohibition now **ONLY** applies to purchase and construction or repair contracts in the formal bidding ranges (i.e., those subject to G.S. 143-129). This change only affects cities and counties as all other units of local government were only subject to the E-Verify contracting prohibition for formal purchase and construction and repair contracts under the original legislation. The text of the post below has been updated to reflect this change.” – Norma Huston, UNC School of Government.

When should this be obtained?:

- The E-verify affidavit should be obtained when establishing a new vendor, along with the W-9.

DUITES

Below is a list of the major duties

<u>Gary</u>	<u>Lindsey</u>	<u>Brittany</u>
Pre-Audits/Approves <ul style="list-style-type: none"> • Invoices • Purchase Orders • Contracts • Funds Transfers • Budget Amendments Reconciles Bank Accounts Reviews PCard Statements Account Analysis Departmental Charges -ETC.	Revenues <ul style="list-style-type: none"> • Bring all deposit slips to Lindsey Fixed Assets MUNIS Administrator PCard Management <ul style="list-style-type: none"> • Order Cards • Reset passwords Manage Credit Card Machines Surplus ETC.	Distribution Maintain Vendors Review Contracts Print POs Change Orders Fuel Receipts Petty Cash Post PCard transactions <ul style="list-style-type: none"> • All PCard Statements need to be emailed. ETC.

Internal Controls

Major Topics:

Segregation of Duties: This control reduces the risk that any employees will be able to carry out and conceal errors or fraud in normal course of their duties.

- Separate duties within the accounting function.
 - Person entering Invoices should NOT be the same person responsible to cash receipts.
 - Person taking deposits to the bank, should NOT be the same person to enter into the system.

Cash Receipts/Collection Procedures: This control reduces risk of theft or errors during the collection, recording, and depositing of cash receipts.

- Assign separate cash drawers to each employee responsible for collecting cash.
- Each drawer should be balanced daily.
- Secure undeposited cash in a vault or safe.
- Deposit cash/checks daily

Record Keeping Procedures: This control is enhanced accountability over cash receipts.

- Person who enters the A/R should NOT be the same person taking the deposit to the bank.
- Enter into MUNIS in a timely manner.

Cash Disbursement: This control reduces risk during the preparation, authorization and distribution of checks.

- Validating the invoice entry against the invoice attached, etc.

Adequate Documentation:

- Detailed backup documentation required for both Cash Receipts/Deposits and Invoice Entry.

VENDOR

Vendor Information:

- When requesting a new vendor we **MUST** have the W-9 attached before the vendor can be approved to enter into MUNIS.
- The new vendor form and W9 must be submitted and approved prior to submitting a contract or purchase requisition for approval.
- Need to submit a hard copy of the new vendor form.

BUDGET

It is the Department Director's responsibility to manage his or her Department within the amount of funds appropriated by the Board of Commissioners. It is his or her responsibility to make changes within Department operations to stay within that amount of funds. It is also his or her responsibility to monitor the Department budget to ensure that there are sufficient funds available within the budget to continue operations. If there are not sufficient funds available in an expenditure line, then the purchase cannot be made, the service provided or employees work until there are sufficient funds available.

Sometimes during the fiscal year, estimated costs may change or new funds received and that is when a Budget Amendment or Funds Transfer is needed. The FY2017 Budget includes a provision that funds appropriated in Personnel expenditure lines CANNOT be transferred to Non-Personnel expenditure lines. However, funds in Personnel expenditure lines can be moved to other Personnel lines and funds in Non- Personnel expenditure lines can be moved into Personnel expenditure lines.

Funds Transfers:

An amount \$5,000 or less within a Department can be approved by the County Manager. This applies to revenues OR expenditures.

Budget Amendments:

An amount greater than \$1,000 within a Department, between Departments or between Funds; has to be approved by the Board of Commissioners. This applies to revenues and/or expenditures. Any change in revenue AND expenditure regardless of the amount MUST be approved by the Board of Commissioners.

Fund Transfer and Budget Amendments may not be submitted after June 30 of each fiscal year.

Monthly Review:

Each department should perform a monthly review of their revenues and expenditure lines, to ensure that:

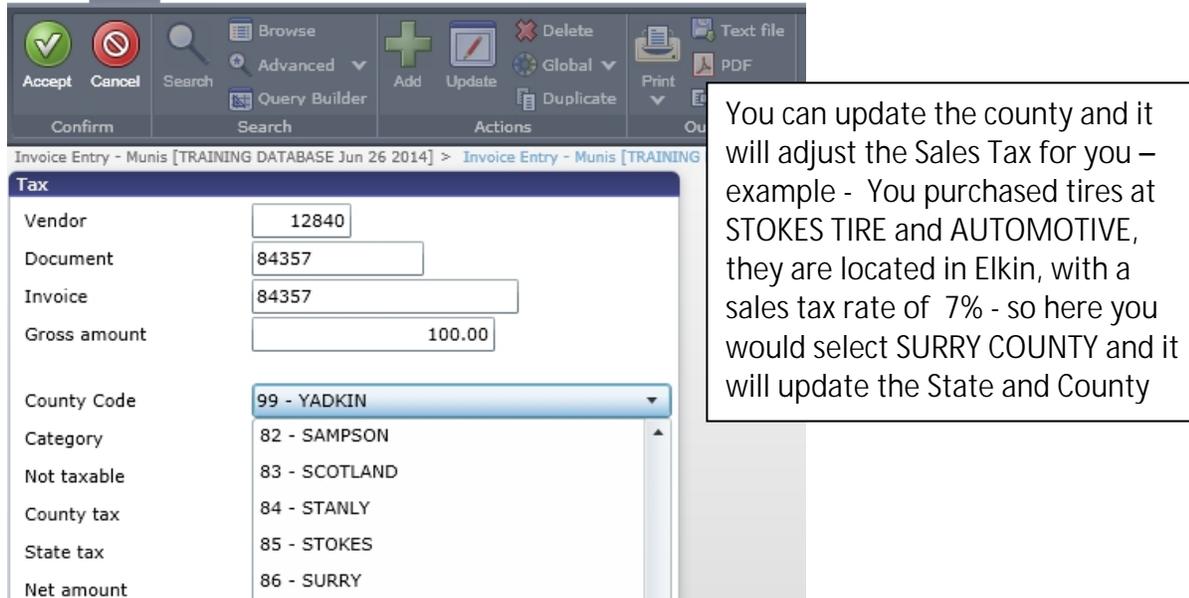
- Departmental expenses are staying within budget.
- Monies are being spent correctly and out of the correct lines.
- Assure procurement card purchases are coded correctly
- Monitor Purchase Orders and Contracts

ACCOUNTS PAYABLE

Reviewing Sales Tax

When entering an invoice into MUNIS it is important that you adjust the sales tax accordingly based on your invoice.

- You need to make sure that you are choosing the correct county. If you have gone out of county to make a purchase and been invoiced you need to reflect that within MUNIS.



The screenshot shows the 'Tax' entry screen in MUNIS. The 'County Code' dropdown menu is open, showing options: 99 - YADKIN, 82 - SAMPSON, 83 - SCOTLAND, 84 - STANLY, 85 - STOKES, and 86 - SURRY. A text box on the right explains that selecting the correct county will update the sales tax rate.

Field	Value
Vendor	12840
Document	84357
Invoice	84357
Gross amount	100.00
County Code	99 - YADKIN
Category	82 - SAMPSON
Not taxable	83 - SCOTLAND
County tax	84 - STANLY
State tax	85 - STOKES
Net amount	86 - SURRY

You can update the county and it will adjust the Sales Tax for you – example - You purchased tires at STOKES TIRE and AUTOMOTIVE, they are located in Elkin, with a sales tax rate of 7% - so here you would select SURRY COUNTY and it will update the State and County

Invoice Numbers/Invoice Copies:

- It is very important, that if there is an invoice number on the invoice that you are paying, that you use that number in MUNIS. Vendors use the invoice number that prints on the checks to apply payment, if it is not correct there is a chance the payment will get misapplied.
- You need to be as detailed as possible when entering the description on the invoice entry screen. This helps if we ever need to look back and reference payments made.
- If you need a hard copy of an invoice mailed, please provide that to Tanya by **Tuesday** morning; ***finance will no longer print attached or emailed invoices.***
- **Utility bills:** On power bills, telephone bills, piped gas – you **DO NOT** break out sales tax.

- **Fuel Receipts:** You must turn in ALL fuel receipts to Brittany Allen.

All vehicles are to be returned with a **FULL** tank of gas. When you are at the pump, you will be asked to put in the mileage as shown on the dash of the vehicle and then your individual 4 digit PIN.

Please write on the receipt:

- Department
- First Initial Last Name
- Last 5 digits of the Wright Express Fuel Card

Each Fuel Card is assigned to a specific vehicle; please do not use the fuel cards on another vehicle that is not assigned to that specific card. This causes reconciling issues and could also result in an audit finding. Also **DO NOT** share your individual PIN number with anyone. That PIN number is assigned to you and you only.

ALL receipts are to be returned to Finance by the 5th of each month to be reconciled.

Below is an example of what should be written on the receipts.

Medic 5 EMB & 8
 C. Hawk 5-31-15
 6737-3

Sheetz #510
 805 South State St.
 Yadkinville, NC 27085
 (336) 679-2400

5/31/2015 8:52:13 AM
 Fuel Destination

Order Number: 003

Register: 100
 Pay at Pump Sale
 Pump Number 11
 Unleaded (87)
 Gallons 24.725
 Price/Gal \$2.629 \$65.00
 Loyalty FPR
 0.03 /gal Discount
 My Sheetz Card \$0.00
 Sub. Total: \$65.00
 Wireless Fee \$0.00
 Sales Tax \$0.00
 Total: \$65.00
 Discount Total: \$0.00
 WEX: \$65.00
 Change \$0.00

WEX
 XXXXXXXXXXXXXXXX3363

6087-0

Finance
 BAILEY
 WELCOME

30698008-04
 FAST PHIL'S # 505
 708 SOUTH STATE ST
 YADKINVILLE NC

WRIGHT EXPRESS
 REF # 9800053017 4
 DATE 06/23/15 10:38
 ODOMETER 57538
 PD SEQ # 66870
 PUMP # 01
 SERVICE LEVEL: SELF
 PRODUCT: UNLD
 APPROVAL # 071465
 GALLONS: 2.539
 PRICE/G: \$ 2.759
 FUEL SALE \$ 7.01

THANK YOU
 HAVE A NICE DAY

PURCHASE ORDERS

Best Practices

- The best way to use Purchase Orders and the easiest; ***is to plan for a year.***

Example: If you have a monthly bill of \$200.00, then you will need to make your purchase order for \$2400, and receive on the same purchase order on throughout the year.

- When getting ready to request requisitions this year, review your last year's budget and get an estimate of the requisitions that you will need and the amounts.
- Don't save large purchases or projects until too late in the year. All goods must be received by June 30 of each year.

P-Card/Credit Card (Lowes, SAM's, etc.) Purchase Orders

- **A requisition needs to be entered for each expense line**, with an estimate of how much the department cards as a total may spend during the fiscal year. It does not need to be exact; you can add/release funds as needed.
- When turning in P'Card statements, the Purchase Order number needs to be on the receipt as well as in the description in Enterprise Spend Platform.
- P'Card purchases made without a purchase order will be returned to the purchaser for personal reimbursement to the County.

Purchase Order Change Orders

- When requesting a purchase order change order – you will now be required to use the **PURCHASE ORDER CHANGE ORDER FORM** (EX. Provided for you in your Finance 101 packet, also available on the finance website – under finance tips).

CONTRACTS

When do you need a contract?

- You will need a contract when you are purchasing a product that is customized to your department or when you have a service agreement (ex. Software maintenance)

Contract Procedures

- **First step:** is to get a contract in place with the company. Make sure the vendor has signed the contract. Also make sure that the company is a current vendor, if not you need to submit a New Vendor request prior to contract approval.
- **Second step:** is to send to the County Manager, and he will forward to the attorney if it needs legal review (multiple years or greater than \$5,000).
 - If the contract is more than 1 year or greater than \$5,000.00 you will need to EMAIL to the County Manager
 - If the is 1 year or less and less than \$5,000.00 complete the Third Step below PRIOR to submitting the contract HARD COPY to the County Manager's Office for final approval and signing.
- **Third step:** once you have received the contract back from the County Manager's Office you will need to obtain the required signatures (as listed on the contract control form) if it is for multiple years or greater than \$5,000)
 - This includes obtaining the Certificate of Insurance (COI) from the vendor, and having WN Ireland sign that they have met the amount requirements for the worker's comp & liability insurance. Which are as follows:
 - General commercial liability in the amount of \$1,000,000 per occurrence / \$2,000,000 aggregate.
 - Workers' Compensation in the amount of \$500,000 employer's liability
 - Automobile liability covering all owned, hired, and non-owned vehicles used in connection with this Agreement. The minimum combined single limit shall be \$1,000,000 for bodily injury and property damage; and, \$1,000,000 uninsured/underinsured motorist coverage.
- **Fourth step:** if the contract is over \$5000.00 or for multiple years it must be approved by the Board of Commissioners, at this point you would need to get an agenda abstract to Tanya Gentry to be placed on the agenda for board approval.

- **Fifth step:** Once the contract has been approved by the Board, and has been signed by the County Manager, you now enter into MUNIS. **(MAKE SURE TO CHECK THE BONDS IN LIEU OF BOX ON THE RETAINAGE TAB)**

The screenshot displays the MUNIS software interface for 'Contract Entry - Munis [YADKIN COUNTY]'. The interface includes a ribbon with various action buttons such as 'Accept', 'Cancel', 'Search', 'Browse', 'Advanced', 'Query Builder', 'Add', 'Update', 'Delete', 'Global', 'Duplicate', 'Print', 'Text file', 'PDF', and 'Preview'. Below the ribbon, the 'Contract' section contains fields for 'Contract' (2016001), 'Method' (Encumbered Accounts), and 'Vendor' (4523 CHILDRENS CENTER OF SURRY INC). A tabbed interface below shows 'Main', 'Retainage', 'Accounts', 'Items', 'Subcontractors', and 'Insurance'. The 'Retainage' tab is active, and the 'Bonds in lieu of retainage' checkbox is checked and circled in red. A red arrow points from the highlighted text in the list above to this checkbox. Another checkbox, 'Recalculate cap and retainage differences with change orders and payments', is unchecked.

GENERAL SERVICE CONTRACTS

You have been provided a list of General Service Contracts that have a “Do Not Exceed” amount and can be used by and department within the County.

You are required to do a Purchase Order and reference the contract number for a General Service Contact:

The screenshot shows the Muniis Requisition Entry interface. The 'Terms/Miscellaneous' page is active. The 'Special handling' dropdown menu is set to 'N - NONE' and is circled in purple. A callout box points to this dropdown with the text: "The only thing that you will do differently when entering a requisition for a General Services Contract is reference the contract number on the TERMS/MISCELLANEOUS page".

Terms		Miscellaneous	
Discount %	.000	Allocation	
Freight %	.000	Buyer	Icearlock
Freight meth/terms		Review	
Bill to	FINANC P. O. BOX 220	Type	N - NDR
Bill to email		Purchase order	
Special handling	N - NONE	Notify	<input type="checkbox"/>

Contract		Work Order	
Number	2015020	Number	
Description	GENERAL SERVICES JAMES AND WIL	Description	
		Task	

Procurement Card (P'Card)

Pre-Audit Procedures for P'Cards

- In order to comply with the Pre-Audit statute, previously stated, you **MUST** have a Purchase Order for the expense line that you are charging the P'Card purchases to.
- The best way to do this is for each department to have a blanket purchase orders for each expense line that you plan on charging P'Card purchases to.
- The purchase orders need to be made to **SUNTRUST – Vendor 13024**.

Procurement Card Process

- Once you have made a purchase on your Procurement Card:
 - you need to keep the original receipt and write the purchase order number on the receipt.
 - The receipt **MUST** be detailed, receipts that are not itemized will no longer be accepted.
- You can code the purchases in Enterprise Spend Platform right after a purchase is made. You do not have to wait until the statement arrives to do this.
 - You will need to put the purchase order number in the DESCRIPTION field in Enterprise Spend Platform.
- Once the statement arrives you will need to make yourself a copy of the statement and receipts, scan in a copy and email to Brittany Allen, and send the ALL originals to the Finance Office (Attn: Gary Groce).
- Once all the receipts have been received, they are then entered into MUNIS and posted against your expense lines and liquidated against the purchase order numbers that were provided.
- **Remember** – that the statements are posted a month behind, each department needs to keep a spreadsheet of their P'Card charges to keep up how much you have spent.

DEPOSIT

Deposit Information:

- All deposits are to be made DAILY
- Two initials on deposit slips
- All deposit receipts need to be given to Lindsey Cearlock in the Finance Office.
- *You must provide **DETAILED** back up with your deposit – showing what the deposit was for, copy of checks, etc. The finance must keep and be able to provide detailed information to auditors.*

SURPLUS PROPERTY PROCEDURE

Surplus Property:

When a department has equipment/furniture that they no longer are using it can be deemed as surplus.

First you will need to fill out a GovDeals form (you can find on the Finance Tips webpage) and once completed you will email to Gary Groce.

If you are able to take pictures please do so and send those as well.

Once Gary has declared the items Surplus, Lindsey Cearlock will list on GovDeals. Once the item sales, pick up will be arranged.

FIXED ASSETS

Equipment over \$5000.00

- Any type of equipment of software that your department purchases that are over \$5,000.00 must be reported to the Finance Office.
 - Equipment over \$5,000.00 should always come out of the object code 56010
 - Equipment less than \$5,000.00 should come out of object code 52023 or
 - 56018 for Data processing - Equipment
 - 56019 for Data processing - Software

REPORTS

- **YTD (Year to Date) Reports** - How to Guide is attached.
 - This report will give you your account balance through the period that you choose. This report does not include any invoices that you may have put in and haven't been paid.

- **Invoice History by GL Account (Check Register)** – How to Guide is attached.
 - This report will give all of the invoices that you have paid in the GL account and date range that you have selected. It will give you the invoice #'s, check #'s and date paid.

- **Open Purchase Order Reports** - How to Guide is attached.
 - This report will give you all the starting and current balances on your Purchase Orders and Contracts per expense line.

RECORDS MANAGEMENT

- Local Government Retention Schedule can be found at <http://archives.ncdcr.gov/For-Government/Retention-Schedules/Local-Schedules>
- Verify that your department is in compliance.