



Anoka County
MINNESOTA

Respectful, Innovative, Fiscally Responsible

FINANCIAL POLICIES

Adopted December 22, 1992
Revised March 26, 2019

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INTRODUCTION

These financial policies set forth the basic framework for the overall fiscal management of Anoka County. With ever changing circumstances and conditions, these policies assist the decision-making process of the County Board and the administration of county affairs. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles, traditions and practices which have guided the county in the past and have helped maintain financial stability over the years. These policies shall be reviewed annually, and changes authorized by County Board action.

Anoka County Mission Statement

“To preserve the public trust
by serving Anoka County citizens,
in a respectful, innovative, and
fiscally responsible manner.”

A. Accounting, Auditing and Financial Reporting Policies

1. Anoka County will establish and maintain a high standard of accounting practices. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
2. The State Auditor's Office will audit county records annually and will issue a financial opinion, pursuant to MN Statutes 6.48 and a management and compliance report.
3. Anoka County will maintain a strong internal audit function.
4. The County Board will appoint a five member internal audit committee, including the Chair of the County Board and one other County Board member, the County Administrator, a financial professional from outside the county government, and a citizen. The Chair of the County Board will appoint a chair of the committee. This committee's responsibility is defined in the Internal Audit Charter Statement.
5. The financial data maintained by the Central Accounting Department, will be the official Anoka County books. All subsystems will reconcile to the official county system monthly.
6. The county will maintain a fixed asset system to identify and protect all county assets.
7. Anoka County will maintain an integrated financial system with electronic financial reports/queries for internal management purposes.
8. The County Board, at its discretion, may assign fund balance for a specific purpose to be spent in future years. The County Board delegates the authority to assign fund balance, as required for prudent fiscal management, to the Division Manager of Finance and Central Services.
9. Annually, the Central Accounting Department will prepare a comprehensive annual financial report. This report shall be made available to the elected officials, county management, bond rating agencies, largest employers, creditors and citizens via the county website and in printed form upon request.
10. The county will annually submit its comprehensive annual financial report to the Government Finance Officers Association (GFOA) to determine its eligibility to receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
11. The Finance and Capital Improvement Committee of the Anoka County Board of Commissioners has jurisdiction over these Anoka County Financial Policies and is responsible for recommending policy amendments to the County Board.
12. At the end of each fiscal year, the County will report the portion of the fund balance that is not in spendable form as Non-spendable Fund Balance on the financial statements.
13. At the end of each fiscal year, the County will report restricted fund balance for amounts that have applicable legal restrictions per GASB No.54. In addition, funds required by enabling legislation will be reported as restricted.
14. Prior to the end of each fiscal year, the County Board will determine any committed fund balance.

A. Accounting, Auditing and Financial Reporting Policies (continued)

15. At the end of each fiscal year, the County will report assigned fund balance for equipment replacement and construction projects according to the County's Capital Improvement Plan.
16. Special Revenue Funds Cash Flow - At the end of each fiscal year, the County will maintain a Spendable – Assigned portion of the fund balance for cash flow.
17. General Fund Cash Flow - At the end of each fiscal year, the County will maintain a Spendable – Unassigned portion of the fund balance for Cash Flow in a range equal to 35 – 50% of the General Fund net county share. Net county share is defined as expenditures less non-property tax revenues. In addition to cash flow needs this accommodates emergency contingency concerns.
18. In the event that amounts maintained for cash flow fall above or below the desired range, the Division Manager of Finance and Central Services shall report such amounts to the County Board after the end of the fiscal year. Should the actual amount maintained for cash flow fall above or below the desired range, the County shall create a plan to restore the appropriate levels.
19. The resources classified as unassigned can be used to cover expenditures for revenues not yet received.
20. When both restricted and unrestricted resources are available for use, it is the County's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the County's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

B. Operating Budget Policy

1. The formal budgeting process provides the primary mechanism by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources.
 - a. The county will attempt to maintain its present service level for all priority and essential services within available revenues. New services will be considered for funding within available resource.
 - b. Anoka County will utilize a “priority based” service level approach to resource allocation.
 - c. At the start of each budget cycle, the County Board identifies budgetary targets for programs and their program areas.
 - d. Each program area/program will prioritize services and allocate resources according to highest priority and greatest need.
 - e. The programs will present their service level budgets to their committee of jurisdiction (a sub-committee of the County Board). Subsequently, the proposed budget will be reviewed by the County Board and approved following a public meeting to receive comments.
 - f. The county will publish the proposed budget on its official website at least 2 weeks prior to the adoption by the County Board.
 - g. The resources to fund the budget will include all revenues that can reasonably be anticipated from all sources and the entire amount of fund balance estimated to be carried forward at the beginning of the fiscal year.
 - h. Any county enterprise operations are intended to be self-supporting, i.e., current revenues will cover current expenditures, including capital improvements and depreciation. Enterprise operations are to be reviewed annually for self-sufficiency.
 - i. The county will utilize procedures which allow program areas/programs to integrate goals, objectives, and performance measurement into the budget requests.
 - j. All unfunded positions will be automatically removed from the Proposed Budget unless the Department Head requests the position remain valid due to potential future funds such as a grant or revenue swings.
 - k. The Anoka County Board goal is to approve a budget which is balanced in terms of the total available resources equaling the projected use of funds.

B. Operating Budget Policy (continued)

2. The operating budget, authorizing expenditures of county monies, will be adopted annually by the County Board at the program level (Program Areas and Programs are listed in Appendix A). The expenditures may not exceed the total for any program, within a fund, without the County Board's approval. The authority to make changes to the adopted County Budget during the operating year are as follows:

Description	Amount	Review	Approve
Increase to net budget	Greater than \$1	Committee of Jurisdiction	County Board
Object line adjustments	Greater than \$100,000 or 5% of gross expenditures	Finance Division Manager	Committee of Jurisdiction
	\$10,000 to \$100,000	Budget Director	Finance Division Manager
	\$1 - \$9,999	None	Budget Director

*****Note: Under no circumstances should budget adjustments be split to avoid approval limits.**

3. The county will budget to maintain fund balances at adequate levels to ensure sufficient resources are available for current and future expenditures, whether planned or unforeseen.
- The county will budget to maintain an unassigned fund balance for cash flow and contingencies in the General Fund, to support operations and unforeseen items and events until current tax revenues are received. Based upon the semi-annual collection of local taxes and the associated state County Program Aid revenues, the General Fund should maintain an unassigned fund balance at year end equaling 35-50% of operations, which is calculated as total budgeted operating expenditures less budgeted operating (non-property tax) revenues (net county share).
 - The County Board or its designee, at its discretion, may assign fund balance for a specific purpose to be spent in future years. Programs may budget for the use of the committed or assigned fund balance during the annual budget process. All budget adjustments during the year, which utilize fund balance, require Committee of Jurisdiction approval.

Additionally, the budget for funds obtained under MN Statutes 387.213 and assigned for drug enforcement in the General Fund, may be adjusted without board approval after notification to the Finance & Central Services Division Manager. The Public Safety Committee will receive an annual report regarding these expenditures.

4. All unencumbered appropriations and encumbered purchases less than \$1,000 lapse at year end. However, the appropriation authority for all major capital projects and capital assets may carry forward to the subsequent year upon request when deemed appropriate by the budget officer. Appropriations for encumbered purchases in excess of \$1,000, which are not budgeted in the ensuing year, may be transferred to the subsequent year at the program's discretion. The current year appropriation is reduced and the subsequent year appropriation is increased.

B. Operating Budget Policy (continued)

5. The County may utilize unspent operating budget from current and previous years to purchase capital expenditures, requested and approved during the annual budget process, which are “one-time” in nature. The one-time capital expenditures are items which occur on an infrequent basis and would cause an abnormal spike in the base operating budget. The identified unspent budget in the General Fund or Special Revenue Funds is transferred to the Allocated Capital Projects Funds to purchase the one-time capital expenditures.
6. Within the County’s Financial System, the County will maintain an integrated electronic budgetary control system to ensure adherence to the budget with accessible reports/queries comparing actual revenues and expenditures to budgeted amounts. Appropriations will be monitored at the major account code level, (i.e., employee compensation, departmental expenses, operating expenses, contracts and fees, capital outlay, debt service, grants and purchase of services, miscellaneous appropriations, and other financing uses) within each program.
7. The county will coordinate development of the Capital Improvement Budget (CIB) with the development of the annual operating budget. Each capital improvement project is reviewed for its impact on the operating budget in terms of revenue generation, additional personnel required and additional operating expenses.
8. The Capitalization threshold for assets of Anoka County, as defined in the Fixed Asset Policy of this document (section I.2), applies to all budgets and purchases associated with the Capital Expenditure series of accounts (65xxx).
9. The Budget Unit will prepare an Annual Operating Budget report. This report will be made available to elected officials, county management, bond rating agencies, creditors and citizens.
10. The county will submit its Annual Operating Budget report to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA’s Distinguished Budget Presentation Award.

1. A Capital Improvements Program (CIP) will be developed for a period of five years. As resources are available, the most current year of the CIP will be incorporated into the current year operating budget as the Capital Improvements Budget (CIB). The CIP will be reviewed and updated annually. Years two through five are for planning purposes only.
2. The county will maintain its physical assets in a manner which is adequate to protect the county's capital investment and to minimize future maintenance and replacement costs. The county will provide for maintenance and replacement from current revenues where possible.
3. To be considered in the Capital Improvements Program a project must have an estimated cost of at least \$100,000 in one of the calendar years of the project. Projects may not be combined to meet the minimum standard unless they are dependent upon each other.
4. Items that are considered an operating expense (such as maintenance agreements, personal computer software upgrades, PC's, etc.) will generally not be considered within the CIP.
5. Capital projects that duplicate other public and/or private service will not be considered.
6. The county will identify the estimated costs and potential funding sources for each capital project prior to inclusion in the CIP. The operating costs to maintain capital projects shall be considered prior to the decision to undertake the capital projects.
7. Capital projects and/or capital asset purchases will receive a higher priority if they meet some or most of the following criteria:
 - a. Mandatory project
 - b. Maintenance project (approved replacement schedules)
 - c. Project improves efficiency
 - d. Project provides a new service
 - e. Policy area project
 - f. Broad extent of usage
 - g. Length of expected useful life
 - h. Positive effect on operation and maintenance costs
 - i. Availability of state/federal grants
 - j. Elimination of hazards (improves public safety)
 - k. Prior commitments
 - l. Replacement due to disaster or loss
8. The CIP will be presented for review and recommendation to the board by the Finance and Capital Improvements Committee.
9. Finance and Capital Improvements Committee approval is required for any substantive modifications to adopted CIP projects. This procedure does not preclude the department from reviewing the modification with its "committee of jurisdiction" prior to approaching the Finance and Capital Improvements Committee.

D. Investment Policy

1. The Investment Policy outlines the investing philosophy and practices of Anoka County, the Anoka County Housing & Redevelopment Authority, and the Anoka Regional Rail Authority, collectively referred to as “the County”), and has been developed to serve as a reference point for the management of County assets. It is the policy of the County to invest public funds in a manner which will provide the highest investment return with minimum risk while meeting the daily cash flow demands of the County and conforming to all federal, state and local regulations governing the investment of public funds. Investment portfolio risk will be minimized to ensure that liquidity and marketability are maintained. The County will not invest in instruments that it cannot hold until maturity. Although investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The County will invest in securities that match the County’s cash flow needs and debt service requirements.
2. This Investment Policy applies to all financial assets of the County. These funds are accounted for within the County’s Comprehensive Annual Financial Report and include:
 - General Fund
 - Special Revenue Funds
 - Capital Project Funds
 - Debt Service Funds
 - Enterprise Funds
 - Internal Service Funds
 - Trust and Agency Funds
 - Any new fund created by the County, unless specifically exempted by the County Board.
3. Investments shall be made with judgment and care, under circumstances existing at the time the investment is made, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their capital as well as interest yield to be derived.

The standard of prudence to be used by investment officials shall be the “prudent investor” standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse situations. Investment procedures developed for the Finance & Central Services Division must be complied with by those with access to and management responsibilities for County investments.

4. The primary objective of Anoka County’s investment activities shall be:
 - A. **Safety** – Safety of principal is of critical importance to the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

D. Investment Policy (continued)

- Credit Risk – the risk of loss due to failure of the security issuer or backer, will be minimized by:
 - ✓ Limiting investments to the type of securities listed in Section X of this investment policy.
 - ✓ Diversifying the investment portfolio so that the impact of potential losses from any type of security or from any one individual issuer will be minimized.
- Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to change in market interest rates, will be minimized by:
 - ✓ Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - ✓ Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see Section X).

B. Liquidity – The County’s investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that might reasonably be anticipated. The portfolio will be structured so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds, overnight repo or commercial paper accounts, or local government investment pools which offer same day liquidity for short-term funds.

C. Return on Investment – The County’s investment portfolio shall be designed with the objective of attaining a market rate return. The core of investments is limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- ✓ A security with declining credit may be sold early to minimize loss of principal.
- ✓ A security swap would improve the quality, yield, or target duration in the portfolio.
- ✓ Liquidity needs of the portfolio require that the security be sold.

D. Trading – Portfolio purchases will focus on holding investments until maturity to maintain securities at amortized cost. Excessive investment portfolio turnover commonly referred to as “trading” or “overtrading” to obtain short-term gains is not consistent with the County’s stated investment objectives and will be prohibited.

5. The investment program shall be operated in conformance with federal, state, and other legal requirements. Authority to manage the County’s investment program is derived from the following:

- ✓ Minnesota Statutes 118A, Municipal Funds
- ✓ The designations within this Policy as adopted.

D. Investment Policy (continued)

Management responsibility for the investment program is hereby delegated to the Finance & Central Services Division Manager, who shall establish written procedures for the operations of the Investment Program consistent with this Investment Policy. The Finance & Central Services Division Manager, with assistance from finance department staff, monitors performance of the investment portfolio; and ensures that proper internal controls are developed to safeguard investments assets. Procedures should include reference to: safekeeping, delivery versus payment (DVP), investment accounting, Public Securities Association (PSA) repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Finance & Central Division Manager. The Finance & Central Services Division Manager shall be responsible for all investment transactions and shall establish a system of controls to regulate the activities of subordinate officials.

The selection of banking Services shall be made by the Finance & Central Services Division Manager with input from the Investment Review Committee (See section VII). The Finance & Central Services Division Manager shall certify all bank depositories annually to the Finance Committee and County Board as established within the guidelines set forth by the Investment Review Committee. In selecting depositories, the creditworthiness, experience, and past performance shall all be considered.

6. Officers and employees involved in the investment process shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall annually disclose to the County Auditor any material financial interests as required by state statute on an annual Statement of Economic Interest form. Employees and officers shall subordinate their personal investment transactions to those of the County, particularly with regard to the time of purchases and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the County.
7. The County Board has designated that the Investment Review Committee (IRC) provide oversight and review of the County's investment and banking program. The IRC will consist of one County Board Member designated annually by the Chair of the County Board, the County Administrator, and the Finance & Central Services Division Manager. IRC Board members will be required to disclose any conflicts of interest as outlined in section VI of this Policy.

The Investment Review Committee (IRC) shall meet quarterly or as needed to review the following:

- ✓ Review updates and changes to Investment Policy
- ✓ Review the overall County investment activities and current portfolio positions.
- ✓ Evaluate compliance with the investment policy and all investment guidelines
- ✓ Review selection and authorization of all broker/dealers used for investment transactions.
- ✓ Review selection and performance of all third-party contracted asset managers.
- ✓ Evaluate banking services and depositories, making recommendations to Finance Committee and County Board.
- ✓ Consider any other matters related the County's investment and banking program.

D. Investment Policy (continued)

8. Anoka County will conduct investment transactions only with authorized broker/dealers that have met the following criteria:

- ✓ They act as primary or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
- ✓ Submit annually to the Finance & Central Services Division Manager a Minnesota State Auditor Broker Certification Form.

All broker/dealers relationships, providing they meet the above requirements, will be approved by the IRC and maintained at the discretion of the Finance & Central Services Division Manager. The County will maintain no less than three broker /dealers in order to seek to diversify and allow for comparable quotes on investment transactions. The purchase of all investments must be from institutional brokers.

9. Anoka County may enter into contracts with third-party investment advisory firms when their services are deemed to be beneficial to the County's Investment Program. The contract must be reviewed and approved by the IRC. The advisor must comply with this Investment Policy. The advisor may have authority to transact investments on behalf of the County and may only act on a non-discretionary basis if they are hired to provide transactional services.

10. Based on the investment objectives as defined in section 4 of this policy, the County will limit its investments to the following types of securities:

- ✓ **United States Securities** including bonds, notes, bills, mortgages or other securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress. Mortgage-backed securities that are defined as high risk or in certificates of deposit secured by letters of credit issued by federal home loan banks are not permissible investments.
- ✓ General obligation bonds of state or local governments rated A or better by a national bond rating services.
- ✓ Revenue obligations of state or local governments rated AA or better by a national bond rating agency.
- ✓ General obligation bonds of the Minnesota Housing Finance Agency rated A or better by a national bond rating service.
- ✓ General obligations of the Housing Finance Agency of any state rated AA or better and if it includes the moral obligation of the state.
- ✓ **Certificates of Deposits (Time Deposits)** that are fully insured by the Federal Deposit Insurance Corporation.

D. Investment Policy (continued)

- ✓ **Bankers acceptances** of United States banks, eligible for purchase by the Federal Reserve System, that mature in 270 days or less. Evaluation of the financial strength of the accepting bank is necessary through purchasing acceptances only from banks with a minimum A (very strong bank) rating by a nationally recognized rating agency.
- ✓ **Commercial paper** issued by United States corporations or their Canadian subsidiaries that is rated A-1, P-1, or F-1 or better by at least two nationally recognized rating agencies and matures in 270 days or less.
- ✓ **Money Market Mutual Funds** which are rated Aa or higher, by at least one nationally recognized statistical rating organization, invests in securities with a final maturity no longer than 13 months, are generally government backed and do not have a floating Net Asset Value (NAV).
- ✓ **The Minnesota Association of Governments Investing for Counties (MAGIC)** is a local government investment pool that is a joint powers entity for the purpose of allowing Minnesota Counties and instrumentalities of Counties to pool their investment funds to seek the highest possible investment yield, while maintaining liquidity and preserving capital.
- ✓ **Repurchase agreements** consisting of collateral allowable in Minnesota Statute, section 118A.04, and reverse repurchase agreements may be entered into with any of the following entities:
 - ❖ A financial institution qualified as a “depository” of public funds of the government entity.
 - ❖ Any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000.
 - ❖ A primary reporting dealer in the United States government securities to the Federal Reserve Bank of New York.
 - ❖ A securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40 million or more, exclusive of subordinated debt.
 - ❖ Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in Minnesota Statute, section 118.04, Subd. 3. State and local securities.

D. Investment Policy (continued)

- ✓ **Securities lending agreements.** Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of Minnesota Statute, section 118A subdivision 2, clause (1) or (2). Securities lending transactions may be entered into with entities meeting the qualifications of subdivision 2 and the collateral for such transactions shall be restricted to the securities described in section 118A.05 Subd.3 and section 118A.04.
 - ✓ **Guaranteed investment contracts.** Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.
 - ✓ **Mortgage-backed securities,** which include any collateralized mortgage obligations (CMOs) or real estate mortgage investment conduits (REMICs) that pass a three tier Federal Financial Institution Examination Council (FFIEC) stress test which includes the following:
 - ❖ No average life > 10years.
 - ❖ Security may not be shorter than 6 years in a down 300 basis points parallel shift in interest rates nor lengthen more than 4 years in an up 300 basis point shift in rates.
 - ❖ Price cannot change more than 17% in a +/- 300 basis point shift.
11. The County will substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities. No more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S Government and its agencies or an external investment pool.
12. Collateralization will be required on the following types of investments:
- ✓ Certificates of Deposits (Time Deposits) / Demand Deposits > \$250,000.
 - ✓ Repurchase agreements (for investments held beyond seven days).
 - ✓ Bank Deposits held over \$250,000 in each institution.

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. The underlying securities will be subject to periodic (monthly) market valuations to ensure there is no market exposure.

D. Investment Policy (continued)

The County chooses to limit collateral to the following U.S. government securities:

- ✓ Treasury Bills
- ✓ Treasury Notes
- ✓ Treasury Bonds
- ✓ Federal National Mortgage Associations (FNMA)
- ✓ Federal Home Loan Bank (FHLB)
- ✓ Student Loan Marketing Association (SLMA)
- ✓ Federal Farm Credit Bank (FFCB)
- ✓ Government National Mortgage Association (GNMA)
- ✓ Federal Home Loan Mortgage Corporation (FHLMC)

For cash deposits on hand collateral will always be held by an independent third party with whom the entity has a current custodial agreement. Clearly marked evidence of ownership (safekeeping receipt) must be supplied by the entity and retained. Collateralization shall be in the form of specific securities held for the County. The only exceptions are federal Depository Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) and pre-approved insurance coverage. The County may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity. The right of collateral substitution is granted, subject to approval from the Finance & Central Services Division Manager or their designee.

13. Investments, contracts, and agreements may be held in safekeeping with:

- ✓ Any Federal Reserve Bank.
- ✓ Any bank authorized under the laws of the United States or any state to exercise corporate trust powers including, but not limited to, the bank from which the investment is purchased.
- ✓ Primary reporting dealer in the United States government securities to the Federal Reserve Bank of New York.
- ✓ A securities broker/dealer licensed under chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgements identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.
- ✓ The County's ownership of all securities in which the fund is invested should be evidenced by written acknowledgements identifying the securities by:
 - ❖ The names of the issuers.
 - ❖ The maturity dates.
 - ❖ The interest rates.
 - ❖ Any serial numbers or other distinguishing marks.

D. Investment Policy (continued)

The County may not invest in securities that are both uninsured and not registered in the name of the County and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of the County.

14. To the extent possible, the County will attempt to match its investment maturities with anticipated cash flow liquidity demands (static liquidity). A majority of the County's reserve funds will be invested in securities maturing in 10 years or less, with no more than 10% of the County's reserve funds being invested in securities maturing 15 years or more. Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific sector. Maturities selected shall provide for stability of income and reasonable liquidity. Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.
15. The Finance & Central Services Division Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. 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 a control should not exceed the benefits likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management.

Accordingly, the Finance & Central Services Division Manager shall establish a process for an annual review of the procedures by the IRC and an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- ✓ Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud the employer.
- ✓ Separation of transaction authority from accounting and recordkeeping. By separating the person who authorizes the recording of the journal transaction from the person who performs the purchase of the transaction, a separation of duties is achieved.
- ✓ Custodial safekeeping. Securities purchased from any bank or dealer including appropriate collateral (as defined by State law) may be placed with an independent third party for custodial safekeeping.
- ✓ Avoidance of physical delivery of securities. Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- ✓ Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

D. Investment Policy (continued)

- ✓ The addition of new accounts to the approved wire and electronic transfer list shall require written authorization of the Finance & Central Services Division Manager and shall be reviewed by the IRC.
 - ✓ Development of a wire or electronic transfer agreement with the lead bank or third party custodian. This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire or electronic transfers.
16. The Investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs. The County will strive to have at least 96% of its cash funds earning interest. The reporting method chosen to report interest rate sensitivity in a manner consistent with the portfolio's risk guidelines is segmented time distributions (quarterly). The County's accounting system will provide quarterly information concerning cash position, investment performance, and percentage that is invested in:
- ✓ Short term – less than one year
 - ✓ Medium term – one to five years
 - ✓ Long term – greater than five years
17. The Finance & Central Services Division Manager is charged with the responsibility of preparing a quarterly investment report that includes a management summary providing an analysis of the current investment portfolio (including return analysis and investment income with all gains and losses reported year to date). The IRC will also receive a quarterly investment report that will include the individual transactions that were completed in the past quarter and a detailed investment list of all securities within the portfolio.
18. The County's Investment Policy shall be reviewed by the IRC and Finance Committee, which shall recommend its adoption by the County Board. The Policy shall be reviewed periodically by the IRC and any modifications made must be approved by the County Board.

1. The following Debt Policy should be used to provide guidelines for debt decisions. There are no absolute rules or formulas in determining the level of County debt. Each situation requires a thorough review of the County's debt position, financial health and economic forecast. The limitations of this policy refer to Anoka County debt only (excludes Regional Rail Authority and HRA).
2. The county will maintain good communications with bond rating agencies and will try to improve or maintain its current bond rating so that the County's borrowing costs are minimized and so that access to credit is preserved.
3. The county will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency which is beyond the County's control or reasonable ability to forecast.
4. The County may only use long-term debt financing when all of the following conditions exist:
 - a. When non-recurring capital improvements are desired, and
 - b. When it can be determined that future citizens will receive a benefit from the improvement, and
 - c. When the cost benefit of the improvement, including interest cost, is positive.
5. The issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. For purposes of this policy, current resources are defined as that portion of fund balance in excess of appropriate required restrictions, commitments and assignments. Anoka County will not pledge indebtedness to outside agency financing, unless the deemed benefit of the project is primarily for Anoka County residents.
6. Anoka County will limit the amount of total general obligation debt as follows:
 - a. Limit net debt to less than 1.5% of the estimated market value, which is one half of the statutorily authorized limit. According to MN Statutes 475.53, Subd. 1, Limit on Debt; debt shall be limited to 3% of the estimated market value.
 - b. Limit net G.O. debt financed by Anoka County Property Taxes, to less than \$685 per capita.
 - c. Limit amount of total annual levied debt service (excluding refunding issues until crossover date) to approximately 10% of the Gross Adopted County Budget.
 - d. Limit amount of net annual G.O. debt service levy (levy less any use of reserves), for Capital Improvements Bonds, to approximately .10 % of the taxable market value of the County. According to MN Statutes 373.40, Subd.4, debt service is limited to .12 % of taxable market value in the county.
 - e. Limit the amount of the Library Annual Debt Service Levy to .01 percent of the taxable market value of all taxable property in the County, excluding any taxable property taxed by any city for support of any free public library.
7. Every effort will be made to limit the payback period of the bonds or notes to the estimated useful life of the capital asset constructed or purchased.

E. Debt Policy (continued)

8. The County will conservatively project the revenue sources that will be utilized to repay the debt (i.e., taxes for G.O. debt are levied at 105% of the required debt service).
9. Capital notes and leases may be used to finance equipment purchases anytime the total cost of the purchase exceeds \$10,000, the useful life of the equipment is greater than five years, the financing rate is less than or equal to the current and projected investment rates, or the purchase is of a non-recurring nature.
10. The county will follow a policy of full disclosure on every Comprehensive Annual Financial Report and official statement.

REVENUE

1. The County will attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any single revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of economic downturns.
2. The County will follow an aggressive policy of collecting revenues. Real property will be sold to satisfy non-payment of property taxes.
3. The County will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed appropriate by the county, and will conduct a public hearing, as required by law, prior to setting fees or charges.
4. The County will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges.
5. The County will allocate countywide revenues to funds that provide services to the entire County.
6. All revenues that are reasonably expected to be unexpended and unencumbered at the end of the year will be anticipated as “spendable fund balance” in the budget of the following year.
7. The County will attempt to invest all cash holdings in accordance with the cash and investment policy and maximize those holdings with an effective payment policy.
8. To provide the greatest level of flexibility and control over its financial resources, the County will apply restricted revenues first when an expense is incurred for purposes for which both restricted and unrestricted revenues are available.
9. Prior to any employee beginning fund raising or solicitation efforts from the private sector, information regarding the purpose and the intended private sector must be given to all Commissioners and the County Administrator, in writing (e-mail preferred), at least five business days in advance of beginning the solicitation.

ACCOUNTS RECEIVABLE & COLLECTIONS

The purpose of this policy section is to define the extension of credit, collection of accounts receivable, returned checks, and write-off of uncollectible debt, for items that do not have defined procedures by State or Federal rules/regulations.

1. Extension of Credit
 - a. It is preferred that departments accept payment before or upon delivery of a good or service. However, it may be necessary to provide services prior to payment creating an accounts receivable credit transaction.
 - b. The inability to pay by any other method does not necessitate the extension of credit, as refusal of service or merchandise is a feasible alternative.
 - c. Extension of credit is generally the last alternative as a method of payment.

F. Revenue & Collection F. Policy (continued)

2. Billing for Credit Accounts
 - a. All account receivables must be billed at regular intervals.
 - b. Billing invoices will clearly indicate the following:
 - i. Description and price of the item or service purchased
 - ii. Address to which payment is to be sent
 - iii. The amount due upon receipt
 - c. All sales income is credited to a revenue account.
 - d. The total on the invoice must be entered in the departmental Accounts Receivable.
 - e. An accounts receivable aging schedule should be prepared monthly, distinguishing accounts that are current or past-due.
3. Past-due Credit Accounts
 - a. If the receivable account remains unpaid 30 days after the original payment due date, staff will contact the customer or client by telephone and/or letter requesting prompt payment.
 - b. Past-due accounts in arrears 90 days must be referred to Accounts Receivable Collections for collection processes.
 - c. Accounts may be referred for collection sooner at the discretion of the department.
 - d. Accounts Receivable Collections will assess the department a collection charge calculated as a percentage of the amount successfully collected on past-due uncollectible accounts.
 - e. Collections is responsible for all attorney and collection agency contacts.
 - f. All revenue producing operations of the county must establish and use a method of bad debt recognition including an allowance for uncollectible accounts.
 - g. Reasonable fees and/or service charges will be assessed to the debtor as provided by state law
4. Returned Checks
 - a. The bank will send returned checks to the Treasury Department for collection efforts.
 - b. Checks can be returned from the bank for the following reasons including:
 - i. Non-sufficient funds (NSF)
 - ii. Account closed
 - iii. Lack of information
 - iv. Suspicion of fraud or forgery
 - v. Stale date
 - vi. Customer placed stop payment
 - c. The Treasury Department, on behalf of the county, will coordinate all inquiries and activities relating to returned checks.
 - d. Reasonable fees and/or service charges will be assessed to the debtor as provided by state law.
5. Bad Debt Recognition and Uncollectible Accounts
 - a. Revenue operations must recognize potential losses due to bad debts and reflect this estimated amount in the Allowance for Uncollectible Accounts on the General Ledger at the end of the fiscal year.
 - b. Estimates of bad debt expenses are based either on:
 - i. Past documented figures
 - ii. A percentage of total revenue, or
 - ii. A percentage of total accounts receivable.
 - c. This estimate is adjusted to the calculated uncollectible balance at year end. Assistance in this procedure may be obtained from the Treasury Department and/or Accounting Department.

F. Revenue & Collection F. Policy (continued)

6. Write-Offs
 - a. Write-off may be considered when all avenues of collection have been exhausted and collection is improbable. Factors contributing to this assessment may include:
 - i. The cost of collecting the debt may exceed the potential recovery.
 - ii. The debtor has died and there are no known assets remaining in the debtor's estate.
 - iii. The debt is discharged in bankruptcy.
 - iv. Insufficient information is available in locating the debtor.
 - v. Statute of limitations precludes collection.
 - b. The Treasury Department will identify uncollectible debts and coordinate with the departments. Departments cannot write-off their own debts.
 - c. Approval for write-offs on accounts will be delegated to the Finance Division Manager
7. Write-Off Recovery
 - a. If a debt is paid after it has been written off, the write-off recovery is processed through Collections.
 - b. Payment received by the department is immediately forwarded to the Treasury Department for processing.
 - c. Department accounts are credited for the amount collected. Any recovered service charges or fees will be charged to the collection department's revenue accounts.
8. Legal Services
 - a. Court procedures for collections on debts or returned checks shall be initiated only at the discretion of the Collections Department with the concurrence of the referring department.
 - b. Fees, actual or as a percentage of any amounts recovered through legal action, may be charged to the collections department expense accounts.
9. Where reasonable and applicable, the county will charge a collection fee to recover county resources used in the collection process.

G. Cash Handling and Receipting Policy

1. OBJECTIVE

Due to the decentralized nature of Revenue collection within the County, the objective of this policy is to set forth minimum standards to ensure clear and consistent practices within the county for the handling of cash and the receipt of revenue. This policy will also serve to standardize a sound system of cash controls within the county as well as to provide guidance to departments on improving cash handling skills and accountability.

All viable and commonly accepted means of value exchange will be accepted, including coin, currency, checks, credit/debit cards, and all forms of EFT such as ACH, Fed-wire, e-checks and other applicable forms of electronic settlement as available. These payment types may be used in receipt of all settlements due the county, e.g., taxes and tax revenue, fees, reimbursements, grants, sale of property, settlements from other governments, etc.

2. IDENTIFICATION OF RESPONSIBILITIES

- a. The County Treasury Director under the direction of the F&CS Division Manager shall establish and enforce a reasonable cash receipting policy that will provide the necessary controls and accountability for cash receipts consistent with MN Statutes 118A. The Treasury Department shall also establish rules and guidelines in development of acceptable levels of control for cash collection and which facilitate the prompt collection of funds/monies owed the county. These collection practices are intended to:
 - i. Facilitate effective collection of funds due Anoka County.
 - ii. Consistently seek to improve collection practices.
 - iii. Provide consistency in information related to receipts.
 - iv. Facilitate secure transactions.
 - v. Accumulate sufficient information to facilitate proper accounting of receipts and to aid in collectability should the need arise.

The Treasury Department will work to address risks related to banking activity, cash handling and payment settlement. Where possible, preventative measures shall be taken to identify and limit the occurrence of and implement the best defenses to deter these risks. Proper controls should be established to properly account for cash and receipting activity and reconciled cash and banking records shall be maintained to support these receipting transactions.

G. Cash Handling and Receipting Policy (continued)

- b. Departments must be authorized to receive payments on behalf of Anoka County. All requests for authorization to collect funds must be submitted in writing to the F&CS Division. Departments authorized to receive payments on behalf of Anoka County must ensure that adequate control procedures are in place to secure the collection and proper receipt of funds, and to maintain internal controls and accountability of cash receipts. Specific departmental actions should include:
 - i. Take proper measures to safeguard county funds.
 - ii. Provide clearly written particular procedures for their department's cash handling activities.
 - iii. Ensure that procedures comply with Anoka County Policy.
 - iv. Maintain a cash handling system that will prevent, detect or deter fraud.
 - v. Maintain proper internal controls and accounting of receipts.
 - vi. Review the checklist of good practices for government cash collections (Appendix B).
- c. As authorized, the Office of the Internal Auditor shall review policies and procedures of authorized departments and assess the department's compliance to county policies.
 - i. Conduct investigations or cash control reviews where necessary.
 - ii. Assist departments in assessment of existing controls.
 - iii. Review Policies and Procedures of approved departments.
- d. The County Risk Manager shall report and track specific suspected or actual losses related to cash and report to the Office of the State Auditor when appropriate.

3. CONTROL STANDARDS FOR RECEIPTING AND CASH HANDLING

- a. Adequate cash handling and receipting procedures should be in place to ensure that all payments received are processed and may be traced from initial receipt to final disposition. This procedure for handling cash receipts shall be designed to provide accountability for all monies received by the county, in accordance with accepted standards of control and accounting practices. These procedures will be followed when accepting and receipting funds.
 - i. Provide/utilize receipts for all acceptance of monies or payment (settlement of transactions). Areas not having receipting authority should direct payers to the Treasury Department.
 - ii. Receipt information will include the date issued, name of payer, net amount received, and sufficient information to identify the purpose of the payment. Also included should be any identifying number, form of payment, identification of person accepting payment and account to which payment is to be credited.

G. Cash Handling and Receipting Policy (continued)

- iii. Maintain proper care and control of all receipts and receipt stock. The Treasury Department will have responsibility for ordering and issuing official receipt stock for the county.
- iv. Coins and currency should generally be accepted only when an official Anoka County receipt can be provided at the time of payment.
- v. Upon receipt, checks should be restrictively endorsed promptly. Any supplementary information required to ensure subsequent collection should be requested, entered on the face of the check and proper acknowledgement obtained from the payer.
- vi. Checks accepted must be signed and have the payer's name, address and telephone number indicated on the check. When appropriate, identification data should be provided by the payer.
- vii. Postdated checks will not be accepted. Third party checks may be accepted if properly endorsed on a non-repetitive basis.
- viii. Checks may not be substituted for cash. Personal transactions with county funds are strictly prohibited. Monies will not be loaned from county funds, and no location is authorized to cash checks from county funds.
- ix. Credit cards may be accepted for payment at authorized/approved locations if the payer presents the actual card or provides the account number, card holder name, expiration date and proper identification. An authorization code will be obtained through the credit card terminal prior to acceptance and receipting of the payment.
- x. EFT (Electronic Fund Transfers) transactions will need to be coordinated and processed centrally under the administration and supervision of the Treasury Department.
- xi. In compliance with Federal Law, all cash transactions received, \$10,000 or greater, will be reported to the US Treasury on the appropriate form.
- xii. Establish and use an over and short accounting code to adjust for over/short conditions.

G. Cash Handling and Receipting Policy (continued)

b. Security

Adequate control over the access to funds must be maintained at all times. Proper control of processing and storage of cash funds should be in place for all authorized points of collection. Access to vaults and safes should be limited. General security guidelines for handling and receipting county funds should include:

- i. Secure work areas should be available for individuals handling cash.
- ii. No funds are to be left unattended or unsecured.
- iii. The number of persons in each department required to actually handle county funds should be kept to a minimum. Individual accountability should always exist in handling county funds and all exchanges of funds must be documented.
- iv. Each cash fund will be maintained separately. County funds should not be commingled with non-county funds.
- v. Individual cash drawers should be assigned to each person responsible for receiving and/or receipting county funds. A reconciliation of funds on hand to the change fund plus receipts issued should be done upon completion of the shift.
- vi. All county funds received should be secured in a locked cash register, drawer or cash box and when not physically guarded kept in a secure safe, room, or cabinet not commonly accessible.
- vii. Vault combinations should be limited to the smallest number of individuals practicable, given the business needs of the work unit. Vault or safe combinations should never be written down in the cash-handling area.
- viii. Employees having county funds in their custody should be constantly aware of the possibility of the loss of funds due to theft, robbery, or error. Reasonable precautions to prevent losses should be taken. Safekeeping arrangements should be maintained for county funds and the amount of monies retained on-hand and subject to loss should be the absolute minimum necessary for that activity.

c. Transferring and Depositing Funds

It will be the county's policy to require witnessed cash counts and reconciliation whenever funds change hands. Accountability must be maintained through a proper chain of custody, whether transferring between work units, between locations or at a depository.

- i. A cash count shall occur whenever county funds change hands.
- ii. The relinquishing and receiving custodian will sign off on the cash count and reconciliation to complete the transfer of funds.

G. Cash Handling and Receipting Policy (continued)

- iii. All receipts must be deposited in full on a daily basis by the receiving department to the assigned depository.
- iv. All cash payments are to be deposited in total, and may not be used for any other purpose.
- v. Each cash handler should reconcile on a daily basis. A formal reconciliation should be prepared by the cashier and then approved by a supervisor. A supervisor's review should confirm that the amount of cash indicated on the reconciliation is accurate. Furthermore, the supervisor or their designee should review and approve voids.
- vi. Cash receipts documents should be prepared promptly and should be dated the same day as the funds are received. Deposits should be made that day or no later than the following morning. Additionally, the documents should be forwarded to the Central Accounting Department or Treasury Department for prompt recording to the general ledger.

d. Staffing and Training for Cash Handling Responsibilities

- i. All employees responsible for handling cash are required to have a criminal background check prior to being assigned.
- ii. All individuals required to handle county funds will be properly trained to do so. Upon successful completion of appropriate training the employee and trainer/supervisor will sign the training completion form and forward it to Human Resources for inclusion in the employee's file.
- iii. Each department within Anoka County that is responsible for handling cash will perform a periodic self-assessment (annually at minimum) to ensure procedures are up-to-date, understood and followed. Attached in Appendix B is a sample checklist of good practices for cash.
- iv. All county personnel handling county funds should be advised of the proper actions to take in the event of a robbery or actual loss of funds. Employees should not endanger themselves or others by attempting to resist. Generally, the instruction issued by persons attempting an armed robbery should be followed as precisely as possible. No more or less action than specified should be followed.

e. Record Retention

Cash collection sites are required to maintain supporting documentation. These requirements may vary dependent upon the form of exchange used for settlement. Specific requirements and responsibilities can be verified with the Treasury Department. The record retention requirements identified in MN Statutes 384.14 and 138.17 will be followed where any specific requirements are not available.

Credit card acceptance as a payment method via nationally recognized credit cards has become nearly universal within the private sector, where cards are now accepted at point of sale for even small transactions. Credit card transactions can also be of benefit to governmental entities by improving certainty of collection, accelerating payments and availability of funds, lowering costs and enhancing customer service. There are advantages and disadvantages to accepting credit card payments which governmental entities must weigh when deciding whether to accept payments by credit cards.

1. Acceptance of credit cards by Anoka County as a payment option or as an alternative to cash or check will be considered on an individual process basis. Departments must demonstrate the viability of the acceptance of alternative forms of payment. Minimum standards for consideration should include:
 - a. The Department regularly receives payment for goods and/or services in routine operations
 - b. The Department can provide justification that acceptance of cards will increase net revenues
 - c. The Department has the ability to ensure that proper controls and procedures are in place
 - d. Adequate security and record-keeping processes are established and properly monitored
 - e. Acceptance will enhance convenience to public and encourage prompt payment
2. The application and implementation of any electronic capture of sales and funding transactions must be coordinated with the Treasury Department to ensure adherence to proper banking procedures, to confirm satisfactory controls and security are maintained and that economies of scales are realized through coordination with existing programs. Procedures for credit card processing will be established by the Treasury Department and incorporated into the Cash Handling and Receipting Policies section of the Financial Policies. As recommended by the GFOA, the credit acceptance agreement should be treated as a bank services agreement and administered by the treasury function of Finance and Central Services.
3. Analysis must be provided that demonstrates the financial viability of card acceptance for the specific venue or segment of county business. In addition to positive financial justification, the charge type for which credit card payments are to be used shall be a consideration. Government charge types can be broadly categorized as mandatory or discretionary. Each charge type possesses unique characteristics which will weigh on the assessment of whether acceptance of credit card payments may be appropriate or economically feasible.
 - a. Mandatory charge types are generally those for which full payment is required. Typically these charges are those which are fixed by statute, law or board action. Examples of these are taxes, licenses and permits. Attributes of these charge types include the following:
 - i. Acceptance of Credit cards will not increase the expected amount of revenue, i.e., create or induce additional purchases of these types of services.
 - ii. Acceptance of credit cards will reduce the expected amount of revenue by merchant card discounts, fees and administrative costs; unless a convenience fee or transaction fee is permitted and authorized by the card issuer and the municipality to recover these costs.

H. Credit Card Acceptance Policy (continued)

- b. Discretionary charge types are those for which payment is elective. Examples of this type include recreation fees, admissions and merchandise. Attributes of this charge type include:
 - i. Acceptance of credit cards for these types of sales may increase gross revenues by facilitating quicker and easier collection of fees for those goods and services.
 - ii. Acceptance of credit cards may improve revenues by facilitating additional impulse purchasing and offering additional payment options to potential purchasers.
 - iii. Transaction and fixed costs can be built into the pricing formula for the merchandise or fees to facilitate the recovery of these costs.

Thorough assessment of these aspects may be made when the option of providing this service is to be considered, to avoid subsidizing the sale and distribution of those goods or services for card users.

- 4. Card issuers promulgate specific regulations which determine how the cards may be used in relation to the type of charges, how and in what manner the card is presented and used at the time of purchase, the process by which fees and discounts are handled and recovered, the level of security of data at time of sale and during the proper storage and maintenance of this information, all of which are firmly enforced.

Anoka County and the requesting department must comply with all regulations to ensure ongoing service, to permit continued authority to accept credit card payments, and to properly serve the cardholder's needs. POS terminal transactions, internet transactions, card not present situations (telephone) and voice authorization all have specific regulations which apply to the transactions in addition to county cash handling and receipting policies.

- 5. Costs beyond acquisition of equipment, which is either necessary or required by agreement, may be incurred when electing to provide this service. In the typical retail or service market these costs may be incorporated into the specific pricing formula for the goods or service. Costs cannot be recouped from the purchaser through the addition of supplemental fees for the individual use of the card. These are generally prohibited by the credit card firms.
 - a. All fees related to the processing of credit and debit cards are the responsibility of the user departments. Consideration should be given to these costs to determine whether the advantages of card acceptance warrant the expense or can be incorporated into the price of the product.
 - b. Budgetary capability is necessary to offset the net expense of this service. Costs for credit card processing are charged monthly to the department/unit initiating the charge. Costs can include discounts, fees, chargebacks, unanticipated losses due to fraud, procedural errors or other types of loss and fines for misuse. Statement costs related to minimum service levels or seasonality will also be a responsibility of the user departments.
 - c. Occasional pilot programs for certain transaction types may alter the requirements of particular card issuers as new markets or products are investigated. These programs are controlled processes which ultimately may result in revised fees and procedures for new charge types and market areas. Resulting fees may be stratified, bundled, unbundled and dependent on volume.

H. Credit Card Acceptance Policy (continued)

6. Risks and exposures to Anoka County through the use of credit card acceptance and payments processes and operation of related equipment must be minimized through proper handling of transactions.
 - a. Merchants that manage card holder data must adhere to strict policies for ensuring that data is secure. The safeguarding of this information continues beyond the transaction including the storage and protection of the data in accordance with credit card issuer policies. Organizations face steep penalties including fines if the data is stolen or mishandled.
 - b. Rules which focus on the security of the data while it is stored by the enterprise, whether on or offsite, should be established and adhered to at all times. Controls and safeguards must be adequate to provide reasonable assurance that credit card transactions will be properly controlled and accounted for. All paperwork, records, receipts, card imprints, electronic data, etc. containing cardholder account numbers and information shall be treated as non-public information.
 - c. Credit card issuers mandate that precautions be taken to eliminate unauthorized on-line access to data, and proper security must be in place to control access to equipment. Additionally, some cards also serve as ATM cards and or debit cards, necessitating that location and accessibility of equipment is properly planned and monitored.

Disbursement Policy

Anoka County has approved Laws of Minnesota for 1989, Chapter 13, Sec. 2, by adopting Resolution #89-152 designating authority for County Warrant payment to the County Auditor, thereby complying with MN Statutes 645.021 (3).

Anoka County has adopted Resolution #90-121, Relating to Administrative Organization of Anoka County which transferred authority for warrants from the County Treasurer and County Auditor to the Finance and Central Services Division Manager.

Anoka County has adopted Resolution #91-12 relating to the Policy and Procedures for payment of county obligations.

This Disbursement Policy is intended to integrate, update and centralize the previous disbursement resolutions.

1. Elected or appointed department heads or appointed division managers, or their designees with appropriate separation of duties, shall validate pertinent claims against the county.
 - a. At a minimum, validation shall include:
 - i. Reviewing payment documents for accuracy.
 - ii. Confirming quantities and prices are consistent with order. Inconsistencies shall be resolved, or referred back to the Purchasing Office prior to approval.
 - iii. Ensuring sufficient documentation exists to identify the claim.
 - a) Provide description of purchase if not clearly presented by claimant.
 - b) Employee expense reimbursement should include:
 - Receipts
 - Public purpose of expenditure (required for reimbursement of meals)
 - Travel/Training forms (when applicable)
 - iv. Providing correct General Ledger Account Coding
 - v. Providing an original Authorized signature (on file in F&CS)
 - b. The Finance and Central Services Division shall maintain a record of authorized original signatures of each division/department.
2. The Finance and Central Services Division shall validate and process payments of invoices and claims against the County as authorized by the appropriate division manager, department head, or authorized designee.
3. Payments to vendors shall be made according to MN Statutes 471.425, contract, or special authorization.
 - a. In accordance with MN Statutes 471.425 (Subd. 2), a municipality must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the Standard Payment period unless the municipality in good faith disputes the obligation. Standard Payment period is defined as within 35 days of the date goods or services is received.

Disbursement Policy (continued)

- b. Vendors who offer discounts for early payment shall be paid within the discount terms whenever possible.
 - c. Vendors who have contracts with Anoka County shall be paid in accordance with the contract terms.
 - d. Payments for utilities (including telephone and pagers), may be paid within the vendors terms to avoid service fees and billing complications.
 - e. Early release of payment may be authorized on an individual basis as follows:
 - i. For payments of \$10,000 and greater: An Early Release of Payment Request form (available in F&CS) may be completed by the vendor, or by the division/department based on a vendors request. This form requires authorization from the County Board Chair and the Finance and Central Services Division Manager. Early payments made to comply with State and /or Federal regulations or requirements are not subject to Early Release of Payment Request Form requirements.
 - ii. For payments under \$10,000: Accounts Payable may release payments early based on special written or verbal request made by the vendor and approved by the Division Manager/Department Head. Standard payment terms (usually associated with discounts) printed on invoices (i.e., Net 10), will not be considered as a special request.
4. Payment of interest on late payments will be made:
- a. In accordance with MN Statues 471.425 (Subd. 4), interest must be calculated and paid to vendors who do not receive payment within the Standard Payment period (see 3.a.), or within terms of contract.
 - i. The rate of interest shall be 1-1/2 percent per month or part of a month.
 - ii. No interest penalty is due if payment is delayed due to a good faith dispute with the vendor regarding the fitness of the product or service, contract compliance, or any defect, error or omission.
 - iii. The minimum interest payment for obligations of \$100 or more is \$10. For unpaid balances of less than \$100, the actual interest penalty shall be calculated.
 - b. Departments shall notify Accounts Payable when submitting overdue obligations for payment, which were not delayed due to a good faith dispute, so that interest penalties may be calculated and included with the payment.

1. Disbursement Policy (continued)

5. The Finance and Central Services Division shall be authorized to electronically transfer funds to satisfy claims against the County, when the option is available, and when economically beneficial or required.
 - a. Adequate security procedures must be maintained for approval processes.
 - b. A monthly reconciliation shall be conducted on electronic transfers.
 - c. Settlement arrangements for vendors desiring to use electronic payment methodology shall be authorized by and coordinated with the Treasury Department. Automatic debit transactions are not permitted by vendors unless approved by the Management Committee.
 - d. Funds may not be released without the appropriately approved documentation prior to settlement.
6. Checks shall no longer be identified as “Commissioner Warrants” or “Auditor Warrants.”
7. The Chairman of the Board and the Finance and Central Services Division Manager or their respective designees shall electronically sign county checks.
8. The Treasury Department shall print authorized checks and process them through an electronic check signing system under its control.
9. The Treasury Department shall mail checks in a timely manner.
 - a. Payment and Remittance Advice will be mailed by the Treasury Department.
 - b. Departments may request to have checks held and returned following established procedures. A Return Check Request Form is available in Finance and Central Services and appears on the County claim voucher form.
10. The Finance and Central Services Division shall conduct monthly check reconciliation.
11. The Finance and Central Services Division and/or Internal Auditor shall conduct regular and frequent accounts payable audits.
12. The Finance and Central Services Division shall present a list of paid vendor claims to the County Board at each regular Board meeting.
13. The Finance and Central Services Division Manager or designee shall authorize all payments in excess of \$500,000.00.
14. Each year the Treasury Director shall report unclaimed checks, as required and defined by MN Statutes 345.41 to the State of Minnesota and prepares subsequent remittance.

POLICY STATEMENT

The Anoka County Procurement Policy (hereinafter “ACPP”) is established to:

- Provide governance for procurement and contracting for all County divisions, departments, employees and officials.
- Ensure that procurement and contracting complies with applicable Federal, State, and local statutes, laws, codes, ordinances, and rules.
- Ensure accountability of the public funds entrusted to Anoka County and to maintain controls necessary for the County to operate efficiently, effectively and in a transparent responsible manner.

Central Services through its Purchasing Unit shall develop and maintain a Procurement Procedure Manual (PPM) consistent with, and for the purpose of implementing the ACPP. All Anoka County employees and elected officials shall comply with this policy. Contracts made contrary to this policy may be voidable.

DEFINITIONS

Contract refers to a written document that establishes the rights and responsibilities of two or more parties and includes the consideration for each party to enter into the contract. Contracts include all County agreements, no matter what they are called, for the procurement of commodities, materials, equipment, real or personal property, labor, work, services or construction, including an amendment to or extension of a contract. While a purchase order is a contract, it is distinguishable from other written contracts by the brevity and commercial nature of its terms and the application of Article Two of the Uniform Commercial Code to supplement its written terms.

Cooperative Purchasing Agreement refers to a contract for the purchase of supplies, materials, equipment and certain specified services (i) that are available through a State of Minnesota’s cooperative purchasing venture authorized by Minn. Stat. §16C.11, or (ii) available through a national municipal association’s purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations. Cooperative Purchase Agreements cannot be used for the construction or alteration of real or personal property.

Joint Powers Agreement refers to a written contract governed by Minn. Stat. § 471.59 where two or more governmental units, working together by agreement to exercise any power common to them; or an agreement between governmental units where one unit performs a service or activity on behalf of another unit(s).

County Master Contract refers to a competitively procured County contract resulting in one or multiple awards to create efficiency in operations.

Grant Agreement is a form of a contract between two parties, through which the grantor gives a sum of money to the grantee on condition the grantee uses the money for the specific purposes described in the grant, often to benefit a third party that is not a party to the grant agreement.

Open Market Purchase refers to a purchase, usually of a limited monetary amount, from any available source.

Public Notice (Advertisement for Bids or Proposals) refers to the notice which is typically published in a qualified newspaper or on a website to alert the public of formal procurements.

Request for Proposals (RFP) refers to both formal (including a public notice) and informal procurements requesting vendors, contractors or consultants to submit proposals to provide goods and/or services to the County when a quote or sealed bid is not required and is not advantageous to the County. The County is not required to select the lowest cost proposal however may take into consideration all identified relevant criteria that will result in the best overall value to the County. The County and the selected contractor often engage in detailed contract negotiations to further define the goods and/or services that will be provided and the price and obligations of each party.

Sealed Bid refers to a bid that is sealed by the contractor prior to submission to the County and which will not be opened until the date and time for the public bid opening. Public openings are not required for Requests for Proposals.

GENERAL

I. ROLES AND RESPONSIBILITIES

- A. The County Board is responsible for ensuring proper accountability of the public funds entrusted to the County and establishing procurement controls necessary for the County to operate efficiently.
- B. The County Administrator is responsible for overseeing the County operations. Ensuring proper accountability of the public funds entrusted to Anoka County and preserving the procurement controls necessary for the County to operate efficiently.
- C. The Purchasing Manager is responsible for overseeing and ensuring that all purchases made by County staff and officials under this policy are made by proper procedure, efficiently, cost effectively, and in a timely manner.

The Purchasing Manager is responsible for recommending procurement policy changes and developing procedures as they relate to this policy to ensure compliance, efficiency and best practice.

The Purchasing Unit shall be responsible for developing and providing training to County employees and elected officials to ensure compliance with the ACPP, PPM, and proper procurement ethics and standards.

- D. Division Managers and Department Heads are responsible for adherence to the procurement policy and procedures. The County Attorney, County Sheriff and the Library Director shall be considered Department Heads as it relates to this policy.
- E. Managers and Supervisors will be responsible for ensuring their employees are trained in proper procurement procedures, reviewing and approving requisitions and procurement card purchases and the proper planning of procurements. Managers and Supervisors are responsible for the proper administration and monitoring of payments and the performance of all contracts including purchase orders.

- F. County employees at all levels including elected officials shall be held accountable for compliance with the ACPP and PPM. The County Administrator, Division Manager or Department Head may designate employees as authorized purchasers after concurrence of the Purchasing Manager. Authorized purchasers may make purchases by a County issued procurement card, authorize requisitions, and/or approve and sign contracts using the small contract form developed by the County Attorney's Office as defined in the PPM.

To become and remain an authorized purchaser, County employees shall complete the training requirements established by the Purchasing Unit.

II. COMPETITION. The County Board favors competition when possible to ensure fiscal responsibility. The following methods of procurement shall be adhered to.

- A. For contracts, including purchase orders, as described in Minn. Stat. 375.21 for work or labor, or to purchase furniture, fixtures, or other property, or to construct or repair roads, bridges, or buildings and Minn. Stat. 471.345 for sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

1. If estimated to exceed the threshold in §471.345 Subd. 3 and Subd. 3a: **(\$175,000 8.2018)**

- By sealed bids and public notice (two weeks published notice for the purchase of property, work and/or labor; and three weeks published notice for the construction or repair of roads, bridges, or buildings), or
- Through an approved cooperative purchasing agreement, or
- By best value under a request for proposal for construction, alteration, repair, or maintenance work described in Minn. Stat. § 16C.28, Subdivision 1, paragraph (a), clause (2), and paragraph (c).

2. If estimated between the thresholds in §471.345 Subd. 4 Subd 4a **(\$25,000 to \$175,000 8.2018)**

- By sealed bids or by direct negotiation, by obtaining two or more quotations and without public notice, or
- Through an approved cooperative purchasing agreement, or
- Through a county procured master contract, or
- By best value under a request for proposal for construction, alteration, repair, or maintenance work described in Minn. Stat. § 16C.28, Subdivision 1, paragraph (a), clause (2), and paragraph (c).

3. If estimated not to exceed the threshold in §471.345 Subd. 5 **(\$25,000 or less 8.2018)**

- By obtaining two or more quotations and without advertising, or
- In the open market, using any method to assure favorable pricing, or
- Through an approved cooperative purchasing agreement, or

- Through a county procured master contract, or
 - By best value under a request for proposal for construction, alteration, repair, or maintenance work described in Minn. Stat. § 16C.28, Subdivision 1, paragraph (a), clause (2), and paragraph (c).
4. If estimated not to exceed **\$5,000** AND not to exceed the threshold in §471.345 Subd. 5 (***\$25,000 or less 8.2018***)
- In the open market, using any method to assure favorable pricing, or
 - Through an approved cooperative purchasing agreement, or
 - Through a county a procured master contract.
- B. For other contracts not defined by §471.345, such as professional, technical, personnel, noncompetitive, or unique services.
- By a competitive process; or
 - By direct negotiation in the open market, or
 - Through an approved cooperative purchasing agreement.
- C. Funding Source Requirements

Many projects are funded by federal and/or state agencies, or other governmental units that provide for specific procurement methods. Often these funding sources require that the County use a competitive procurement process for all contracts regardless of the dollar amount. It shall be the responsibility of the division manager, department head and/or employee initiating the contract request to make the Purchasing Unit aware of the funding source and any specific procurement methods required thereby. At a minimum, the County shall comply with the procurement process mandated by the funding source.

All purchases which are federally funded require full and open solicitation if valued in excess \$3,000 (or \$2,000 if Davis Bacon Act is required). When procuring such contracts, the County shall comply with the procedures prescribed by the Code of Federal Regulations Part 200.218, applicable state requirements, and other grant requirements thereof.

D. Emergency Repairs and Purchases

In case of an emergency arising from breakage, damage, or decay in county property that cannot be allowed to wait for the time required to advertise for bids, repairs may be made without advertising for bids if the work is authorized by a majority of the board of county commissioners, and the action is ratified and recorded in the official proceedings of the board at its next meeting. In this case, either the County Administrator, division manager or department head shall poll the members of the County Board by phone, email, text or in person. If it is not practicable to obtain prior authorization, the County Administrator, Division Manager or Department Head shall proceed with the repairs or purchases and inform the County Board members as soon thereafter as practicable.

For emergency repairs or purchases estimated not to exceed the sealed bid threshold of §471.345 Subd. 3, the County Administrator, Division Manager and or Department Head shall take the necessary steps to remedy the situation.

E. Public Notice

All contracts using formal sealed bids, or when required by the funding source of the contract shall be entered into only after complying with the applicable public notice requirements. Public notice may be used for other types of contracts. The public notice shall be approved and signed by the County Administrator and the County Attorney's Office without further prior approval.

F. Sole Source

Competitive bidding is not required when by (i) reason of a copyright, patent, or exclusive franchise, purchases cannot be made at a standard, fixed or uniform price and/or (ii) no advantage can be secured by advertisement and competitive bidding because of the noncompetitive nature of the items to be purchased and/or the specific documented needs of the County.

All requests for sole-source purchasing shall be made to the Purchasing Unit, along with sufficient documentation to justify the need. Sole-source purchases shall not be made unless preapproved by Purchasing Manager and the County Attorney's Office.

III. EFFICIENCY. The County Board favors procurement and contracting procedures that are based upon the principles of delegation and administrative efficiencies with oversight.

To promote efficiencies in the procurement and contract process the following approval procedures shall be followed:

All contracts that provide for the expenditure of County funds shall require a certification by the Division Manager of Finance and Central Services, or their designee that the funds for the contract are specifically included in the Net Budget, Capital Improvement Program or Capital Equipment Plan.

A. The County Board shall approve:

1. Contracts exceeding \$100,000, joint powers agreements, cooperative purchasing contracts, and County master contracts, only after the contract receives a recommendation for approval by the committee of jurisdiction.
2. Grant agreements which require the expenditure of County funds exceeding \$100,000 (cumulative over the grant period) or which requires the ongoing commitment of the County, only after the contract receives a recommendation for approval by the committee of jurisdiction.
3. Non-budgeted purchases.
4. Other contracts which may require formal County Board action.
5. Ratify Emergency purchases arising from breakage, damage or decay or when the public interest would suffer by delay (Minn. Stat. § 375.22).

B. The County Administrator shall, on behalf of the County Board sign all contracts approved by the Board. The Deputy County Administrator shall sign Board approved contracts in the absence of the County Administrator.

1. The County Administrator may approve, and sign contracts valued at less than \$100,000. The Deputy County Administrator may approve and sign such contracts in the absence of the County Administrator.
- C. The Purchasing Manager
 1. Approves and signs all purchase orders.
 2. The Purchasing Manager may designate purchase order approval and signatory authority to qualified Purchasing Unit staff.
- D. Division Managers and Department Heads
 1. Approve and sign contracts and renewals not exceeding \$25,000 (excluding purchase orders).
 2. Designate employees as Authorized Purchasers for procurement card purchases, authorize requisitions and approve and sign contracts using the small contract form developed by the County Attorney's Office.
- E. Reporting to Committee of Jurisdiction

The Purchasing Manager, Division Managers and Department Heads shall, on a regular basis, provide the committee of jurisdiction a listing of all contracts which did not require County Board approval.
- F. The Library

Pursuant to the "Memorandum of Understanding" with the County Board, the Library shall comply with the ACP and PPM. The Library Director is considered the "Department Head". The "Committee of Jurisdiction" is the Library Board.
- G. Human Services Agreements

The Division Manager of Human Services shall have the authority to approve and sign contracts related to the various programs administered by Anoka County under the direction of the MN Department of Human Services when the contracts are entirely funded by payments made directly to the providers by the Minnesota Department of Human Services. All such contracts are subject to review by the County Attorney's Office as to form and legality.
- H. Job Training Center Grants and Sub-Grant Agreements

The Job Training Center receives the majority of its funding through standard grants and sub-grants from or administered by the State of Minnesota or various agencies of the federal government. The Division Manager of Human Services shall have the authority to approve and sign on the County's behalf all such grant and sub-grant agreements.
- I. Procurement Cards

The procurement card is a credit card-based program used to allow simple goods and services to be obtained quickly and conveniently. The Purchasing Manager or its designee shall develop and administer a Procurement Card Purchasing Program. The Purchasing Unit shall develop and provide training for County employees who are authorized to use a procurement card. All cardholders shall follow the Procurement Card Purchasing Program developed by the Purchasing Unit for all purchases made with the County procurement card.

IV. LEGAL COMPLIANCE. All County purchases, sales, rental, leases and other agreements shall comply with applicable statutes, laws and regulations.

- A. All contracts are subject to final approval as to form by the County Attorney's Office.
- B. All contracts shall be in writing, unless the County Attorney advises that a formal written contract is not required.
- C. The County may enter into contracts for goods and/or services that contain options to renew for up to 7 years or as provided by law. An option to extend the term shall not be exercised unless the Finance & Central Services Division Manager certifies that the funds to for the renewal period are included in the Net Budget.

D. Voidable Purchases

Employees may be personally responsible for the cost of a purchase made in violation of the ACPP or the PPM and may result in the disciplinary action up to and including termination of this employment.

E. Fraud

An act of fraud is committed if an employee of the County negotiates a personal procurement by fraudulent use of a County Requisition Number, Purchase Order Number or purchasing capability of the County. Fraud also occurs if an employee claims a purchase is on behalf of Anoka County when in fact the purchase was made solely for personal use. A personal procurement from State Contracts is also an offense subject to prosecution. Fraud is subject to prosecution and employee discipline. Willful violation of the ACPP, the PPM or the County's conflict of interest provisions or Procurement Ethics Code may result in disciplinary action up to and including termination of employment.

F. Bid Protest

Anoka County recognizes the need to review and resolve complaints about its purchasing practices and procedures and has adopted this procedure to provide for any complaints. Any actual or prospective vendor or contractor who is aggrieved in connection with the solicitation or award of the contract may protest to the Purchasing Manager.

1. Bid Protest - Each protest must be in writing and delivered by a certified letter to the Purchasing Manager within five (5) business days of the County's notice of award and must include:
 - i. A notice of protest;
 - ii. A statement of facts and the reasons for the protest;
 - iii. All supporting documentation; and
 - iv. Address all correspondence to: Bid Protest, Purchasing Manager, Anoka County, 2100 3rd Ave, Suite 300, Anoka, MN 55303.
2. Notification of Bid Protest - As soon as a bid protest is received, all award activity will be suspended. The Purchasing Manager and the Buyer will gather all relevant information about the solicitation, evaluation, and award of the bid and provide it to the Purchasing Manager within five (5) business days of being notified of the Bid Protest by the Purchasing Manager.

3. Decision - The Purchasing Manager will review the information relevant to the solicitation and will decide on the merits of the protest, in a prompt manner but not longer than ten (10) days after the bid protest was received. The decision will be mailed to the protestor at the address set forth in the bid protest. A copy of the decision will be posted on the County Web-site. All documentation concerning the bid protest and the decision will be retained in the Purchasing Office.
 4. Appeal Process - An appeal of the Purchasing Manager decision may be in writing and delivered by a certified letter by the protestor to the Director of Central Services within five (5) business days of the release of the Director of Central Services decision and must include:
 - i. A notice of an appeal to the Purchasing Manager;
 - ii. A statement of the nature and the reasons for the appeal, including claimed errors;
 - iii. All supporting documents; and
 - iv. A fee to cover the County's cost for determining a bid protest will be made in the form of a certified check payable to the Anoka County Treasurer, in the amount of \$1,000. All fees will be returned if the protest is upheld, otherwise the fee is non-refundable.
 5. The Purchasing Manager will deliver the protest and all relevant information about the solicitation, evaluation, and award of the bid to the County Attorney or designee.
 6. A Hearing Date will be set by the Anoka County Attorney or designee for the appeal to commence, which date should not be later than thirty (30) days from the notice of appeal. The complainant will be presented with an opportunity to present their case to the County Attorney or designee.
 7. Appeal Decision - Upon the conclusion of the appeal, the County Attorney or designee will issue a decision within thirty (30) days of the conclusion of the appeal. Anoka County personnel will track all costs (wages, expenses, etc.) spent in the appeals process. The total cost will be subtracted from the \$1,000 deposit. Any remaining balance will be returned to the vendor. If the appeal is upheld, the total deposit will be returned.
- G. Conflict of Interest.
1. Employee Conflict of Interest.

All County employees who are involved in the solicitation and approval process for a contract, or the management or supervision of a contract if awarded, shall notify his/her supervisor as soon as the employee realizes that he/she is closely related to any owner, director, officer or principal in a closely held business entity or has an interest in the business entity that has submitted a bid or is awarded a contract.

The County shall have the sole discretion to determine whether there is an actual conflict of interest or an appearance of a conflict of interest. If it is determined that there is only an appearance of a conflict of interest, that employee shall be precluded from participating in the contract solicitation and approval process, and in appropriate situations from the management and/or supervision of the performance of the contract. If there is an actual conflict of interest, the County shall determine whether a contract can be awarded to and performed by the proposed contractor in such a manner as to avoid the actual conflict of interest.

2. Contractor Conflict of Interest.

The National Institute of Governmental Purchasing Code of Ethics applies to the procurement practices of Anoka County.

Each prospective County contractor shall be required to disclose whether any of its owners, directors, officers or principals is closely related to any County employee who has or may appear to have any control over the award, management or evaluation of the contract.

If there is no legal conflict of interest that would prohibit a contract, but there is a question as to whether there may be an appearance of such a conflict, the contract shall be presented to the County Board for approval, regardless of the amount of the contract. The County Board shall have sole discretion to determine whether an appearance of a conflict of interest should bar a proposed contract not governed by the law applicable to competitive bidding.

H. Settlements

The Director of Central Services (Risk Manager) has been delegated the authority to settle claims not exceeding \$5,000 without further concurrence of the Commissioner of Insurance or as deemed necessary. Settlements between \$5,000 to \$25,000 can be made by the Director of Central Services with concurrence of the Attorney's Office and the Commissioner of Insurance. Settlements over \$25,000 and greater can be made by the Commissioner of Insurance and the County Board. The Director of Central Services will provide a report to the Commissioner of Insurance as requested.

I. Contract Administration

The Division Manager or Department Head shall designate employees as contract monitors for each contract who shall be responsible for ensuring that all contractual requirements are being complied with from the negotiation phase through contract completion and final payment. Contract monitors are responsible for the initiation of amendments and renewals as well as planning for subsequent procurements and contracts or expired or terminated contracts.

J. Types of Contracts

The following is a non-exclusive list of contract types that are subject to this policy:

1. Road and bridge and facility construction, repair, alteration and maintenance;
2. Professional, employment or other individual contracts;
3. Installment purchases, equipment/commodity purchases, or lease purchases;
4. Software license and subscription agreements;
5. Grant and sub-grant agreements
6. Contracts for publication of official proceedings/matters MN Stat. 375.12, MN Stat. 375.17, and MN Stat. 279.07-279.08;
7. Joint powers agreements MN Stat. 471.59;
8. Membership to cooperative purchasing agreements;
9. Insurance policies;
10. Settlements.

For further clarification on contract types, contact the Purchasing Unit.



J. Purchasing Policy



SOURCE

Minn. Stat. § 373.01, 375.21, and 471.345, previously adopted Anoka County Board resolutions, as well as Code of Federal Regulations §200.317-§200.326

K. Merchandise Purchased for Resale

All items purchased for resale should be coded to account: **61140 – Purchase for Resale.**

1. Purchases for resale are exempt from sales tax. Tax is collected when taxable-merchandise is subsequently resold by the county.
 - a. When placing an order, notify the vendor that the specific purchase is for resale and should not be taxed.
 - b. If requested, provide the vendor with a properly completed Resale Exemption Certificate (ST-5 form). Forms are available in the Central Accounting Department, or at the following Minnesota Department of Revenue website:<http://WWW.TAXES.STATE.MN.US/salestax/forms/salestax.html>.
2. If a vendor does charge sales tax, the county may do one of the following:
 - a. Adjust the invoice amount to remove sales tax and complete a Resale Exemption Certificate (ST-5 form). Submit certificate to Accounts Payable when submitting invoice for payment, and certificate will be mailed with check.
 - b. Pay the tax and write a note to Accounts Payable on the invoice to “take a use tax credit”. The sales tax amount will be credited back to your department.
3. The revenue collected for merchandise sales should be receipted into account: **56211-Materials Sales.** Additional accounts which may be used include:
 - 56213 – Book Sales
 - 56320 – Concession Sales
 - 56330 – Merchandise Sales (Taxable)
 - 56331 – Merchandise Sales (Non-Taxable)
4. For taxable sales, receipts should be split between revenue and sales tax. When receipts are recorded by the Treasury Department, the sales tax collected will be coded directly into sales tax liability account and remitted to the State of Minnesota.
5. For non-taxable sales, receipts will be coded entirely into the appropriate revenue account.
6. If sales are made to an exempt purchaser, a Certificate of Exemption (ST-3 form) must be provided by the purchaser at the point of sale, or already be on file.
7. A journal entry must be submitted to transfer the amount of sales tax due (based on the original purchase price) from the expense account where the merchandise was originally purchased into the sales tax liability account 255XX.

K. Merchandise Purchased for Resale (continued)

8. Infrequent/non-recurring purchases for resale:
 - a. A purchase for resale under a unique circumstance may be reimbursed directly into the expense account where purchased. This procedure can only be used when the following circumstances are met:
 - i. The purchase and resale is an infrequent and non-recurring event.
 - ii. The sales or use tax obligation is met at point of purchase.
 - iii. Full cost is reimbursed (including tax and freight).
 - iv. No additional revenue is collected in addition to the actual cost.
 - v. Reimbursement is received in same calendar year as original expenditure.
 - b. Examples of when this procedure is acceptable:
 - i. County purchase on behalf of another governmental agency.
 - ii. Refund due to overpayment of invoice.
 - iii. Refund due to return of merchandise.



L. Contract Policy



Removed – Refer to Section J Purchasing Policy

1. The County will maintain a Fixed Asset Management System (FAMS) to physically account for assets owned by Anoka County, and to provide a record of the funding source for the purchase and/or construction of those assets.
2. Fixed assets can be defined as assets of a long term character which are intended to continue to be held or used such as:
 - Land
 - Land improvements
 - Infrastructure
 - Buildings and their service systems
 - Furniture and fixtures
 - Machinery, equipment, and software
 - Licensed vehicles
 - Construction in progress
3. Assets meeting the following criteria are considered fixed assets and will be recorded in the Fixed Asset Management System:
 - a. Assets with an original cost of greater than or equal to \$5,000 including ancillary cost and with a useful life of three years or more.
 - b. Assets with an original cost of less than \$5,000 including ancillary cost and with a useful life of three years or more that has been or will be identified by Anoka County as sensitive in nature (e.g. audiovisual equipment or computer peripherals).
 - c. Assets with an original cost of less than \$5,000 including ancillary cost and with a useful life of three years or more than will not be monitored, but have been included in the system for insurance and tracking purposes. This would include chairs and groupings of miscellaneous assets.
 - d. All land and non-depreciable land improvements are capitalized, regardless of cost, and recorded in the fixed asset management system at historical cost or estimated historical cost.
 - e. Buildings and infrastructure items (e.g. roads, bridges, ramps and similar items) are capitalized when the cost of the individual items or projects are greater than or equal to \$100,000.

M. Fixed Asset Policy (continued)

4. Assets of Anoka County (including infrastructure assets) will be reported using the depreciation expense approach (versus the modified approach) as prescribed in GASB Statement No. 34. Under this process, the County will record depreciation expense and amounts are capitalized in connection with improvements to these assets. Applicable Capital Assets are depreciated using the straight line method. Composite depreciation (depreciating a group of assets) using the same depreciation rate will be used for infrastructure assets.

Estimated useful lives were assigned to the following assets:

<u>Asset Classification</u>	<u>Years</u>
Equipment and other assets	3-25
Buildings	50
Infrastructure	40-50

5. Capital Assets and the associated accumulated depreciation are reported in the Statement of Net Assets. Land and Infrastructure is recorded separately from other capital assets.

Depreciation expense for general capital assets (capital assets that serve all functions) is reported as a separate line item in the Statement of Activities. This does not include depreciation specifically identified with specific functions. Depreciation for assets specifically identified with specific functions is included as a direct expense of the function in the government wide financial statements.

6. The Central Accounting Department will have the responsibility for determining procedures and reporting forms to ensure integrity of the fixed asset system: refer to the Anoka County Fixed Asset Management System User's Guide.
7. The Central Accounting Department will have the responsibility for coordinating an annual physical inventory. Responsibility for the individual assets will continue to be with individual departments and department heads that control and use the assets.

N. Public Purpose of Expenditure

PURPOSE

The purpose of this policy is to define, by example, types of expenditures which are deemed, by the County Board of Commissioners and other public officials of the County, to serve a public purpose, are in the interest of the public or provide a positive return to the County and its residents by increasing employee morale, fostering economic development, encouraging citizens to volunteer services to County programs or which improve the County's business relationship with those with whom we deal.

GENERAL STATEMENT

Anoka County in principle does not pay for meals and/or refreshments for employees, the general public, or vendors and will use the utmost discretion as related to the expenditure of public funds. Funds will not be expended for any purpose which is specifically forbidden by Federal regulation, State law, Local ordinance or County policy. Expenditures made under this section shall be approved, authorized and documented according to established County financial procedures.

SPECIFIC TYPES OF EXPENDITURES ALLOWED

1. The County Board determines that the following expenditures are for a public purpose:
 - a. Meals and Refreshments – See Travel, Meals, and General Reimbursement Policy Q.
 - b. Employee Training - Funds may be expended for reasonable registration, tuition and travel expenses for approved conferences, seminars, workshops, tuition and approved County employment-related course work. Funds may be expended for tuition assistance required for retraining as part of a planned organizational change based on an organization change plan, or other business purpose, within the approved budget. Based on IRS regulations and State Statute tuition assistance amount may be taxable to the employee. Determination should be coordinated with the Payroll Manager at the time of reimbursement.
 - c. Memberships and Dues - When the primary purpose of the membership is for public benefit and not personal interest or gain, County funds may be used for memberships and dues as defined by Minnesota State Statute.
 - d. Clothing and other Sundry Items - Employees may be supplied with uniforms, clothing, boots and other gear necessary for the performances of their job, in accordance with bargaining unit agreements, Personnel Rules and Regulations, or established departmental procedures. Based on IRS regulations, *cash payments* to employees for uniforms will generally be taxable to the employee. *Reimbursement* for clothing or uniforms purchases that are required by the county will not be taxable.

N. Public Purpose of Expenditure

2. The County Board determines that the following are deemed to be an expression of appreciation for donated services rendered to the County.

Recognition/Reward Events

- a. Departments may expend funds, to the extent budgeted, for awards given in conjunction with an annual employee, volunteer or provider recognition function or program.
 - b. Departments may expend funds, to the extent budgeted, for recognition of outstanding achievements or service by employees, providers (such as foster parents, e.g.) or volunteers (e.g. Sheriff's Reserves). Departments must make every effort to reduce or limit the amounts of such expenditures.
3. The County Board determines the following have the primary purpose of creating a more productive work force that better serves the community.

Special Events

- a. Departments/Divisions may expend funds for receptions or similar functions in recognition of significant milestones such as retirements or resignations from County service, to recognize multiple years of work for the County, wellness and health promotions, and other similar events.
- b. Administration shall establish procedures for limited expenditures upon the death, hospitalization or serious illness of persons of prominence and others having a direct relationship with Anoka County.

0. Purchase and/or Replacement of County Vehicles Policy

1. All replacements for existing County vehicles shall be of the same size range, or smaller, as the vehicle being replaced. All vehicles approved through the budget process shall be considered as approved and authorized to purchase during the budget year.
2. All automobiles that have been approved through the budgeting process shall be purchased and authorized as follows:

Division Manager/Department Head shall request Purchasing to develop a specification for a base vehicle plus desired options and obtain comparative quotes as required by the Purchasing Policy.
3. At the time of delivery of replacement vehicles, the Purchasing Office will determine the manner and time of disposal of the replaced vehicle. All proceeds from the disposal will be credited back to the department.
4. It will be the responsibility of the individual Division Manager/Department Head to request approval of the Management Committee for any deviations from the approved budget for vehicles.

PURPOSE

This Wireless Device Policy has been developed to ensure proper accountability of the public funds entrusted to Anoka County and to maintain controls necessary for the County to operate efficiently. Anoka County allows employee-owned mobile devices to connect to County resources with proper approval. Accessing the network via any mobile device or via WebMail should not be utilized by NONEXEMPT employees outside of standard work hours without prior permission.

Note: All County issued wireless devices and privately owned wireless devices used to access any information related to County business and the content of the wireless device are subject to discovery by the County and/or other third parties in compliance with the Minnesota Government Data Practice Act or such other applicable Federal or State laws or regulations.

SCOPE AND AVAILABILITY

The Wireless Device Policy applies to all employees and officials of Anoka County and relates to the purchase, use of and connectivity to County systems, whether by personal or county issued Wireless device, unless specifically exempted in this policy.

REFERENCES

The original resolution (Resolution #87-38), Relating to Establishing a Policy Regarding Acquisition of Cellular Telephones, was adopted at the 3/24/87 Board Meeting.

POLICY

1. Wireless devices purchased and owned by the County shall be used primarily for official County business. Incidental and occasional personal use of wireless devices are permitted, but such usage is subject to all limitations specified in this policy, County Employees Rules and Regulations, and complies with the following:
 - a. Does not interfere with County business usage;
 - b. Does not interfere with employee's job activities;
 - c. Does not interfere with another employee's job activities;
 - d. Does not transmit or receive any material in violation of any Federal or State laws or regulations;
 - e. Does not result in an additional or unapproved expense for the County; and
 - f. Does not contain or infer threatening or inappropriate content for the County work environment, including, but not limited to, intimidating, sexually oriented, obscene, offensive, or abusive material and/or language.
2. The Anoka County Board authorizes the Director of Information Technology to review and authorize a list of Operating Systems and other wireless technology security requirements to ensure that the County complies with security and privacy requirements pursuant to Minnesota and Federal law (see Section 4.7 Wireless Devices, Operating System / Other Technology Requirements of the County-Wide Technology Security Policy).

P. Wireless Device Policy (continued)

3. The Anoka County Board authorizes the Director of Central Services to:
 - a. Manage the Wireless Device Policy.
 - b. Review and approve all requests for the purchase of County issued wireless devices and plans. All purchases will be subject to final approval by the Chair of the Management Committee.
 - c. Maintain an inventory of the wireless devices assigned. The inventory will include, at a minimum:
 - i. Employee name and department
 - ii. Date of purchase
 - iii. Device purchased and cost of the device
 - iv. Plan purchased and cost
 - v. Mobile Device Access Form and User Agreement
 - d. Conduct an analysis of the mobile devices and plans on a periodic basis to ensure that County is utilizing the best value in available wireless service providers.
 - e. Select mobile devices and plans designed to meet the functional needs of the County staff at the lowest possible cost while complying with the County-Wide Technology Security Policy, Federal, State, and Local data privacy and security requirements.

4. Departments have the following wireless device options when it is determined that the employee is eligible/required to have a wireless device:
 - a. A county owned wireless device: Anoka County will purchase the lowest priced device and plan available that complies with security requirements for Anoka County and meets the needs of the department. All eligible employees shall contact Purchasing for the selection of wireless devices, plans, applications and accessories. The form to request a County Owned Device is located on the County Intranet under Department Web Sites, Purchasing Department, Wireless Devices.
 - b. If a personal device is the best solution for a County required business: the employee will be responsible for the cost of the device, plan, maintenance, and replacement of the device if it is lost or broken. The device must comply with the Anoka County security requirements as outlined in the County-Wide Technology Security Policy if it is to be used for texting or e-mail. Department Head approved reimbursement for personal use of a mobile device for County business will be provided on a tiered basis as follows:

Tier	Criteria and Plans	Method	Amount
1	Incidental use based on actual County use on a personal plan*	Exp. Reimb.	Actual
2	Personal safety and incidental County use	Payroll	\$5/month
3	Demonstrated business necessity for Low (<100) minutes/month	Payroll	\$10/month
4	Demonstrated business necessity for Medium (>100) minutes/month	Payroll	\$15/month
5	Demonstrated business necessity for High (>200) minutes/month	Payroll	\$25/month
6	Demonstrated business necessity for a County Device w/data plan	Payroll	\$45/month

*Tier 1 is not automated and must be calculated each month based upon actual usage, then submitted and approved for employee reimbursement. Incidental use should not average over \$5/month.

For forms to request employee reimbursement, for personal use of a mobile device, through Payroll go to: the County Intranet, Department Web Sites, Accounting, and Payroll.

P. Wireless Device Policy (continued)

- c. Employees currently using a personal device on a county plan are grandfathered in, until such time as they can switch to an acceptable county owned device or personal plan.
 - d. A personal device may be connected to County Systems (e-mail) **without meeting the criteria to be required** by the department, only if the Department Head/Division Manager determines the County will benefit and the employee agrees to be responsible for the cost of the device, plan, maintenance, and replacement of the device if it is lost or broken. The device must comply with the terms and conditions set forth in the County-Wide Technology Security Policy. In this scenario, Anoka County **will NOT** reimburse the employee for the use of the wireless device.
5. To be considered eligible for a county provided wireless device or for reimbursement of the cost of a personal device, the employee must meet at least one of the following criteria for authorization:
- a. Mitigation of Anoka County work related safety risks for the employee, such as spending time in client's homes.
 - b. Communication or County system access is needed to assist in solving problems for clients.
 - c. Is responsible for making major decisions within a department during off hours.
 - d. Prompt administrative decisions are required on issues/projects in progress and spend a considerable amount of time in transit or away from the employee's desk.
 - e. Responsible for dealing with natural disasters or other similar emergencies.
 - f. Deals with sensitive law enforcement issues.
6. The County Administrator, Division Managers, and Department Heads will be responsible for:
- a. Authorizing wireless device requests;
 - b. Authorizing staff to use personal wireless devices for County business, if the employee and device comply with the terms and conditions set forth in the Anoka County County-Wide Technology Security Policy§4.6 and this Wireless Device Policy;
 - c. Approving reimbursement of the connectivity and complete the Request for Mobile Device Reimbursement.
 - d. Ensuring that all employees in their Division and/or Department adhere to the County-Wide Technology Security Policy§4.6 and this Wireless Device Policy;
 - e. Ensuring adequate budget is available for the costs of the approved wireless device and any annual maintenance costs; and
 - f. Completing the Request for Wireless Device /Access Form (available on the County Intranet) and sending the completed form to Purchasing.

P. Wireless Device Policy (continued)

7. Any County employee who is determined eligible for one of the above-described wireless device options under paragraph 4 above is responsible for:
 - a. Full compliance with the County-wide Technology Security Policy.
 - b. Limiting access to County Data on a personal device to that purpose for which authority was granted, which use has been approved by the Division Manager or Department Head, otherwise the use will be eligible for employee reimbursement.
 - c. Acknowledging that all County issued or personal wireless devices used for the purpose of county business and the content of the wireless device may be subject to discovery by the County and/or other third party in compliance with the Minnesota Government Data Practices Act or such other applicable Federal or State laws or regulations.
 - d. Supporting wireless device features and accessories such as 3rd party apps, media, contracts, device preferences, and other non-County business features.
8. Personal usage beyond incidental, on a county supplied device, not covered (allowed) by the phone plan will be subject to reimbursement by the employee.

Q. Travel, Meals, and General Expense Reimbursement Policy

This policy has been adopted by the county board of commissioners of Anoka County, Minnesota, to be consistent with Minnesota Statutes for claims against the county incurred by employees in the conduct of official Anoka County business. Further, this policy is designed to provide the basis for determination that: there is authority for county expenditure, the expenditure serves a public purpose, and finally, the expenditure is necessary and directly related to the betterment of the functions of Anoka County Government.

APPLICATION AND ADMINISTRATION

This policy shall apply to all employees and elected officials of Anoka County. Additionally, “officials-elect” may be reimbursed under this policy for county business-related expenses from the date their election is certified until the date that they are sworn into their elective position. In the event that there should be any conflict between this policy and any current collective bargaining agreement between a recognized bargaining unit and Anoka County, the bargaining agreement shall control. This policy shall be administered and interpreted by the county administrator under the direct supervision of the county board. In the event that there are recurring unique circumstances which exist in a particular department and may pose a conflict or inconsistency with this policy, that specific division manager/department head may establish special policies and rules of procedure to cover these circumstances. Said special policies and rules shall not be applicable until such time that they have been reviewed and approved by the county administrator or the county board.

All training, on-site, off-site, group, or individual, must follow the request and approval process established in this policy and will be documented and tracked in the County’s E-Learning system.

TRAVEL/TRAINING REQUESTS AND APPROVAL

All travel must have prior approval of the board even though a general allowance has been made in the budget process for travel costs. The county board has delegated authority to the Management Committee of the Anoka County board for the authorization for travel and training on the part of county employees. They have further delegated to division managers/department heads the authority to approve travel, conferences, training, etc., up to and including \$1,000 and to the county administrator to approve travel, conferences, training, etc., over \$1,000, up to and including \$2,000.

While not encouraged, overnight travel may be occasionally necessary. Any overnight travel within a 50-mile radius of the Government Center requires County Administrator approval.

A summary of the travel approval required as follows:

Amount	Approval Required
\$ 0 – 1,000	Division/Department Head
\$1,001 - 2,000	County Administrator
Over \$2,000	Management Committee

A written request for travel authorization shall be made in advance of the departure date by the division manager/department head and/or county commissioner and shall contain: the number of days, location, purpose, and approximate cost of the travel.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

In the event that an employee or elected official shall deem it necessary to travel on short notice and prior approval of the Management Committee cannot be obtained, the chairman of the county board or the chairman of the Management Committee may authorize travel out of Minnesota.

It is the division manager's/department head's responsibility to remain within the travel allocation in the current year's budget.

TRAVEL – NON-CONFERENCE/TRAINING

Travel outside Minnesota that is required as part of an employee's normal work assignments may be approved by the division manager, department heads not reporting to a division manager, or county administrator up to the prevailing dollar limitations of the travel policy. The county attorney and the county sheriff may approve travel expenses (including overnight travel) of employees in their offices required as a part of their normal work assignment.

TRAVEL TIME

County employees may be authorized work time (excluding Saturdays, Sundays, and holidays) for travel out-of-area the day prior to, the day of, and the day following the convention or meeting date(s).

TRAVEL EXPENSES OF SPOUSE OR OTHER MEMBERS OF THE FAMILY

If an employee's spouse or family accompanies him or her on a county business trip, the expenses attributable to the spouse or family members' travel, meals, lodging, etc., are in no circumstances reimbursable. If a spouse or family member accompanies an employee on a business trip, the reimbursable business expense for transportation and lodging is the single rate cost of accommodations for the employee.

TRAVEL AND EXPENSE CLAIM

An expense claim in order to be considered for reimbursement shall be prepared after return from travel and presented to the Finance and Central Services Division with division manager/department head approval in accordance with the adopted county financial policy.

Expenses must be accounted for and turned in for reimbursement within 60 days after they were paid or incurred.

Employee Reimbursement must have attached the detailed information required by the IRS for an Accountable Plan. The documentation must include a receipt plus:

- Name of the Establishment,
- Date and Time,
- Cost of the Meal, Beverage, Tax, Tip etc.
- Purpose of the Meeting and
- If part of the reimbursement: Names of Persons at the meeting, including names of organizations (if not County employees) and their titles.
- Reason why meeting could not be held at another time.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

AIRLINE TRAVEL BENEFITS

Any Anoka County employee or elected official, who uses airline travel for county business, must use any credit or benefit for additional airline travel for county business when applicable.

BILLINGS

Employees who have been granted the use of a procurement card shall make travel and lodging arrangements using the procurement card. If a procurement card cannot be used, they should make travel and accommodation arrangements in advance and request that Anoka County be billed. If using a procurement card or advanced direct billing cannot be arranged, a purchase order should be requested from the Purchasing Office. All authorized travel expenses which are not billed directly to the county or covered by per diem allowance are to be paid by the employee, subject to reimbursement upon approval of a travel expense claim.

TRAVEL ADVANCES

In accordance with Minnesota Statutes and when a situation warrants it, a cash advance may be issued prior to departure with the approval of the county administrator. Such requests will be considered the exception to normal county travel policy.

TRAVEL AUTHORIZATION GUIDELINES

In order for division managers/department heads to determine that type of travel which is most valuable to the improvement of county operations, the following guidelines are established:

1. The costs of the conference, institute, training program, and related travel must be within the annual travel expense budget appropriation approved by the county board. For County Commissioners this amount shall not exceed \$5,000 per person annually (monitored by County Administration). If a commissioner requests to go over \$5,000.00, and there is money remaining in the budget, the county administrator can approve additional travel.
2. Efforts should be made to limit the number of employees from a department who will attend a conference, institute, or training program to avoid excess expenditure. Training dollars should be utilized in an efficient manner in order to benefit the most number of employees possible, rather than just a select few.
3. A demonstration of making essential contacts or obtaining significant information that is important to the improved operations and functions of Anoka County and the respective department is essential prior to travel authorization.
4. Utmost discretion must be exercised by division managers/department heads submitting requests for out-of-Minnesota area travel. Conferences must be unquestionably professional in content and should be requested only when a comparable conference cannot be found locally in the same calendar year.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

AUTHORIZED EXPENSES

1. Mileage Reimbursement - Employees may be reimbursed for traveling on official county business with a private automobile at the prevailing allowable mileage rate established periodically by the Internal Revenue Service (IRS). Mileage shall be paid on the most reasonable direct route. Employees are eligible for mileage reimbursement:
 - a. when a private vehicle is used for official county business; and,
 - b. for miles traveled in excess of those which the employee would normally have had to travel from residence to the Courthouse/Government Center or work site and return; and,
 - c. total mileage shall be allowed for travel on a non-work day.

For example: mileage may be claimed when an employee begins their workday away from their assigned worksite, minus the normal commute miles to their assigned worksite.
I.e. 10 miles are the distance from the employee's residence to their assigned worksite; a total of 40 miles was traveled from the employee residence to the appointment then back to the assigned worksite; total mileage allowed to be claimed is 30. If an employee is traveling from home directly to a meeting or appointment and the mileage driven is less than normal travel from their home to a worksite, mileage will not be reimbursed.
2. Parking - Employees using private automobiles and county vehicles shall be reimbursed on an actual expense basis for parking. Receipts for such payments shall be submitted with the expense reimbursement request whenever possible.
3. Out-of-Area Automobile Travel - Payment for expenses for transportation by personal vehicle for out-of-area travel shall be made on the basis of a single coach air fare or actual mileage, whichever is less. When personal vehicles are used in driving to out-of-area locations not available by commercial transportation, travel reimbursement shall be made on an actual mileage basis.
4. Commercial Transportation - Employees may travel in state and out-of-area by commercial transportation when authorized. Air transportation shall be by coach class utilizing advance reservation rates, when possible. First class railroad accommodations shall be standard and shall include lower berth or roomette in case of overnight travel.
5. Car Rental - Employees may use a rental vehicle at county expense with Management Committee approval. When using rental vehicles, or other transportation, it is required that the lowest reasonable rate be sought and/or utilized.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

6. Lodging and Incidentals - Employees may claim reimbursement for lodging, and incidentals at actual cost or IRS allowable per diem rate in accordance with the following:
 - a. Charges for lodging will be reimbursed for only one night prior to the formal start and/or one night beyond the end of the conference, seminar, meeting, etc., and those nights when the event is actually in session. Receipts shall be submitted for reimbursement. An exception can be made if it can be clearly documented that a reduced air fare or other travel cost can be obtained by staying additional days (i.e., over a Saturday night). The reduction in air fare must exceed the additional lodging and meal costs.
 - b. Persons designated by the County as “Local Officials” (see Resolution #2011-3) may opt for lodging per diem versus claiming actual costs for lodging. The lodging per diem shall be equal to the IRS allowable amounts as determined by the General Services Administration (GSA) index (www.gsa.gov/mie).
7. County-related Telephone Charges - Employees may claim reimbursement for incidental telephone charges incurred during travel or training, from a privately owned device, at actual cost in accordance with the following:
 - a. Charges incurred by the employee for county-related business phone calls from his/her home phone or personal cellular phone or charged to an employee’s calling or credit card if away from home.
 - b. Charges incurred by the employee for county-related business phone calls received on his/her personal cellular phone or other communications device. If the cost of the phone call is not directly identifiable, a prorated portion of the bill is appropriate based upon minutes used.
 - c. Employees are not permitted to charge personal long distance phone fees through the county phone system. In the rare instance when an employee might inadvertently, or in the case of an emergency, incur long distance charges for a personal call, the employee is responsible for reporting the personal call to the supervisor and must reimburse the county for the actual costs incurred plus applicable taxes.

MEALS

Anoka County in principle does not pay for meals and/or refreshments for employees, the general public, or vendors and will use the utmost discretion as related to the expenditure of public funds. Funds will not be expended for any purpose which is specifically forbidden by Federal regulation, State law, Local ordinance or County policy. Expenditures made under this section shall be approved, authorized and documented according to established procedures.

1. Department directors are responsible for ensuring department expenditures for all reimbursable expenditures are reasonable and necessary, comply with public purpose policy and procedure and are properly documented.
2. Client program expense related to grants and client services are not covered by this policy, but must adhere to regulations pertaining to that grant or service.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

3. Meals with an overnight stay shall be reimbursed at the per diem equal to the IRS allowable amounts as determined by the General Services Administration (GSA) index (www.gsa.gov/mie). The IRS allowable per diem for meals also *includes* incidental expenses; therefore itemized *additional* incidentals may not be claimed, when using the per diem method of reimbursement.

Per IRS regulation, the first and last calendar day of travel is calculated at 75 percent. For example, if the daily per diem is \$50, then the days of travel are \$37.50.

*Total reimbursement cannot be in excess of IRS per diem rates for that city.

4. In the event that meals are included in any registration or tuition fee, actual charges for those meals shall not be reimbursable. Below is an example of meal values for a \$50 per diem day:

Breakfast	\$10	20%
Lunch	\$15	30%
Dinner	\$25	50%

5. Specific Meals and Refreshments allowed:
 - a. For staff and volunteers while performing election duties on Election Day, during election recounts which are expected to exceed 4 hours and while performing election related duties where an unforeseen emergency or situation occurs which threatens the timely or accurate conduct of an election.
 - b. For staff involved in the transport of those who are in-custody, incarcerated or otherwise under the control of County employees. This includes clients of Human Services staff.
 - c. As a courtesy to the public, elected officials of other jurisdictions, business partners or others who may attend scheduled meetings of the County Board or its committees.
 - d. For a breakfast, lunch or dinner meeting of the County Board, its committees, or any of its members, County Elected Officials, County Local Officials and attendant staff, when meetings must be scheduled over meal periods as a matter of practicality or to accommodate schedules and held on-site to the extent possible. The meal must be authorized by the County Board chair or County Administrator. The intent is to avoid meal periods for Committees of the County Board, except for Advisory Committees with citizen members.
 - e. When part of a structured agenda for a departmental meeting, conference, workshop or other meeting and the official or employee has been authorized to attend with other organizations. Meals are not authorized when the meeting breaks for lunch, only when presentations continue through the meal period and only for Anoka County employees.
 - f. For County sponsored meetings, conferences or workshops where participants include County and non-County attendee, as long as the meeting continues through the meal period and doesn't break. A registration fee may or may not have been charged.

Q. Travel, Meals, and General Expense Reimbursement Policy (continued)

- g. At meetings (such as division or department wide quarterly meetings, senior staff or management meetings, county-wide or division/department wide meetings for all managers, supervisors, etc.) when the refreshment and/or meals are necessary to sustain the flow of the meeting and to retain the attention of the attendees. The meeting cannot break for lunch,
 - h. For meetings by County officials and/or employees with associates from other jurisdictions or with business partners, if authorized by the Division Manager or department head, and for a specific business purpose.
 - i. For law enforcement and other public safety personnel when approved by the County Administrator, Sheriff, County Attorney or County Board Chair, to ensure the delivery of quality emergency response service.
 - j. For food and beverage purchase as part of a special county event, recognition, or emergency response event, see Financial Policy N. Public Purpose of Expenditures.
 - k. The county **never** pays for alcoholic beverages or employee social events.
6. Meal Taxability and Documentation:
- a. Employer provided food and beverage that does not meet the IRS 'Meals as Entertainment' exclusion criteria (through the ***Directly Related Test*** or the ***Associated Test*** or '**De Minimis Exclusion**') is subject to income and employer taxes and shall be included in the employee's total taxable income
 - b. All meals and/or refreshments purchased and submitted for payment (Procurement Card or Employee Reimbursement) must have attached the detailed information required for an Accountable Plan. The documentation must include a receipt plus:
 - Name of the Establishment,
 - Date and Time,
 - Cost of the Meal, Beverage, Tax, Tip etc.
 - Purpose of the Meeting and
 - Names of all Persons at the meeting, including names of organizations (if not County employees) and their titles.

R. Surplus Equipment

1. County Board has authorized Purchasing to dispose of surplus property and equipment (including computer equipment) and regulate its disposal in a manner deemed to be in the County's best interest.
2. It is the responsibility of Divisions, Departments, and Units to provide the Director of Central Services with a list of Surplus Property and Equipment. Surplus includes excess property, computer equipment, and supplies. Procedures and forms for disposal of surplus property are located on the County Intranet under the Purchasing Department Web Site.
3. Surplus shall be disposed in the County's best interest in a manner deemed appropriate by the Director of Central Services.
4. It is the responsibility of Divisions, Departments, and Units to complete the property disposal form located on the County Intranet and forward the completed form to RS-Purchasing.
5. Facilities Management & Construction will assist Purchasing in the delivery and storage of surplus property that has been determined to be in good working condition. It is not the intent of this policy to have Facilities Management & Construction warehouse become a collection site for surplus property that is not in good working condition and/or not re-saleable.
6. Sale of surplus goods and materials with a value up to \$10,000 shall be approved by the Director of Central Services and in excess of \$10,000 shall be approved by the Finance and Central Service Division Manager. Sale of surplus real property must be approved by resolution of the County Board.
7. Proceeds from the sale of surplus property shall be credited to a fund designated by the Finance and Central Services Division Manager.
8. In determining the disposal method, the interests of Anoka County shall take precedence.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build America Bonds

A. Build America Bonds

1. POLICY

Anoka County (the “County”) may issue tax-exempt governmental bonds as well as taxable Build America Bonds (“BABs”) and Recovery Zone Economic Development Bond (“RZEDB’s”) to finance capital improvements. As an issuer of tax-exempt governmental bonds, BABs and RZEDB’s, the County is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated there-under (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, impose record retention requirements on the County with respect to its tax-exempt governmental bonds, BABs and RZEDB’s.

2. DEFINITIONS

Bond Counsel – The law firm responsible for providing bond counsel services to the County.

Financial Advisor – The organization responsible for providing financial advisory services to the County.

3. GENERAL INFORMATION

The American Recovery and Reinvestment Act of 2009 (“ARRA”) authorized a number of state and local governments financing provisions intended to increase investment in the public sector. One such provision authorizes the designation of certain bonds as BABs. ARRA allows issuers in 2009 and 2010 to designate bonds (other than private activity bonds) as BABs. In general, BABs may be issued to finance governmental purposes for which tax-exempt governmental bonds could otherwise be issued if the issuer had not designated them as BABs. An issuer can either elect to provide the investor in such bonds with a tax credit equal to 35% of the interest paid on the bonds or elect the “Direct Payment” option and receive a payment from the U.S. Treasury equal to 35% of the interest on the bonds when such interest is due. Proceeds of BABs must be used for capital expenditures, but funding reasonably required for reserves and payment of costs of issuance are also permitted. With minor exceptions for refunding certain temporary short-term bonds, they cannot be used to refund outstanding obligations.

Provisions relative to the issuance of BABs and RZEDBs require certain restrictions on the use of funds and the pricing of the initial bond offering. One such provision requires that the bonds not have an issue price or sale price in the initial offering which has more than a de minimis amount of premium over the stated principal amount of the bonds (determined under rules similar to the rules of Code Section 1273 (a)(3)). Prior to issuance of any BAB or RZEDB, the County will require that Bond Counsel and the Financial Advisor determine the applicable premium limitations for any BAB or RZEDB to be issued. The Financial Advisor will incorporate language into each notice of sale to clearly state the premium limitation for each maturity and require that the bid be submitted so as to provide the information necessary to verify that the bid meets the stated requirement. As part of verification of each bid, the Financial Advisor will be responsible for determining if any bid meets all bidding parameters, including the premium limitation. In a negotiated sale, the Financial Advisor will be similarly tasked with reviewing premium limitations and any proposed pricing to determine compliance. Bond Counsel will require as a closing document, certification from the purchasing underwriter that states the issue price of the bonds and that no bond was issued with more than a de minimus premium.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

4. PROCEDURES

- a. County Staff shall initiate the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the County with respect to each issue of tax-exempt governmental bonds, BABs and RZEDBs issued by the County:
 - i. Prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel); and
 - ii. File with the Internal Revenue Service (the “IRS”), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G and a Form 8038-B in the case of BABs (this action will be the primary responsibility of Bond Counsel); and
 - iii. For each issue of BABs, file with the IRS, no earlier than 90 days nor later than 45 days before each interest payment date, Form 8038-CP to ensure payment of the BABs direct federal payment; and
 - iv. Prepare an “allocation memorandum” for each issue of tax-exempt governmental bonds and BABs in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds or BABs to expenditures not later than the earlier of:
 - a) eighteen (18) months after the later of (A) the date the expenditure is paid, or (B) the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - b) the date sixty (60) days after the earlier of (A) the fifth anniversary of the issue date of the tax-exempt bond issue, or (B) the date sixty (60) days after the retirement of the tax-exempt bond issue; and
 - v. In collaboration with Bond Counsel and the Financial Advisor, identify proceeds of tax-exempt governmental bonds, BABs and RZEDBs that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted; and

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- vi. In consultation with the Financial Advisor, determine whether the County is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of tax-exempt governmental bonds, BABs and RZEDBs. In consultation with the Financial Advisor, determine, with respect to each issue of tax-exempt governmental bonds, BABs and RZEDBs, whether the County is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. Contact the Financial Advisor prior to the fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds, BABs and RZEDB's of the County and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds, BABs and RZEDBs. If a rebate payment is required to be paid by the County, prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the County is authorized to recover a rebate payment previously paid, prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.
- b. The issue price of a maturity of BABs may not include more than a de minimis amount of premium over the stated principal amount of the bond. De minimis is determined as 0.25% of the stated redemption price at maturity multiplied by the number of complete years to the earlier of the optional redemption date or maturity. The Financial Advisor, Bond Counsel and the County will monitor the activity of the bonds from the date the sale is awarded to the bond closing date to assure the premium rule is adhered to. If this rule is violated, action will be taken to remedy the situation before the closing of the transaction.
- c. County staff shall institute such procedures necessary and appropriate to monitor the use of the proceeds of tax-exempt governmental bonds, BABs and RZEDBs issued by the County, to verify that certain post-issuance compliance actions have been taken by the County, and to provide for the inspection of the facilities financed with the proceeds of such bonds. These procedures shall include the following:
 - i. Monitor the use of the proceeds of tax-exempt governmental bonds, BABs and RZEDBs to:
 - a) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e);
 - b) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d);
 - c) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted;
 - d) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7; and

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- ii. Monitor the use of all bond-financed facilities in order to: (i) determine whether private business uses of bond-financed facilities have exceeded the de minimus limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and (ii) determine whether private security or payments that exceed the de minimus limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities. Provide training and educational resources to any County staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities; and
 - iii. Monitor the use of proceeds of BABs and RZEDBs to ensure compliance with the requirements that (i) all proceeds (other than amounts placed in a reasonably required reserve fund and used to pay costs of issuance) are used to pay capital costs; and (ii) no more than two percent of the principal amount of the bonds are used to pay costs of issuance; and
 - iv. Complete the following with respect to each outstanding issue of tax-exempt governmental bonds, BABs and RZEDBs of the County: (i) an annual review of the books and records maintained by the County with respect to such bonds; and (ii) an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by Finance Division Staff with the assistance with any County staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.
- d. Collect and retain the following records with respect to each issue of tax-exempt governmental bonds, BABs and RZEDBs of the County and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the County; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications, brochures, and newspaper articles related to the bond financing; (iv) trustee statements if applicable; (v) records of all investments and the gains (or losses) from such investments; (vi) trustee statements regarding investments and investment earnings if applicable; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds;

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

(xvi) relevant correspondence relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue; (xviii) copies of all Form 8038Ts and Form 8038-Rs filed with the IRS; and (xix) the transcript prepared with respect to such tax-exempt governmental bonds, BABs and RZEDBs.

The records collected shall be stored in any format deemed appropriate and shall be retained for a period equal to the life of the tax-exempt governmental bonds, BABs, and RZEDBs with respect to which the records are collected (which shall include the life of the bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years.

- e. In consultation with Bond Counsel and the Financial Advisor, County Staff shall be aware of the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the de minimus limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, County Staff shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.
- f. In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the County has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the County that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the County to assist the underwriters of the County’s bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the County are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Finance and Central Services Division is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.
- g. Any action not identified in this Policy shall be undertaken by County Staff to ensure the continuing tax-exempt status of any issue of governmental bonds of the County (or the status of BABs as Build America Bonds entitle to the federal direct payment), after consultation with Bond Counsel, the Financial Advisor and the Division Manager, Finance and Central Services.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- h. **Taxable Governmental Bonds.** Most of the provisions of this Policy, other than the provisions of Section 5, are not applicable to governmental bonds the interest on which is includable in gross income for federal income tax purposes (except for BABs, which are treated in most respects as governmental bonds for the purposes of this Policy). On the other hand, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, issue of taxable governmental bonds shall be treated as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. Advice of Bond Counsel shall be sought as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental bonds.

B. Tax-Exempt Governmental Bonds

The County of Anoka, Minnesota (the “County”) issues tax-exempt governmental bonds to finance capital improvements. As an issuer of tax-exempt governmental bonds, the County is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, impose record retention requirements on the County with respect to its tax-exempt governmental bonds. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (the “Policy”) has been approved and adopted by the County to ensure that the County complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

1. **Effective Date and Term.** The effective date of this Policy for the County is the date of approval by the Board of Commissioners of the County (the “County Commissioners”), December 13, 2011. This Policy shall remain in effect until superseded or terminated by action of the County Commissioners. The County previously adopted post-issuance policies or taxable bonds issued under the American Recovery and Reinvestment Act and this Policy is intended to be supplementary thereto and relate to the County’s tax-exempt bonds.
2. **Responsible Parties.** The Division Manager, Finance and Central Services Division (the “Finance Officer”) shall be the party primarily responsible for ensuring that the County successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Finance Officer will be assisted by other County staff, as applicable, and officials when appropriate. The Finance Officer will also be assisted in carrying out post-issuance compliance requirements by the following organizations:

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- a. Bond Counsel (the law firm primarily responsible for providing bond counsel services for the County);
- b. Financial Advisor (the organization primarily responsible for providing financial advisor services to the County);
- c. Paying Agent (the person, organization, or County officer primarily responsible for providing paying agent services for the County); and
- d. Rebate Analyst (the organization primarily responsible for providing rebate analyst services for the County).

The Finance Officer shall be responsible for assigning post-issuance compliance responsibilities to members of the other staff of the County, Bond Counsel, Paying Agent, and Rebate Analyst. The Finance Officer shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of the County. The Finance Officer shall provide training and educational resources to the County staff that are responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.

3. Post-Issuance Compliance Actions. County staff shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the County with respect to each issue of tax-exempt governmental bonds issued by the County:
 - a. Prepare a transcript of principal documents (this action will be the primary responsibility of Bond Counsel).
 - b. File with the Internal Revenue Service (the “IRS”), within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G (this action will be the primary responsibility of Bond Counsel).
 - c. As necessary, prepare an “allocation memorandum” for each issue of tax-exempt governmental bonds in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds to expenditures not later than the earlier of:
 - i. eighteen (18) months after the later of (A) the date the expenditure is paid, or (B) the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - ii. the date sixty (60) days after the earlier of (A) the fifth anniversary of the issue date of the tax-exempt bond issue, or (B) the date sixty (60) days after the retirement of the tax-exempt bond issue.

Preparation of the allocation memorandum will be the primary responsibility of the Finance Officer (in consultation with the Financial Advisor and Bond Counsel).

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- d. County staff, in consultation with Bond Counsel, shall identify proceeds of tax-exempt governmental bonds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted.
 - e. In consultation with Bond Counsel, County staff shall determine whether the County is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of tax-exempt governmental bonds. In consultation with Bond Counsel, the Finance Officer shall determine, with respect to each issue of tax-exempt governmental bonds of the County, whether the County is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Finance Officer shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds of the County and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds. If a rebate payment is required to be paid by the County, the Finance Officer shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the County is authorized to recover a rebate payment previously paid, the Finance Officer shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.
4. Procedures for Monitoring, Verification, and Inspections. The Finance Officer shall institute such procedures as the Finance Officer shall deem necessary and appropriate to monitor the use of the proceeds of tax-exempt governmental bonds issued by the County, to verify that certain post-issuance compliance actions have been taken by the County, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Finance Officer shall establish the following procedures:
- a. Monitor the use of the proceeds of tax-exempt governmental bonds to: (i) ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e); (ii) ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d); (iii) ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted; and (iv) determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

- b. Monitor the use of all bond-financed facilities in order to: (i) determine whether private business uses of bond-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and (ii) determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities. The Finance Officer shall provide training and educational resources to any County staff that have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities.
- c. Undertake the following with respect to each outstanding issue of tax-exempt governmental bonds of the County: (i) an annual review of the books and records maintained by the County with respect to such bonds; and (ii) an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by the Finance Officer with the assistance with any County staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

5. Record Retention Requirements. County staff shall collect and retain the following records with respect to each issue of tax-exempt governmental bonds of the County and with respect to the facilities financed with the proceeds of such bonds: (i) audited financial statements of the County; (ii) appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds; (iii) publications, brochures, and newspaper articles related to the bond financing; (iv) trustee or paying agent statements; (v) records of all investments and the gains (or losses) from such investments; (vi) paying agent or trustee statements regarding investments and investment earnings; (vii) reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds; (viii) allocations of proceeds to expenditures (including costs of issuance) and the dates and amounts of such expenditures (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures); (ix) contracts entered into for the construction, renovation, or purchase of bond-financed facilities; (x) an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property; (xi) records of the purchases and sales of bond-financed assets; (xii) private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments; (xiii) arbitrage rebate reports and records of rebate and yield reduction payments; (xiv) resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds; (xv) formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds; (xvi) relevant correspondence, including letters, faxes or emails, relating to such bonds; (xvii) documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue; (xviii) bidding of financial products for investment securities; (xix) copies of all Form 8038-Ts, Form 8038-Rs, and Form 8038-CPs filed with the IRS and any other forms or documents filed with the IRS; (xx) the transcript prepared with respect to such tax-exempt governmental bonds, including but not limited to (a) official statements, private placement documents, or other offering documents, (b) minutes and resolutions, orders, or ordinances or other similar authorization for the issuance of such bonds, and (c) certification of the issue price of such bonds; and (xxi) documents related to government grants associated with the construction, renovation, or purchase of bond-financed facilities.

The records collected shall be stored in any format deemed appropriate by the Finance Officer and shall be retained for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years. County staff shall also collect and retain reports of any IRS examination of the County or any of their bond financings.

6. Remedies. In consultation with Bond Counsel, the Finance Officer shall become acquainted with the remedial actions (including redemption or defeasance) under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the *de minimus* limits under Section 141(b)(1) of the Code. In consultation with Bond Counsel, the Finance Officer shall become acquainted with the Tax Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

7. Continuing Disclosure Obligations. In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the County has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (the “Continuing Disclosure Document”) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the County that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the County to assist the underwriters of the County’s bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”). The continuing disclosure obligations of the County are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Finance Officer is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.
8. Other Post-Issuance Actions. If, in consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, the County Administrator, the County Attorney, or the County Commission, the Finance Officer determines that any additional action not identified in this Policy must be taken by County staff to ensure the continuing tax-exempt status of any issue of governmental bonds of the County, the Finance Officer shall take such action if the Finance Officer has the authority to do so. If, after consultation with Bond Counsel, Financial Advisor, Paying Agent, Rebate Analyst, the County Administrator, the County Attorney, or the County Commission, the Finance Officer and the County Administrator determine that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the County, the Finance Officer shall recommend to the County Board that this Policy be so amended or supplemented.
9. Taxable Governmental Bonds. Most of the provisions of this Policy, other than the provisions of Section 7, are not applicable to governmental bonds the interest on which is includable in gross income for federal income tax purposes. On the other hand, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, the Finance Officer shall treat the issue of taxable governmental bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Finance Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental bonds.

S. Post-Issuance Compliance for Tax-Exempt Government Bonds and Build American Bonds (continued)

10. Qualified 501(c)(3) Bonds. If the County issues tax-exempt bonds to finance a facility to be owned by the County but which may be used, in whole or in substantial part, by a nongovernmental organization that is exempt from federal income taxation under Section 501(a) of the Code as a result of the application of Section 501(c)(3) of the Code (a “501(c)(3) Organization”), the County may elect to issue the bonds as “qualified 501(c)(3) bonds” the interest on which is exempt from federal income taxation under Sections 103 and 145 of the Code and applicable Treasury Regulations. Although such qualified 501(c)(3) bonds are not governmental bonds, at the election of the Finance Officer, for purposes of this Policy, the Finance Officer shall treat such issue of qualified 501(c)(3) bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such qualified 501(c)(3) bonds.

T. Guidelines for Issuance of County Bonds for Other Qualifying Organizations

1. GUIDELINE

This has been developed to guide the County when approached by Non-Government, Qualifying Tax-Exempt Organizations for issuance of Tax-Exempt Bonds or Taxable Bonds on their behalf with the expectation of procuring favorable financing for their Qualifying Organization.

It is the judgment of the County Board that tax exempt financing is to be used on a selective basis to encourage certain development that offers a benefit to the County as a whole, including significant employment and housing opportunities. It is the applicant's responsibility to demonstrate the benefit to the County, both in writing and at the required public hearing. The applicant should understand that although approval may have been granted by the County for the issuance of financing for a similar project or a similar debt structure that is not a basis upon which approval will be granted. Each application will be judged on the merits of the project as it relates to the public purposes of the Housing Act or the Industrial Development Act and the benefit to the County at the time the request for financing is being considered.

2. APPLICATION STANDARDS

Organizations desiring to seek county assistance for their project must meet minimum application requirements to receive consideration.

- a. Organizations must complete and file an application and request for consideration with the County for access and use of the County's Bonding Authority.
- b. Applicants should have significant ties to the county to be considered.
- c. Applicant's projects should not compete with other local jurisdictions, HRA organizations, etc...
- d. Bonding authority availability will be on a first come, first served basis to those applicants meeting the selection criteria.
- e. Projects must be compatible with the overall development plans and objectives of the city or township in which the project is located and comply with the zoning and land use regulations of such city or township.
- f. The applicant must select a qualified financial adviser or underwriter to assist the applicant in preparing all necessary application documents and materials. Applications must include a signed letter from a responsible financial institution indicating that the project is economically feasible and viable and stating that bonds can be successfully sold for the project or that an individual or institution intends to purchase all of the bonds. The applicant must receive approval from the appropriate state agencies, secure financing and commence construction within one year of the date of the resolution giving approval to the project or the housing program. Upon application, the Board may approve an extension of the approval.

T. Guidelines for Issuance of County Bonds for Other Qualifying Organizations (continued)

3. CRITERIA FOR CONSIDERATION OF QUALIFIED ORGANIZATIONS

Applications will be reviewed by the County to assess the quality and the viability of the applicant's proposed financing.

- a. During consideration for approval, the County will evaluate the merits of the requests for bond issuance and whether they may be in the best interests of the county.
- b. The County will retain a separate Bond Counsel and Financial Advisor to assist in the review of the application for issuance of bonds at the expense of the applicant.
- c. Review by the County will not guarantee acceptance of any or all potential qualifying financing proposals.
- d. The application for consideration must meet approval of the County Finance Committee before proceeding to the County Board, which will approve or decline participation in the project.

4. ADMINISTRATION OF COUNTY BONDING AUTHORITY

- a. The County will periodically evaluate internal requirements for financing to assure that favorable bonding capacity is retained for the County's use prior to release to requesting organizations.
- b. The first \$10 million in Bonding Authority in any one year, the maximum allowed annually for designation as "bank qualified", will generally be reserved for County Bonding purposes.
- c. To preserve the Bank Qualified Financing authority for the county, generally the county will consider issuing these types of conduit bonds after July 1st of each year, or when remaining bonding requirements for the county have been completed.
- d. If in any year bonds will not be issued for County purposes, the county then may consider reallocating the bank qualified designated bonding authority to Qualifying Organizations.

5. FINANCING REQUIREMENTS

- a. Approved applicants must meet minimum standards for issuance of bonds under the county's authority.
- b. The applicant must make application for a rating of this issue from a major rating agency and must achieve an investment grade rating of BBB- or greater.
- c. The Board will normally approve the refunding of a tax-exempt issue but only upon a showing by the applicant of (i) substantial debt service savings, (ii) the removal of bond covenants significantly impairing the financial feasibility of the project, or (iii) both (i) and (ii). In the case of refunding of bonds for which the administrative fee was originally paid in full, no new administrative fees are required; but the non-refundable application fee must be paid upon closing on the refunding bonds.
- d. Bond Issue sizes for Qualifying Organizations must exceed a lower limit of \$3,000,000.
- e. The applicant will use a Fiscal Agent of the County's choice to settle and administer the issue.

T. Guidelines for Issuance of County Bonds for Other Qualifying Organizations (continued)

6. DETERMINATION OF COUNTY ADMINISTRATIVE FEES

Contingent upon County Board approval, Qualifying Organizations must pay the County for any services rendered or expended and County Administrative Fees based on the issuance of the bonds as follows:

- a. A non-refundable application fee of \$3,000.00 shall be submitted with the application for consideration.
- b. A County Administrative Fee of **1/8th of 1%** annually of the outstanding principal for the life of the bond issue.
- c. The Qualifying Organization must pay a fee of \$3,000.00 for the assignment of any bank qualified debt to another organization.

7. RECOVERY OF COUNTY COSTS

- a. Any costs incurred by the County will be recovered at the time of settlement or through scheduled payments collected by the Fiscal Agent.
- b. Requesting organizations must pay for any County expenses for Bond Counsel, Financial Advisor and any similar costs related to any financing.
- c. The administrative fee is to be paid from proceeds of the Bonds or other sources on the date of issuance of the Bonds, or may be paid to the fiscal agent with each debt service payment.
- d. The applicant will be responsible for all costs associated with post issuance compliance monitoring, including the costs of the County in responding to any IRS or other legal inquiries regarding the tax exempt status of the bonds.



U. Procurement Card Policy



Removed – Refer to Section J Purchasing Policy

Generally, all county vehicles should be kept at the worksite and checked out each day by the employee. The County Board does allow limited exceptions to this policy when an individual is on call beyond their normal work day and must respond to emergency situations.

PROCEDURE

Employees taking home county vehicles must:

1. Have division manager and county administrator pre-approval.
2. Have their name and the vehicle they are assigned to on file with Risk Management. Any changes to this list must be reported immediately.
3. Be actively on call.
4. Keep the county vehicle parked at a government facility within Anoka County if they live outside the county boundary. (They would be expected to drive their own vehicle to the county line and pick up the county vehicle on the way to the emergency.)
5. Annually, a form will be sent out by Central Accounting. The employee must document all personal miles driven. This form is due October 31st.

1. Automobile Deductible Reimbursement

Elected Officials and County Employees may receive a maximum reimbursement outlined in this section for the repair of damage to a vehicle while operation of their private vehicles on County business under the following circumstances:

- a. The damage must have occurred while the employee was using the vehicle on County business. Normal commuting to and from a County facility and damages while parked in County parking lots are not included in this policy.
- b. The maximum reimbursement is \$500.00 or the limit of the deductible, whichever is lower.
- c. The accident must be reported to the employee's supervisor within 24 hours of its occurrence.
- d. The employee must cooperate fully with their insurance company to recover all reimbursement available, advise the County of their insurance company and assign to the County the right to recover from other parties the amount to be paid by the County.
- e. This right to reimbursement is without regard to relative fault of the parties.
- f. Payment will be made upon certification by the employee's department head to Risk Management that their claim has met the above standards.
- g. All claims will be reviewed by Risk Management.
- h. This policy does not relate to nicks, scratches, and other minor incidents such as would be incurred by the opening of a car door in the parking lot. What constitutes a collision or accident will be determined by Risk Management.

Appendix A

PROGRAM AREA

COUNTY GENERAL SERVICES

- Management Appropriations
- Regional Associations
- County Administration
- Miscellaneous Appropriations
- Human Resources
- Public Information
- Internal Auditor
- Diversity Coordinator
- Minnesota Extension Services
- Community Development
- Intergovernmental Relations
- Veterans Services
- Central Communications

FINANCE & CENTRAL SERVICES

- Leasehold Buildings
- Facilities Management & Construction
- Central Services
- Accounting
- Budget
- Human Services Accounting
- Information Technology

PROPERTY RECORDS & TAXATION

- Election Services
- Vital Statistics

STATUTORY OFFICES

- County Attorney
- Court Administration
- Court Appointed Attorneys
- Sheriff

TRANSPORTATION

- Highway
- Surveyor
- Geographic Information System
- Transit & Volunteer Transportation

PARKS & COMMUNITY SERVICES

- Parks & Recreation
- Wave Pool
- Golf Course
- Integrated Waste Management
- License Bureau

HUMAN SERVICES

- Economic Assistance
- Social Services
- Mental Health Services
- Senior Services
- Community Health & Environmental Services
- Community Corrections
- Job Training Center
- Coroner

LIBRARY SERVICES

- County Library
- Law Library

Appendix B

A Partial Checklist of Good Practices For Government Cash Collections*

- _____ Know and follow your own department's particular procedures for cash as identified below. Refer questions to the responsible person.
- _____ Limit the chain of custody for handling money to minimum number of persons required.
- _____ Separate duties between two or more persons in the custody (cashier) and accounting (bookkeeping) for cash.
- _____ If separation is impractical then increase monitoring by supervision, personnel rotation, or results monitoring.
- _____ Prepare a pre-numbered receipt for money received and account for the sequence of numbers.
- _____ If a receipt is voided retain original and all copies in the receipt book.
- _____ Make daily bank deposits of money collected and balance to receipt book entries for that day.
- _____ Do not cash a check for someone from currency collected but not yet deposited.
- _____ Always offer a receipt to the person paying money. Establish a uniform procedure for handling refused receipts.
- _____ Except as needed to keep official records, avoid publishing or otherwise disclosing how much money is handled.
- _____ Vary the times and occasionally the routes for taking money to the bank.
- _____ When counting/transporting money, avoid making it obvious. Place the contents in an unmarked carrying case.
- _____ Scan incoming checks for unusual patterns, especially if a refund is due, and inform your supervisor of concerns.
- _____ Scan incoming large currency dominations for possibility of counterfeiting.
- _____ Payment overages should not be returned until the check is validated as collected.
- _____ Responsible personnel should establish a supervisory plan for cash receipt activities.
- _____ Deposit preparation steps – sorting, counting and listing – are done out of sight.
- _____ Money collected, in any circumstance, is secured or locked even if the custodian is temporarily away.
- _____ Whenever practical, receipts given to the public should be electronically time stamped.
- _____ At least annually, review your experiences and this checklist to help ensure adherence to good practices.

* These are customary practices designed for general use and do not take precedence over established department procedures. To be fully successful, additional changes to the checklist may be necessary.

Appendix C

GOVERNMENT FINANCE OFFICERS ASSOCIATION CODE OF PROFESSIONAL ETHICS

The Government Finance Officers Association of the United States and Canada is a professional organization of public officials united to enhance and promote the professional management of government financial resources by identifying, developing and advancing fiscal strategies, policies and practices for the public benefit.

To further these objectives, all government finance officers are enjoined to adhere to legal, moral and professional standards of conduct in the fulfillment of their professional responsibilities. Standards of professional conduct as set forth in the code are promulgated in order to enhance the performance of all persons engaged in public finance.

1. Personal Standards

Government finance officers shall demonstrate and be dedicated to the highest ideals of honor and integrity in all public and personal relationships to merit respect, trust and confidence of governing officials, other public officials, employees and of the public.

- a. They shall devote their time, skills and energies to their office both independently and in cooperation with other professionals.
- b. They shall abide by approved professional practices and recommended standards.

2. Government finance officers shall recognize and be accountable for their responsibilities as officials in the public sector.

- a. They shall be sensible and responsive to the rights of the public and its changing needs.
- b. They shall strive to provide the highest quality of performance and counsel.
- c. They shall exercise prudence and integrity in the management of funds in their custody and in all financial transactions.
- d. They shall uphold both the letter and the spirit of the constitution, legislation and regulations governing their actions and report violations if the law to the appropriate authorities.

3. Government finance officers shall be responsible for maintaining their own competence, for enhancing the competence of their colleagues, and for providing encouragement to those seeking to enter the field of government finance. Finance officers shall promote excellence in the public service.

4. Government finance officers shall demonstrate professional integrity in the issuance and management of information.

- a. They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains any misstatement or which omits any material fact.
- b. They shall prepare and present statements and financial information pursuant to applicable law and generally accepted practices and guidelines.
- c. They shall respect and protect privileged information to which they have access to by virtue of their office.
- d. They shall be sensitive and responsible to inquiries from the public and the media, within the framework of state or local government policy.

Appendix C (continued)

GOVERNMENT FINANCE OFFICERS ASSOCIATION CODE OF PROFESSIONAL ETHICS

5. Government finance officers shall act with honor, integrity and virtue in all professional relationships.
 - a. They shall exhibit loyalty and trust in the affairs and interests the government they serve, within the confines of this Code of Ethics.
 - b. They shall not knowingly be a part to or condone any illegal or improper activity.
 - c. They shall respect the rights, responsibilities and integrity of their colleagues and other public officials with whom they work and associate.
 - d. They shall manage all matters of personnel within the scope of their authority so that fairness and impartiality govern their decisions.
 - e. They shall promote equal employment opportunities, and in doing so, oppose any discrimination, harassment or other unfair practices.

6. Government finance officer shall actively avoid the appearance of or the fact of conflicting interests.
 - a. They shall discharge their duties without favor and shall refrain from engaging in any outside matters of financial or personal interest incompatible with the impartial and objective performance of their duties.
 - b. They shall not, directly or indirectly, seek or accept personal gain which would influence, or appear to influence, the conduct of their officials.
 - c. They shall not use public property or resources for personal political gain.

Appendix D

NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING CODES OF ETHICS

The Institute believes, and it is a condition of membership, that the following ethical principles should govern the conduct of every person employed by a public sector procurement or material management organization.

- Seeks or accepts a position as head or employee only when fully in accord with professional principles applicable thereto, and when confident of possessing the qualifications to serve under those principals to the advantage of the employing organization.
- Believes in the dignity and worth of the service rendered by the organization and the societal responsibilities assumed as a trusted public servant.
- Is governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.
- Believes that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.
- Identifies and eliminates participation of any individual in operational situations where a conflict of interest may be involved.
- Believes that members of the Institute and its staff should at no time or under any circumstances accept directly or indirectly, gifts, gratuities, or other things of value from suppliers which might influence or appear to influence purchasing decisions.
- Keeps the governmental organization informed, through appropriate channels, on problems and progress of applicable operations by emphasizing the importance of facts.
- Resists encroachment on control of personnel in order to preserve integrity as a professional manager. Handles all personnel matters on a merit basis. Politics, religion, ethnicity, gender and age carry no weight in personnel administration in the agency being directed or served
- Seeks or dispenses no personal favors. Handles each administrative problem objectively and emphatically, without discrimination.
- Subscribes to and supports the professional aims and objectives of the National Institute of Governmental Purchasing, Inc.

Appendix E



COUNTY OF ANOKA

Office of the County Board of Commissioners

GOVERNMENT CENTER
2100 3rd Avenue · Anoka, Minnesota 55303-2489
(612) 323-5680

May 25, 1995

JIM A. KORDIAK
County Commissioner
District #4

MEMO TO: Elected Officials, Division Managers, Department Heads, Unit Heads
FROM: Commissioner Jim Kordiak
SUBJECT: Requests for Grant Funds & Non-Budgeted Staff Guidelines

Finally, after several discussions, drafts, changes and memos the County Board is putting in place the procedures and forms attached. Thank you for your input. I have incorporated several of your suggestions, the most notable of which are:

1. The following statement was added to the procedures: "Grants that have been received for over five years and do not have any contingent employees funded from such grants are exempted from this grant submission process, even if the grant is for more than \$50,000."

This change recognizes some of the long term grants of the Job Training Center and the County Attorney's Office, as well as other departments.

2. The sequential order of items A-T was changed to be more "user friendly" for those departments requesting potential grant approval. No substantive changes were made in items A-T.

The appropriate enclosed forms and procedures should be used on and after June 1, 1995.

After a few months of utilizing these procedures and forms I am willing to "fine tune" this process so that it works for all concerned parties.

Please continue to forward your questions or comments to Ron Welde for future consideration.

Thanks for your cooperation in this new procedure.


Jim Kordiak

JK,pd
Enclosures

cc: Anoka County Commissioners

FAX: 323-5682

Affirmative Action / Equal Opportunity Employer

TDD/TTY 323-5289



Appendix E (continued)



COUNTY OF ANOKA

Office of the County Board of Commissioners

GOVERNMENT CENTER
2100 3rd Avenue Anoka, Minnesota 55303-2489
(612) 323-5680

May 25, 1995

MEMO TO: Elected Officials, Division Managers, Department Heads, Unit Heads

FROM: Anoka County Board of Commissioners

SUBJECT: Potential Grant Funding and Non-Budgeted Staffing Requests Guidelines

In order to assist the County Board in determining which grants we want to pursue and in regard to new positions requested to be created outside the budget process, new procedures are being established.

Effective June 1, 1995, the County Board is requesting, for potential grants* of \$50,000 or more or for grants which result in any new staffing expectations, the following information, which is necessary prior to any formalized application for funding being submitted

A. Anoka County department/division	H. New or expansion of existing program	O. Space, phone, administrative costs (reimbursable)
B. Name of potential grant	I. Funding sources	P. Estimated costs to prepare grant application
C. Mandated or non-mandated	J. Likelihood of continued funding	Q. Benefit/value of the grant in relation to current services provided
D. Budgeted or non-budgeted	K. Replaces county tax dollars	R. Collaborative effort
E. Direct/indirect county funds required	L. Number and type of new positions and FTE's created (If so, complete non-budgeted staffing request form)	S. Ability to purchase services from another agency
F. Timeframe of grant	M. Equipment needed (include dollar estimates)	T. Any other relevant information
G. Grant renewal	N. Space estimates (square footage)	

* Grants that have been received for over five years and do not have any contingent employees funded from such grants are exempted from this grant submission process, even if the grant is for more than \$50,000

FAX. 323-5682

Affirmative Action / Equal Opportunity Employer

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Appendix E (continued)

May 25, 1995

Page 2

Also attached is a non-budgeted staffing request form for your use

The following outlines three different scenarios and gives you some guidance

- 1 If you are asking to seek such a grant that contains no new positions, please just complete Questions A through T of the grant funding information and submit the information to your committee of jurisdiction for consideration and recommendation to the County Board.
2. If you are asking to seek such a grant that does contain a new position(s), please complete Questions A through T and submit the information to your committee of jurisdiction for consideration and recommendation to the County Board (If you are later successful in acquiring the grant, please complete the non-budgeted staffing request form and include this completed form as you then follow your standard procedure through your committee of jurisdiction, Management Committee and County Board)
- 3 If you are not seeking a grant but are simply requesting the creation of a new position outside the budget process, complete only the non-budgeted staffing request form and submit it to your committee of jurisdiction and later to Ron Welde for Management Committee consideration.

Thank you for your cooperation with these new procedures. Please proceed accordingly

Appendix E (continued)

NON-BUDGETED STAFFING REQUEST

Division/Department: _____ Date: _____

Requested By: _____ Title: _____

Name of Grant, if any: _____

In accordance with County Board procedures regarding the creation of non-budgeted positions, please consider the following:

A. Type of non-budgeted position to be considered:

Permanent Position Limited Term

B. Source of funding:

Grant Funded
 Funded by additional revenue or fees
 Funding Sources
 _____ % Federal
 _____ % State
 _____ % County
 (Revenue Source: Property Tax / Fees, etc.)
 _____ % Other (explain) _____

C. Mandated Program.

Yes If yes, identify the source of the mandate _____
 No

D. New initiative.

Yes
 No Explanation _____

E. Please identify:

_____	Position title(s)	_____	Starting date
_____	FTEs	_____	Anticipated
			annualized salary

F. Rationale for position(s) - please answer the following questions.

1. Why is this position needed now?

Appendix E (continued)

2. What alternatives to additional staff have been considered?

3. If not approved, how do you intend to handle?

4. What is the benefit/value of this position?

5. How long is this funded for?

6. What is the likelihood of continued funding?

7. Costs in addition to salary and benefits?

Furniture and Equipment \$ _____
Space _____
Other _____
Total _____

Does the grant permit any of these space, telephone and other administrative costs to be paid for by the grant?

8. Other information to assist in decision-making.

— — — —