

# *City of Cottonwood*

## *Financial Operations Guide*



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I. Policy

The purpose of this manual is to set forth those policies and procedures established to govern and to implement all aspects of fiscal policy and financial management related to the City of Cottonwood. The general purpose of this document is to provide a working guide to established financial policies and procedures.

II. Responsibilities

The underlying philosophy is that the City Manager is charged with implementing the financial policies of the City Council. It shall further be both the policy and procedure of the City of Cottonwood that all matters discussed herein shall be carried out within applicable laws and regulations and within generally recognized principles of good financial management and accounting.

III. Amendments

This document is prepared in section, by subject, with the intention of revision. The top right hand corner of each page will reflect the most recent revision to this manual, and the effective date of such revision.

IV. For all practical purposes, the City Manager and General Managers may have assigned designees to assist them in the authorization and management of the Financial Operations Guide policies.

V. Comments/Clarification of Policy

For any comments regarding this policy manual or any questions requiring a clarification of a policy or procedure, please address all such questions to the City's Administrative Services General Manager.

I. Policy

Original authority for placing an employee on the payroll, to execute any change of status, or for removal from the payroll is a properly executed "Personnel Action Form". (FOG IIa)

II. Records

A file will be maintained for each employee, which contains all Personnel Action Forms along with all authorization for payroll deductions.

Records of hours paid, wages earned, and all deductions will be shown on the stub of the paycheck. Calendar "Year to Date" records will also appear on the paycheck stub.

III. Pay Periods

On January 1, 1987, the City of Cottonwood converted from a semi-monthly to a bi-weekly pay period. A Sunday through Saturday work period was established for all personnel with the exception of Firefighters. Firefighters' work periods will be established by departmental policy and in compliance with the Fair Labor Standards Act (FLSA). All City employees' overtime will be calculated in compliance with the Fair Labor Standards Act. Police Officers' overtime will be in compliance with Arizona Revised Statutes.

IV. Department Time Sheets

All General Managers and Public Safety Chiefs are required to submit a record of hours worked for all employees under their supervision. The time sheet must be completed and signed by a General Manager, Public Safety Chief, or delegate. The time sheet is authorization by a General Manager to expend funds for their employees. (FOG IIb)

Time sheets are due by 2:00 p.m. on Monday following the close of the pay period or an occasional earlier date due to a short work week. If an earlier date is necessary, the Finance Department will provide the necessary deadline to follow.

The time sheet is the source document for recording all leave taken, compensatory hours earned and hours worked by an employee.

When completing the time sheet, please assign a numerical figure for the actual hours worked in a fund for each day within the pay period

(example: employee works two hours and goes home sick for the remainder of the day (2/S)).

Please use the summary section provided on the time sheet for all types of leave. Please use the time off codes provided on the time sheet and include a brief comment within the remarks section, if necessary.

Example: Jane Doe - family death (grandmother)

Each employee is required to complete and sign an individual time sheet. These time sheets must be attached to the department time sheet and submitted each pay period.

V. Employee Time Sheets

Each employee is required to complete and sign an individual time sheet for his or her hours declared for each pay period. The time sheet is the source document for recording all hours worked and all leave taken by the employee

- Non-exempt Time Sheet (FOG IIc)
- Exempt Time Sheet (FOG IId)

When completing the time sheet, please assign a numerical figure for the actual hours worked each day within the pay period and within a department (example: employee works two hours and goes home sick for the remainder of the day (2/S)).

Please use the summary section provided on the time sheet for any type of leave. Please use the time off codes provided on the time sheet and include a brief comment within the remarks section, if necessary.

Example: Jane Doe - family death (grandmother)

**CITY OF COTTONWOOD  
PERSONNEL ACTION FORM**

EMPLOYEE NAME: \_\_\_\_\_ EMPLOYEE #: \_\_\_\_\_

EMPLOYEE ADDRESS: \_\_\_\_\_

HOME DEPARTMENT: \_\_\_\_\_

**TYPE OF ACTION**

**CURRENT INFORMATION**

Temporary Appointment	<input type="checkbox"/>	Job Title:	Range:
Probationary Appointment	<input type="checkbox"/>	Department:	
Permanent Appointment	<input type="checkbox"/>	Annual:	Compa-Ratio:
Merit Increase	<input type="checkbox"/>		

**NEW INFORMATION**

Transfer	<input type="checkbox"/>		
Promotion	<input type="checkbox"/>	Job Title:	Range:
Readjustment	<input type="checkbox"/>	Department:	
Reclassification	<input type="checkbox"/>	Annual:	Compa-Ratio:
Demotion	<input type="checkbox"/>	Monthly:	Range Min:
Suspension	<input type="checkbox"/>	Bi-Weekly:	Range Mid:
Leave of absence	<input type="checkbox"/>	Hourly:	Range Max:

Retirement  \_\_\_\_\_

Compensation Adjustment  Hours of payable accrued time due employee. \_\_\_\_\_

Voluntary Termination  Did employee leave in good standing? \_\_\_\_\_

Dismissal (specify below)  Yes \_\_\_\_\_ No \_\_\_\_\_

Other (specify below)  Exit interview date: \_\_\_\_\_

3% Annual Merit Increase \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Effective Date: \_\_\_\_\_

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

Supervisors Signature: \_\_\_\_\_

City Manager Signature: \_\_\_\_\_

Personnel Director Signature: \_\_\_\_\_



## City of Cottonwood - Indirect Costing Time Sheet

<i>EMPLOYEE (Please Print)</i>									<i>Department</i>									
INDIRECT COST HOURS									From:	7/5/2009			To:	7/18/2009				
DATE		GEN-01	HURF-02 STREETS	Library -03	Cemetery-04	Airport -05	WW -06	Water -16	TOTAL HOURS WORKED	OTHER USED*	ON-CALL PAY	HOLIDAY PAY	TOTAL	PAY	COMP	PAY	COMP	
S	7/5								-				-					
M	7/6								-				-					
T	7/7								-				-					
W	7/8								-				1.5	1.5	1	1		
T	7/9								-				-					
F	7/10								-				-					
S	7/11								-				-					
WEEKLY TOTAL		Enter hours worked in each fund and they will sum into total hours worked							-	-	-	-	-	-	-	-	-	-
S	7/12								-				-					
M	7/13								-				-					
T	7/14								-				-					
W	7/15								-				1.5	1.5	1	1		
T	7/16								-				-					
F	7/17								-				-					
S	7/18								-				-					
WEEKLY TOTAL		Enter hours worked in each fund and they will sum into total hours worked							-	-	-	-	-	-	-	-	-	-

**\*PAID TIME OFF CODES**

S - Sick Time	A - Administrative Leave	J - Jury Duty/Subpoena
V - Vacation Time	B - Float Day	FLMA - Family and Medical Leave Act
I - Industrial Leave	H - Holiday	F - Family Death (State Relationship in Remarks)
C - Comp Time	M - Military	STD - Short Term Disability

**OVERTIME DETAIL**

Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_  
 Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_  
 Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_ Date \_\_\_\_\_ Reason \_\_\_\_\_

**REMARKS**

\_\_\_\_\_  
EMPLOYEE SIGNATURE

\_\_\_\_\_  
SUPERVISORS SIGNATURE

**\*\*OVERTIME CALCULATION\*\***

The City has established a seven day work period (Sunday 12:00 a.m. thru Saturday 12:00 p.m.). Overtime pay and compensatory time off will be calculated at one and one half times the regular rate of pay (hourly) for any time physically worked over 40 hours in the designated 7 day work period (work week). When an employee is off on paid leave time, such as sick leave, holiday or vacation time, jury leave, etc., and the employee is completely relieved of all duties, such time is not hours worked for purposes of calculating overtime.

**City of Cottonwood**

**Exempt Employee Leave Sheet  
With Indirect Costing Tracking**

EMPLOYEE (Please Print) \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

Bi-Weekly period Start Date	7/5/2009				End Date:	7/18/2009							
<b>Leave Used</b>					<b>Fund Indirect Cost Breakdown</b>								
Date	Code	Hours	Code	Hours	General -01	Hurf-02 Streets	Library-03	Cemetery-04	Airport -05	Waste Water-06	Water-16	Other *	
7/6/2009													
7/7/2009													
7/8/2009													
7/9/2009													
7/10/2009													
7/13/2009													
7/14/2009													
7/15/2009													
7/16/2009													
7/17/2009													

**PAID TIME OFF CODES**

S Sick Time	M Military	J Jury Duty/Subpoena	FMLA Family Medical Leave
V Vacation Time	I Industrial Leave	F Family Death	LWOP Leave W/O Pay
C Comp Time	B Float Day	(State Relationship in Remarks)	STD Short Term Disability
H Holiday	A Administrative Leave		

REMARKS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EMPLOYEE SIGNATURE \_\_\_\_\_

SUPERVISORS SIGNATURE \_\_\_\_\_

SUBJECT: TRAVEL POLICY

I. Policy

The policy of the City of Cottonwood is to encourage training opportunities for employees and supervisors so that their services rendered to the City shall be made more effective, and that employees may become, at the same time, qualified for promotion to higher level positions. The General Managers, supervisors, and the Administrative Services General Manager, consistent with the budget and this policy, shall authorize attendance at conferences, seminars, meetings and conventions that directly benefit the City of Cottonwood.

II. Eligible Individuals

- A. City employees – classified, part-time classified and non-classified employees
- B. Others – Members of boards, commissions, authorities, Council members and committees who are not employees of the City yet serve the City as members on these boards, commissions, authorities, councils and committees.

III. General Travel Principles – The City shall authorize employee travel in accordance to the following principles:

- A. All City travel arrangements should reflect an understanding of the City of Cottonwood Travel Policy.
- B. Travel is usually warranted when personal contact is the most effective and economical method of conducting official City business.
- C. Employees may attend educational or training seminars if funds for that purpose are available and such training is directly job related.
- D. Employees receiving a monthly car allowance are to use their personal vehicle and will not be allowed to use a City unit or receive mileage reimbursement.
- E. The most economical method of transportation shall be selected in terms of expense to the City and the employee's time away from the office.
- F. Employee travel is conducted according to the City Travel Policy **regardless of funding source.**
- G. Shared lodging and transportation is encouraged, wherever possible. Non-shared lodging and transportation requires approval of the department head.
- H. Any travel claims shall be submitted to the Administrative Services General Manager within five (5) days after the end of the trip.

IV. Procedure

Employees desiring to attend schools, conferences, conventions, seminars, and other official meetings, shall submit a Travel Authorization/Compensation/Reimbursement Form (TACRF) (FOG IIIa), along with all the required documentation, to the Administrative Services General Manager, **not later than ten (10) working days** prior to the date that travel for such schooling or training is to commence.

The TACRF shall depict all the anticipated expenditures and documentation. Quotes for lodging, registration forms, meeting itineraries or agendas, shall be attached to the TACRF. All forms shall be printed or typed and completed in their entirety and submitted to the Administrative Services General Manager for review and authorization within the previously mentioned time frame. No training outside the local area for which compensation is requested shall be authorized, nor will compensation be made, unless the TACRF has been completed and authorized by the appropriate General Manager and Administrative Services General Manager prior to departure as provided herein.

Subsistence expenses, such as lodging for official trips, shall be compensated on the basis of the actual expenses incurred for the lowest reasonable comparative rates. Meals shall be based on the per-diem schedule listed on page 4 of 7 of this section.

V. Travel Compensation Guidelines

- A. Tips and other gratuities for all meals are included in the per diem.
- B. The City shall compensate expenses only when the expenses are incurred during the performance of official duties of the City employee and for the City's benefit.
- C. Subsistence will not be permitted when the training received is for the direct benefit of the employee.
- D. Only those costs requested on the TACRF authorized by the appropriate General Manager and the Administrative Services General Manager will be approved for compensation.
- E. Employees having questions concerning subsistence and travel allowance should obtain a determination from the Administrative Services General Manager when completing the TACRF.
- F. An employee on City travel status who extends the travel for his/her own convenience or enjoyment when such is not required by the City, will not be entitled to the allowance for that/those meal(s) or if applicable, lodging.
- G. The department head shall approve or disapprove the TACRF.

- H. If approved, the employee requesting travel funding shall submit a “Check Needed Form”(Form IVc) for each request (per-diem, lodging, registration), along with a copy of the TACRF to the Finance Division for preparation of a voucher.

VI. Lodging and Meal Per-Diem

- A. Lodging - the following policy is to be utilized by eligible individuals who are contemplating traveling on City business.

1. Eligibility

- a. Employee must be on authorized travel status.
- b. Travel must be outside a 50-mile radius of the corporate City limits and a multi-day event.
- c. Lodging must be at a commercial establishment.
- d. Employee is required to submit three (3) quotes for lodging in the general area if the recommended block of reserved rooms cost over \$90.
- e. Employee is required to request the lowest available rate, traditionally being governmental.

2. Documentation

- a. The commercial establishment’s original receipt is required.
- b. Lodging receipts must be itemized.
- c. It is the employee’s responsibility to submit lodging receipts to the Finance Department within five (5) days of returning from training.
- d. Employees found not submitting lodging receipt will have their future travel requests rejected.
- e. If original lodging receipt is lost or destroyed:
  - 1) A photocopy may be submitted with the statement “Treat as the Original.”
  - 2) The employee and the department head must sign the photocopy.
  - 3) If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the payment of the lodging may be used.

B. Meals and Incidental Expenses (M&IE) - Per Diem

1. Eligibility

- a. Employee must be on authorized travel status.
- b. Travel must be outside a 50-mile radius of the corporate City limits.
- c. An overnight stay is required.

2. Documentation – Compensation is based on the established per-diem rate on page 4 of 7 and no receipts are required.

3. Meal Allowances (**only if overnight stay is required**)
  - a. Breakfast – Is allowable when travel commences on or before 6:00 a.m. and the traveler’s normal workday is extended by two (2) hours.
  - b. Lunch – Is allowable if the traveler is in travel status for a period of six (6) hours or more and travel commences on or before 11:00 a.m. and ends on or after 2:00 p.m. and the travel is outside the 20-mile radius from the corporate City limits. Traveler must indicate the time and place travel begins and ends.
  - c. Dinner – Is allowable when travel extends to 7:00 p.m. or beyond and the traveler extended his/her normal workday by three (3) hours or when the traveler leaves for overnight travel on or before 6:00 p.m.
  
4. Meals Provided
  - a. The traveler is not entitled to a meal allowance for meals provided at the conference, seminar or lodging sight.
  - b. If a special meal is required due to dietary restrictions related to illness or a bona fied medical condition, notice must be given in writing at the time of compensation request.
  
- C. Day Travel Rates (only if overnight stay is required)

Breakfast Meal	\$7.00
Luncheon Meal	\$11.00
Dinner Meal	\$18.00
  
- D. Travel (Overnight Stay)

Depart Cottonwood on or prior to 6:00 a.m.	\$36.00
Depart Cottonwood prior to 11:00 a.m.	\$29.00
Depart Cottonwood after 11:30 a.m.	\$18.00
Lodging - As approved by the appropriate General Manager and Administrative Services General Manager in accordance to the lodging policy.	

When returning to Cottonwood, the day travel rates (per diem) will be in effect.

VIII. Transportation

Compensation will be made only for the method of transportation, which is in the best interest of the City considering travel expense, vehicle condition as well as the employee's time. When more than one employee uses the same motor vehicle, only one (1) claim for mileage compensation will be allowed.

All transportation shall be authorized by the appropriate General Manager and Administrative Services General Manager prior to use of any vehicles (city owned, rental, or personal). Inclusive, a valid Arizona driver's license is required if the employee is driving a City, personal or rental unit and on City business. It is the employee's responsibility to maintain a valid driver's license and report any changes to his/her supervisor.

A. Requirement for using City owned vehicle

1. Vehicle Reservation – each department shall reserve a pool vehicle with the City Clerk at least 24 hours before needed.
2. Reporting – pool vehicles require that all pertinent information be provided in the vehicle log, including name of user, beginning and ending mileage, total miles traveled, and fuel level.
3. Returning of pool vehicle – fuel level must be full upon return from an out of town trip and any problems or incidents with the vehicle must be reported to the City Clerk. The vehicle shall be returned in a clean state (all soda cans, paper & trash shall be removed). Any necessary cleaning costs will be charged to the last department using the pooled vehicle according to the log book.

B. Requirement for using rental vehicle

1. Vehicle Reservation – reservations must be placed with a vehicle rental establishment, according to their reservation requirements.
  - a. Vehicle to be used for City travel must be a compact vehicle.
  - b. Reservation of any other rental vehicle must be pre-approved by the appropriate General Manager and Administrative Services General Manager prior to the reservation of the vehicle.
2. Reporting
  - a. The commercial establishment's original receipt is required.
  - b. Rental receipts must be itemized.
  - c. If original rental receipt is lost or destroyed:
    - 1) A photocopy may be submitted with the statement "Treat as the Original."
    - 2) The employee and the department head must sign the photocopy.  
If a photocopy is not available and cannot be obtained from the commercial establishment, then a canceled check or credit card receipt showing the payment of the rental may be used.

C. Requirement for using personal vehicle

1. Current Vehicle Insurance - liability insurance coverage with a minimum coverage of \$15,000 per person and \$30,000 per accident per Bodily Injury, and \$10,000 per accident for Property Damage.
  - a. If a traveler using a privately owned vehicle is involved in an accident and found to be at fault, his/her liability insurance carrier is responsible to the limits of the policy. If the amount exceeds that coverage, the City's insurance will, at the time, cover the amount over the policy limits if the traveler was acting within the course and scope of their employment.
  - b. If a traveler driving a privately owned vehicle on City business is involved in an accident, regardless of fault, the City will not reimburse for any physical damage to the motor vehicle.
2. Compensation Basis
  - a. Compensation is based on "Map Mileage" using official state highway maps or mapping programs.
  - b. Beginning address and ending location address must be submitted for compensation.
    - (1) Beginning address shall be the employee's primary work location.
    - (2) For Council, board or committee members, the City Hall location at 827 N. Main St. will be used as the beginning address.
    - (3) Ending address will be the training/meeting address or lodging address.
    - (4) Mileage between lodging and meeting location will not be compensated.
  - c. Compensation will be made using the most direct route.
  - d. Mileage compensation shall be at the rate provided by the Internal Revenue Service (I.R.S.). Please refer to the I.R.S. website for rate. This rate includes all travel and maintenance expenses of the vehicle.

IX. Miscellaneous Travel Issues

A. Communication Expense

1. Business communication charges, including faxes and copies, are reimbursable if documented by receipts.
2. Business calls are reimbursable and should be noted as such on the hotel receipt. The number called should be visible.
3. No personal calls will be reimbursed.

B. Extending Business Trips with Vacation Time

1. With the appropriate General Manager and Administrative Services General Manager's approval a traveler may extend a business trip using vacation time.

2. The City will cover the lodging, map mileage and per-diem for the period the traveler is conducting City business.
  3. Lodging will be covered at the single room rate.
  4. Additional costs will be borne by the traveler.
- C. Local Transportation, Tolls and Parking
1. Taxi, bus, and street car use is classified as local transportation and can be claimed with receipts.
  2. Claims for local transportation will not be allowed where the City provides for other transportation (city, personal or rental vehicle).
  3. Bridge and road tolls are reimbursable with receipts.
  4. Travelers must use the free or discounted parking when traveling on City business.
  5. Receipts are required for reimbursement of allowable parking fees.

**City of Cottonwood  
Travel Authorization / Compensation / Reimbursement Form**

This form is used to request travel authorization, compensation, and reimbursement. Please submit the completed form to the Finance Department at least 10 working days prior to the date funds are needed. All back up documentation should accompany this form.

Department _____	Date Prepared _____	Employee Name _____
<b>Date(s)</b>	/ /	/ /
Breakfast		
Lunch		
Dinner		
Incidentals		
Lodging * (attach 3 quotes, if over \$90)		
Miscellaneous Expenses (attach receipts)		
Map Miles @ USGSA rates		
Commercial Air Fare / Vehicle Rental		
Daily Total		

Total expenses \$ \_\_\_\_\_ Account number to charge: \_\_\_\_\_

List of employees included in compensation / reimbursement (if applicable)

\_\_\_\_\_

Destination and purpose of travel \_\_\_\_\_

Date & time of departure from City \_\_\_\_\_ Date & time of arrival to City \_\_\_\_\_  
(City Council, Board members, and Committee members should use the City Hall address; 827 N. Main St.)

Method of Transportation: (Please Check One or More)

City Owned Unit \_\_\_\_\_  
Rental Unit \_\_\_\_\_  
Airline \_\_\_\_\_  
Personal Vehicle \_\_\_\_\_  
Other (explain) \_\_\_\_\_

**Summary of Expenditures:**

Transportation \$ \_\_\_\_\_  
Food \$ \_\_\_\_\_  
Lodging (attach 3 quotes, if over \$90) \$ \_\_\_\_\_  
Registration (attach form showing agenda) \$ \_\_\_\_\_  
Other \$ \_\_\_\_\_  
Total \$ \_\_\_\_\_

**Mileage Information (if using personal vehicle):**

Start address \_\_\_\_\_ Ending Address \_\_\_\_\_ Map Miles \_\_\_\_\_

I, the undersigned, state that the above information is true and correct to the best of my knowledge and request authorization for travel and compensation.

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

**Travel Request Approval:**

**Compensation and Release of Funds Authorization:**

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

Reviewed by Finance: \_\_\_\_\_

Meal Per-Diem Rates (only for overnight travel)		
Meal	Departure Prior to	Amount
Breakfast	6:00 a.m.	\$7.00
Lunch	11:00 a.m.	\$11.00
Dinner	11:30 a.m.	\$18.00
Daily Total		\$ 36.00

\* Receipts for lodging, commercial airfare and miscellaneous expenses must be attached to this form and returned to the Finance Department within five days of return. **It is the employee's responsibility for all necessary receipts and failure to do so shall jeopardize future travel needs.** Departure and arrival times from Cottonwood must be included in this form. Point to point location information is required, if using personal vehicle. Your signature and your Department Head's signature must be included before payment can be authorized. Meals provided at the hotel or the training location will not be reimbursed.

\*Training location rates begin the day after travel.

I. Purpose

To establish procedures by which City staff shall exercise their delegated authority to conduct and/or oversee certain solicitations, purchases, contracts and leases for goods, services, materials, supplies and equipment (including vehicles) with an estimated cost of up to \$50,000.00. For the purposes of this Procurement Policy, the term “services” means contracted services of every kind or nature, including but not limited to the services of licensed professionals (including engineers, architects, real estate professionals, geologists, hydrologists, accountants, health care professionals and attorneys); nonprofessional services; consulting services; facility, vehicle, and equipment repair and maintenance; and financial services.

II. Reservation of Council Authority; Applicability of State Law to Procurement of Most Construction and Construction-Related Services

The City Council shall approve all purchases and leases of real property, as well as procurements with an estimated cost of \$50,000.00 or more. Moreover, the procurement of most construction and construction-related services is governed by Title 34, Arizona Revised Statutes.

III. Designation of Procurement Officer

The Administrative Services General Manager shall serve as the City’s Procurement Officer, and may either exercise or delegate any authority granted to him or her by the City Council under the City Code, this Procurement Policy, or otherwise.

IV. Gratuities Prohibited

No City employee may seek or accept any gift, gratuity or anything of value in exchange for making any purchase or giving any preference in connection with the procurement of goods or services by or on behalf of the City.

V. Procedures

A. Solicitations, Purchases, Contracts and Leases up to \$5,000.00. The City Manager, General Managers, and designees may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of up to \$5,000.00 in the open market, in any manner deemed appropriate and advantageous to the City, including direct negotiation, contract and/or purchase.

B. Solicitations, Purchases, Contracts and Leases from \$5,000.00 to \$20,000.00. The City Manager and General Managers, and designees may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of more than \$5,000.00 but less than \$20,000.00 in any manner deemed appropriate and advantageous to the City, but which at a minimum provides for the consideration of at least three (3) oral bids, quotes or proposals, except as provided in Section VI below.

- C. Solicitations, Purchases, Contracts and Leases from \$20,000.00 to \$50,000.00. The City Manager and/or Administrative Services General Manager may solicit, contract for, procure or lease goods, services, supplies and equipment with an estimated cost of more than \$20,000.00 but less than \$50,000.00 in a manner deemed appropriate and advantageous to the City, but which at a minimum provides for the consideration of at least three (3) written bids, quotes or proposals, except as provided in Section VI below.
- D. Procurements Exceeding \$50,000.00. Except as provided in Section VI below, all purchases exceeding \$50,000.00 shall follow a publicly advertised request for sealed competitive bids, proposals, and/or statements of qualifications, which request shall be posted on the City's website (unless the website is not available, in which case the solicitation may proceed in the absence of website posting) and published in a newspaper of general circulation published in the City no less than ten (10) days before the deadline for submission of the bids, proposals or statements of qualifications.
- E. Standards for City Purchases of Generally Available Goods, Equipment, Materials and Supplies. In making comparisons between bids or quotes for generally available goods, equipment, materials and supplies, the contract shall be awarded to the lowest responsive and responsible bidder whose bid is deemed satisfactory to the City; provided, however, that the City in all cases retains the right to waive any minor informalities, errors, or omissions in bids; to reject any and all bids; to solicit additional bids; and to cancel and/or re-advertise any solicitation for bids prior to contract award.
- F. Standards for Awards of Contracts Following a Request for Proposals. For goods and services solicited through a Request for Proposals process, the award shall be made to the proposal deemed most advantageous to the City, with price being neither the sole nor necessarily the primary consideration.
- G. Consideration of Local Suppliers in the Procurement of Locally Available Goods, Equipment, Materials and Supplies. In conducting solicitations and procurements of locally available goods, equipment, materials and supplies, individuals conducting or overseeing such procurements on behalf of the City shall attempt to obtain at least one (1) bid or quote from a local supplier, and shall use the delivered cost of goods, equipment, materials and supplies when comparing bids or quotes to determine the lowest responsive and responsible bid.
- H. Change Orders for Contracts Over \$50,000.00. Once the City Council has approved a contract valued at more than \$50,000.00, the City Manager may authorize the purchase of additional goods or services under that contract in an amount not to exceed five percent (5%) of the original contract.

- I. Documentation and Record Keeping.
  1. Purchase Orders. All payments and expenditures in excess of \$5,000.00 shall be authorized by a Purchase Order signed by the Administrative Services General Manager. A written Purchase Order Request (Exhibit A) shall be submitted by the General Manager or designee responsible for the purchase. In cases where multiple bids or proposals were obtained prior to award, the Purchase Order Request shall include an identification of all vendors contacted (including name, address, phone number and person contacted) and a copy or description of their respective bids or proposals. Following receipt and approval of a Purchase Order Request, the Administrative Services General Manager or his/her designee shall prepare and distribute a Purchase Order (Exhibit B) and return two (2) copies to the requesting department, one (1) of which shall be forwarded by the requesting department to the vendor.
  2. Blanket Purchase Orders.
    - a. Departments may request blanket purchase order accounts with vendors whom they make recurring purchases for parts or materials. Blanket purchase orders are intended to provide convenience for departments having a requirement to purchase small expendable items in order to continue daily operations of the department. The purchase of capital items on blanket purchase orders shall be limited in scope. All capital items must be "budgeted equipment" and have prior approval of the Administrative Services General Manager or designee.
    - b. The Purchasing Officer or designee may, at his/her discretion, withdraw a blanket purchase order if, in his/her opinion, the use of said blanket purchase order is being abused or used improperly by a department.
    - c. Blanket purchase orders shall be for not more than a one fiscal year period. A new blanket purchase order will be initiated at the beginning of each fiscal year by the Purchasing Officer or designee. Blanket purchase orders for book purchases for the Library will also be for a fiscal year period.
    - d. All blanket purchase orders shall have a set dollar amount for control purposes.
    - e. All purchases from a blanket purchase order shall be followed up in the same manner as indicated for regular purchases.
  3. Check Needed Form. The Check Needed Form, attached as Exhibit C, may be used to request checks to pay for small (i.e., under \$500.00), one-time purchases for items such as subscriptions, memberships, and travel advances. All check needed forms shall be reviewed by the Administrative Services General Manager or his/her designee.

4. Petty Cash. The following Petty Cash Accounts are hereby authorized:

City Hall	\$100.00
Police Department	\$150.00
Utility Department	\$100.00
Public Works	\$100.00
Finance	\$250.00

- a. An explanation of the item purchased must appear on the Petty Cash Form, attached as Exhibit D, and must be supported by receipts.
- b. Petty cash expenditures shall not exceed \$20.00.
- c. Petty cash shall be randomly audited by the Finance Division on an annual basis, and the findings forwarded to the appropriate General Manager.

VI. Exceptions.

- A. Cooperative Purchasing/Government Contracts. Subject to the dollar amount thresholds set forth in subsections A through D above, the City Council, City Manager, general managers, and/or directors/department heads may purchase goods or services without competition under an existing contract or cooperative purchasing agreement administered by the United States (GSA), the State of Arizona, and/or one or more other Arizona public entities or cooperative purchasing units, including but not limited to S.A.V.E. and the Mohave Purchasing Cooperative.
- B. Sole Source Procurements. Products and services valued at less than \$50,000.00 may be procured without competition in cases where the City Manager or Administrative Services General Manager determines that the specific product or service is necessary or desirable for the City. Examples of permissible subjects of sole source procurement include advertising/publication services; public utilities; facility rental; machinery and equipment for which there is no reasonably comparable alternative; replacement parts for existing City equipment; contracts for additional work on the same project or related to work performed by an individual or firm under an existing contract; and special or unique qualifications of a specific individual or firm.
- C. Waiver by City Council. The City Council may waive any provision or requirement of this Procurement Policy upon a finding that doing so is in the best interests of the City. Circumstances justifying waiver include, but are not limited to situations in which timing/expediency is critical; special or unique qualifications of an individual, firm, vendor or item(s); the procurement of additional goods or services under an existing contract; or to comply with specific requirements of a gift or grant.

- D. Waiver by City Manager in Cases of Actual Emergency. In cases of actual emergency where the City Manager determines that the City Council cannot be convened quickly enough to prevent posing a risk to public health, safety, or property, the City Manager may make or authorize such expenditures as are reasonably necessary to protect the public health and safety, and property. In all such cases, the City Manager shall notify the Mayor and City Council of such expenditures or commitments under this subsection at the earliest possible time, and in no case more than 48 hours after making or authorizing any such expenditure.

**PURCHASE ORDER REQUEST**

DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_

DEPARTMENT HEAD: \_\_\_\_\_ BUDGET ACCT #: \_\_\_\_\_

To: Purchasing Agent: City of Cottonwood, Arizona

Request that authorization be given to purchase the following items from:

**COMPANY INFORMATION**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL PRICE

**FINANCE /PURCHASING ONLY:**

Approval: \_\_\_\_\_

P.O. # Issued: \_\_\_\_\_

Approval Date: \_\_\_\_\_



**CHECK NEEDED**

APPROVED: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

PAYABLE TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CHARGE TO: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CHECK NEEDED**

APPROVED: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

PAYABLE TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CHARGE TO: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CHECK NEEDED**

APPROVED: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

PAYABLE TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CHARGE TO: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CHECK NEEDED**

APPROVED: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

PAYABLE TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CHARGE TO: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PETTY CASH REIMBURSEMENT REQUEST**

Amount Requested: \_\_\_\_\_

Person Due Petty Cash: \_\_\_\_\_

Charge Account #: \_\_\_\_\_

Description of Item: \_\_\_\_\_

**DETACH HERE AND RETURN TO:**

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

**PETTY CASH REIMBURSEMENT REQUEST**

Amount Requested: \_\_\_\_\_

Person Due Petty Cash: \_\_\_\_\_

Charge Account #: \_\_\_\_\_

Description of Item: \_\_\_\_\_

**DETACH HERE AND RETURN TO:**

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

**PETTY CASH REIMBURSEMENT REQUEST**

Amount Requested: \_\_\_\_\_

Person Due Petty Cash: \_\_\_\_\_

Charge Account #: \_\_\_\_\_

Description of Item: \_\_\_\_\_

**DETACH HERE AND RETURN TO:**

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

**PETTY CASH REIMBURSEMENT REQUEST**

Amount Requested: \_\_\_\_\_

Person Due Petty Cash: \_\_\_\_\_

Charge Account #: \_\_\_\_\_

Description of Item: \_\_\_\_\_

**DETACH HERE AND RETURN TO:**

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

SUBJECT: CASH RECEIPTS

I. Purpose

To describe the procedure for procuring and receipting all revenues received by the City of Cottonwood.

II. Procedure

A. Administrative Assistants will open all mail for their respective departments (except those labeled "personal or confidential") and date all correspondence as to the date received. For mail received at City Hall, the City Clerk or designee will open all mail (except those labeled "personal or confidential") and date all correspondence as to the date received. In either case, all checks will be stamped "For Deposit Only, City of Cottonwood" at that time. The mail will then be disbursed to its intended recipient and the checks processed to ultimately be forwarded to the Finance Department.

B. All city revenues will be receipted through the main cash register at the Finance Department. The main register is to be closed out on a bi-weekly basis (Tuesday & Thursday at 12:00 p.m.). Twice each week, a Bi-Weekly Cash Reconciliation Report (FOG V-1) will be prepared and reviewed by the Finance Director, or designee. Bi-weekly deposits will be made to the city's various bank accounts at that time. A receipt will be filled out for each transaction.

C. The city maintains a three (3) part numerical cash receipt book. The distribution is as follows:

White Copy: Individual or revenue source record

Yellow Copy: To be attached to the weekly cash reconciliation report

Pink Copy: Master record

III. Subsidiary Revenue Collection Points

A. Planning and Zoning:

The Planning and Zoning Department receipts are submitted to the main register at the Finance Department on a bi-weekly basis as stated in Section 2B. Planning and Zoning maintains a three (3) part numerical cash receipt books. The distribution is as follows:

White Copy: Individual or revenue source record

Yellow Copy: To be attached to the weekly cash reconciliation report

Pink Copy: Department master record

Each week, the Bi-Weekly Cash Reconciliation Report Form (FOG V-2) will be completed, and attached there to will be the yellow copies (in numerical order) from the cash receipt book along with the master cash register tape. These documents, along with the revenues, will be receipted at the main register at the Finance Department. The Bi-Weekly Cash Reconciliation Report will be submitted to the Finance Director for review.

SUBJECT: CASH RECEIPTS

B. Police Department:

Request for copies of reports and other miscellaneous revenue will be receipted into the main register at the Finance Department on a bi-weekly basis. Bonds received by the Police Department on weekends or holidays will be turned over to the Municipal Court the first working day after collection. The Police Department maintains a three (3) part numerical cash receipt book. The distribution is as follows:

White Copy: Individual or revenue source record  
Yellow Copy: To be attached to the weekly cash reconciliation report  
Pink Copy: Department master record

A receipt will be filled out for each transaction and each week, prior to the close of the main register at the Finance Department, the revenues and receipts will be deposited at the Finance Department.

A Bi-Weekly Cash Reconciliation Report (FOG V-3) will be submitted to the Finance Director for review. Attached to the report will be the yellow copies (in numerical order) of the week's activity.

C. Fire Department:

Request for copies of reports will be receipted at the Fire Department. The department maintains a three (3) part numerical cash receipt book. The distribution is as follows:

White Copy: Individual or revenue source record  
Yellow Copy: To be submitted to City Hall when the funds are deposited  
Pink Copy: Department master record

A receipt will be filled out for each transaction and bi-weekly, prior to the close of the main register at the Finance Department, the revenues and receipts will be deposited at the Finance Department.

D. Library:

Fines and other income collected at the Library are to be receipted at the main register at the Finance Department on a bi-weekly basis (prior to the close of the main register). Each week, a Bi-Weekly Cash Reconciliation Report (FOG V-5), along with the revenues will be receipted at the main register at the Finance Department.

SUBJECT: CASH RECEIPTS

E. Parks and Recreation:

1. General Revenues:

All revenues such as; rental fees, specials events, softball tournaments, summer youth programs, commissions due the city for instructional classes and all other revenues will be collected at the recreation main office.

Parks and Recreation will maintain a three (3) part numerical cash receipt book. The distribution is as follows:

White Copy: Individual or revenue source record

Yellow Copy: To be attached to the weekly cash reconciliation report

Pink Copy: Department master record

Each week, a Bi-Weekly Cash Reconciliation report is completed (FOG V-6) and submitted to the Finance Director. Attached to the Bi-Weekly Cash Reconciliation Report are the yellow copies (in numerical order) of the receipts issued for the period.

2. Pool:

A separate cash register is maintained at the pool. A forty dollar (\$40.00) change fund has been established for the purpose of providing change only. **Pool revenues are submitted to the main register at the Finance Department bi-weekly (or the first working day after a weekend or holiday). Daily a "Pool Cash Receipt" form (Exhibit N) is completed and attached thereto, is the master cash register tape for the day's activity being reported.**

The pool will maintain a three (3) part numerical cash receipt book. This book will be used to issue receipts for season and/or family passes. The distribution is as follows:

White Copy: Individual or revenue source record

Yellow Copy: To be attached to pool cash receipt form report

Pink Copy: Department master record

These documents, along with the revenues will be receipted at the main register at the Finance Department on a daily basis.

SUBJECT: CASH RECEIPTS

1. Weight Room Fees:

Daily and quarterly weight room fees will be collected at the City Gym. Parks and Recreation will maintain a three (3) part numerical cash receipt book. The distribution is as follows:

White Copy: Individual revenue source

Yellow Copy: To be attached to the weekly cash reconciliation report

Pink Copy: Department master record

Each week, a Bi-Weekly Cash Reconciliation report is completed (FOG V-6) and submitted to the Finance Director. Attached thereto will be the yellow copies (in numerical order) from the Weight-room cash receipt book which apply to the reported period.

E. Municipal Court:

The Municipal Court receipts are submitted to the main register at the Finance Department on a daily basis. Deposits to the main register may be made prior to the close of the weekly reporting period to avoid large sums of money accumulating. The court maintains a two (2) part receipt form as standardized by the Supreme Court of Arizona. The Supreme Court computer software assigns a cash receipt number in numerical order for each transaction. The distribution is as follows:

Top copy: Individual or revenue source record

Middle copy: To be attached to the weekly cash reconciliation report

A receipt will be filled out for each transaction. Each week, the Bi-Weekly Cash Reconciliation Report (Exhibit O) will be completed and attached thereto will be the middle copy (in numerical order). These documents, along with that day's revenue, will be receipted at the main register at the Finance Department. The court system produces an edit report (Exhibit O-4) which serves as a master numerical record of the Courts cash receipts.

G. CATS:

At the end of each day, the fares collected by the drivers that day are turned in to the dispatcher who receipts the money at the main register at the Finance Department.

Each week, a Bi-weekly Cash Reconciliation Report (Exhibit P) is completed and submitted to the Finance Department.

SUBJECT: CASH RECEIPTS

G. Public Works:

Receipts for copies of plans, tap fees and other miscellaneous receipts are received at the Public Works Department. The department maintains a numerical three (3) part cash receipt book. The distribution is as follows:

White Copy: Individual Revenue Source

Yellow Copy: To be submitted to Finance Department when the funds are deposited

Pink Copy: Department master record

All revenues will be receipted at the Finance Department when receive

H. Administration:

Receipts for document reproduction, business registrations, permits, and other miscellaneous receipts are received at the Administration Department. The department maintains a numerical three (3) part cash receipt book. The distribution is as follows:

White Copy: Individual Revenue Source

Yellow Copy: To be submitted to Finance Department when the funds are deposited

Pink Copy: Department master record

Each week, a Bi-weekly Cash Reconciliation Report (Exhibit R) is completed and submitted to the Finance Department.

**FOG V-1**

**WEEKLY CASH RECONCILIATION REPORT**

Period Ending:	_____	01-00-00-1010	GF/Savings	_____
Period Beginning:	_____	02-00-00-1010	Hurf/Savings	_____
Gross Sales Total:	_____	03-00-00-1010	Lib/Savings	_____
Less: Total Voids:	_____	04-00-00-1010	Cem/Savings	_____
Under/Over Ring:	_____	06-00-00-1010	Sew/Savings	_____
		16-00-00-1010	Water/Savings	_____
<b>Net Sales</b>	_____	16-00-00-1011	Water/Checking	_____
		08-00-00-1010	CDBG	_____
<b>Cash Total</b>	_____	10-00-00-1010	Employee Trust	_____
		<b>Total Deposit</b>		_____

01-00-00-4010	Business License	_____
01-00-00-4011	Construction Permit	_____
01-00-00-4012	Plan & Zoning Fees	_____
01-00-00-4015	Mun Court Fines	_____
01-00-00-4016	Recreation Fees-Gen	_____
01-00-00-4020	Other Income	_____
01-00-00-4022	Open/Close	_____
01-00-00-4025	Cash Short/Over*****	_____
01-00-00-4013	Dispatching	_____
01-00-00-4060	Court Rest	_____
01-00-00-4030	City Sales Tax	_____
01-00-00-4031	City Bed Tax	_____
01-00-00-4003	Franchise Tax	_____
01-00-00-4035	Weight Room Fees	_____
01-00-00-4028	Eng Inspections	_____
01-00-00-4038	Adult Sports	_____
01-00-00-4029	Eng Plan Check	_____
01-00-00-4210	Sewer Inspection	_____
01-00-00-4215	Sewer Acct	_____
01-00-00-4400	Building Rental	_____
01-00-00-4058	Swim Lessons	_____
01-00-00-4159	RF Concession	_____
01-00-00-4160	Batting Cage	_____
01-00-00-4061	Reimbursed Atty fees	_____
01-00-00-4034	Pool Revenue	_____
01-00-00-4049	Parks Donations	_____
01-00-00-4057	ctnwd swimming pool	_____
01-14-00-6010	Bartosh Training Reimb	_____
01-00-00-4048	Donations PD	_____
01-00-00-4025	Over(short)PD	_____
01-14-00-6010	Training Reimb	_____
07-10-00-4110	Riverfront Park	_____
05-10-00-4039	AirPark Rent	_____
01-00-00-4001	Franchise Tax	_____
05-10-00-4300	CTN Tie downs	_____
05-10-00-4302	CTN Air Srv Hangars	_____
05-10-00-4303	CTN Air Srv Fuel	_____
05-10-00-4305	Land Lease	_____
05-10-00-4306	Hangar Lease	_____
01-11-00-6002	council ins.	_____
01-00-00-4133	DUI Abatement Grant	_____
01-00-00-4025	Over(short)water	_____
<b>Total General Fund Revenue</b>		

02-10-01-4070	Phase III	_____
02-27-00-4042	Hurf Transit Fare	_____
02-10-00-4020	Other Income	_____
02-27-00-4113	ADOT Grant	_____
<b>Total</b>		_____

03-00-00-4020	Lib/Other Income	_____
03-00-00-4040	Yavapai County	_____
<b>Total</b>		_____

04-00-00-4050	Cem/Interment	_____
04-00-00-4400	Grave Lines	_____
<b>Total</b>		_____

06-00-00-1020	Sewer Pay	_____
06-10-01-4400	Bldg Rental	_____
06-10-01-4092	Impact Fee	_____
06-10-03-4097	Sewer - Bad Debit	_____
06-10-01-4091	Sewer tap fees	_____
06-00-00-4020	Other Income	_____
06-10-01-4095	Ctn WW Effluent	_____
06-00-00-1211	Reimbursement-Rec.	_____
<b>Total</b>		_____

16-00-00-1020	deposits	_____
16-00-00-2021	Customer Deposits	_____
<b>Total deposits</b>		_____

16-00-00-1020	Water Payment	_____
16-00-00-2063	County TPT Payable	_____
16-00-00-2062	State TPT Payable	_____
16-00-00-4088	Water Usage	_____
16-00-00-4093	Establishment Fee	_____
16-00-00-4094	Residential Dev. Fee	_____
16-00-00-4095	Yavapai Co WAC Fee	_____
16-00-00-4096	Gila River Adj Fee	_____
16-00-00-4098	Conservation Fee	_____
16-00-00-2064	Super fund	_____
16-00-00-2061	Utility Tax	_____
16-00-00-4091	Connection Fee	_____
16-00-00-4097	late fees	_____

16-00-00-4020	Other Income	_____
<b>Total</b>		_____

<b>Total Other Fund Revenue</b>		_____
<b>***Grand Total - All Funds***</b>		_____

Master Receipt #'s \_\_\_\_\_  
 Prepared By: \_\_\_\_\_  
 Reviewed By: \_\_\_\_\_

# CITY OF COTTONWOOD

## PLANNING AND ZONING DEPARTMENT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Master Control #s Ending \_\_\_\_\_ Beginning \_\_\_\_\_

#### REVENUES

Gross Receipts		\$ _____
Other Daily Deposits:		
Date:	_____	_____
	_____	_____
	_____	_____
	_____	_____
Less		
Over/Under Ring	_____	_____
Refunds	_____	_____
<b>Total Cash/Checks Turned In</b>		<b>\$ _____</b>

#### DISTRIBUTION

Account No:	01.00.00.4011	Construction Permits	\$ _____
	01.00.00.4012	P&Z Fees	_____
	01.00.00.4029	Plan Check Fees	_____
	01.00.00.4210	Sewer Inspection Fees	_____
	01.00.00.4215	Sewer Accounting Fees	_____
	01.00.00.4020	Other Income	_____
	01.00.00.____		_____
	06.10.01.____		_____
	01.00.00.____		_____
		<b>Total Distribution</b>	<b>\$ _____</b>

Total Cash: \_\_\_\_\_

Total Checks: \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

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

Prepared by/Date \_\_\_\_\_

# CITY OF COTTONWOOD

## POLICE DEPARTMENT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

#### REVENUES

Total Cash/Checks turned in with this report \$ \_\_\_\_\_

Other Daily Deposits:

Date: _____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Total Cash/Checks Turned In** \$ \_\_\_\_\_

#### DISTRIBUTION

Account No: 01-00-00-4014	Animal Control Fees	\$ _____
01-00-00-4048	Police Donations	_____
01-00-00-4045	Dare Donations	_____
01-00-00-4047	Triad Program	_____
01-00-00-4056	K-9 Donations	_____
01-00-00-4020	Other Income	_____
01-00-00-____		_____
01-00-00-____		_____
01-00-00-____		_____
01-00-00-____		_____
01-00-00-____		_____
01-00-00-____		_____
01-00-00-____		_____

**Total Distribution** \$ \_\_\_\_\_

Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prepared by/Date \_\_\_\_\_



**Cottonwood Public Library  
Bi-Weekly Cash  
Reconciliation Report  
For the Week Ending**

Date	Fines	Copier	Lost	Refund	Other	Total
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
Subtotals	\$	\$	\$	\$	\$	\$

Prepared by: \_\_\_\_\_

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

# CITY OF COTTONWOOD

## PARKS AND RECREATION DEPARTMENT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

#### REVENUES

Total Cash/Checks turned in with this report \$ \_\_\_\_\_

Other Daily Deposits:

Date:	_____	_____
	_____	_____
	_____	_____
	_____	_____

Less

Over/Under Ring \_\_\_\_\_

Refunds \_\_\_\_\_

**Total Cash/Checks Turned In** \$ \_\_\_\_\_

#### DISTRIBUTION

Account No:	01-00-00-4035	Weight Room Fees	\$ _____
	01-00-00-4016	Recreation Fees	_____
	01-00-00-4017	Skate Park Donations	_____
	01-00-00-4400	Building Rental	_____
	01-00-00-4038	Softball Tournaments	_____
	01-00-00-4159	Riverfront Park – Snack Bar	_____
	01-00-00-4160	Batting Cage Revenue	_____
	01-00-00-4051	Arbor Memorial Program	_____
	01-00-00-4034	Pool Revenue	_____
	01-00-00-4058	Pool - Swimming Lessons	_____
	01-00-00-4036	Summer Youth Program	_____
	01-00-00-4057	Pool – Snack Bar Sales	_____
	01-00-00-4049	Parks Donations	_____
	01-00-00-4020	Other Income	_____
	01-00-00-_____		_____
		<b>Total Distribution</b>	\$ _____

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

Prepared by/Date \_\_\_\_\_

# CITY OF COTTONWOOD

## MUNICIPAL COURT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

#### REVENUES

Total Cash/Checks turned in with this report \$ \_\_\_\_\_

Other Daily Deposits:

Date: _____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Total Cash/Checks Turned In** \$ \_\_\_\_\_

Total Revenue: \_\_\_\_\_

Less Bonds: \_\_\_\_\_

Total: \_\_\_\_\_

#### DISTRIBUTION

Account No: 01-00-00-4015	Court Fines	\$ _____
01-00-00-4023	Court Deferred Surcharge	_____
01-00-00-4060	Court Reimbursement	_____
01-00-00-4061	Attorney Reimbursements	_____
01-00-00-4106	Court Delinquent Fines	_____
01-00-00-4123	Fill-the-gap	_____
01-00-00-4020	Other Income	_____
01-00-00-____		_____
01-00-00-____		_____
	<b>Total Distribution</b>	\$ _____

Comments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prepared by/Date \_\_\_\_\_

# CITY OF COTTONWOOD

## COTTONWOOD AREA TRANSIT SYSTEM – C.A.T.S.

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

#### REVENUES

Total Cash/Checks turned in with this report \$ \_\_\_\_\_

Other Daily Deposits:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Less

Over/Under Ring \_\_\_\_\_

Refunds \_\_\_\_\_

**Total Cash/Checks Turned In** \$ \_\_\_\_\_

#### DISTRIBUTION – Grant #

Account No: 02-\_\_-00-4040 Yavapai County \$ \_\_\_\_\_

02-\_\_-00-4041 Clarkdale \_\_\_\_\_

02-\_\_-00-4042 Fare Box \_\_\_\_\_

02-\_\_-00-4045 Dept of Dev Disabilities \_\_\_\_\_

02-\_\_-00-4046 Head Start \_\_\_\_\_

02-\_\_-00-4047 CSA CDBG \_\_\_\_\_

02-\_\_-00-4112 LTAF – Transit \_\_\_\_\_

02-\_\_-00-4113 ADOT Grant \_\_\_\_\_

02-\_\_-00-4114 STP Flexible Spending \_\_\_\_\_

02-\_\_-00-4020 Other Income \_\_\_\_\_

02-\_\_-00-\_\_\_\_\_ \_\_\_\_\_

**Total Distribution** \$ \_\_\_\_\_

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

Prepared by/Date \_\_\_\_\_

# CITY OF COTTONWOOD

## PUBLIC WORKS DEPARTMENT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Master Control #s Ending \_\_\_\_\_ Beginning \_\_\_\_\_

#### REVENUES

Gross Receipts		\$ _____
Other Daily Deposits:		
Date:	_____	_____
	_____	_____
	_____	_____
	_____	_____
Less		
Over/Under Ring	_____	_____
Refunds	_____	_____
<b>Total Cash/Checks Turned In</b>		<b>\$ _____</b>

#### DISTRIBUTION

Account No:	<u>General Fund</u>		
	01.00.00.4028	Engineering Fees	\$ _____
	01.00.00.4020	Other Income	_____
	<u>Streets</u>		
	02.00.00.4020	Other Income	_____
	<u>Airport</u>		
	05.10.00.4020	Other Income	_____
	05.10.00.4300	Tie Down Rent	_____
	05.10.00.4303	Fuel Sales Income	_____
	<u>Wastewater</u>		
	06.10.01.4091	Tap Fees	_____
	06.10.01.4095	Effluent Revenue	_____
	06.00.00.4020	Other Income	_____
	01.00.00.____		_____
	06.10.01.____		_____
	01.00.00.____		_____
		<b>Total Distribution</b>	<b>\$ _____</b>

Total Cash: \_\_\_\_\_

Total Checks: \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

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

Prepared by/Date \_\_\_\_\_

# CITY OF COTTONWOOD

## ADMINISTRATION DEPARTMENT

### BI-WEEKLY CASH RECONCILIATION REPORT

For Week Dating \_\_\_\_\_ to \_\_\_\_\_

Master Control #s Ending \_\_\_\_\_ Beginning \_\_\_\_\_

#### REVENUES

Gross Receipts \$ \_\_\_\_\_

Other Daily Deposits:

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Less

Over/Under Ring \_\_\_\_\_

Refunds \_\_\_\_\_

**Total Cash/Checks Turned In** \$ \_\_\_\_\_

#### DISTRIBUTION

Account No: 01.00.00.4010 Business Registrations \_\_\_\_\_

01.00.00.4020 Other Income \_\_\_\_\_

01.00.00.\_\_\_\_ \_\_\_\_\_

01.00.00.\_\_\_\_ \_\_\_\_\_

**Total Distribution** \$ \_\_\_\_\_

Total Cash: \_\_\_\_\_

Total Checks: \_\_\_\_\_

Cash Receipt Numbers \_\_\_\_\_ to \_\_\_\_\_

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

Prepared by/Date \_\_\_\_\_

POLICY: The purpose of the credit card is principally to facilitate the acquisition of goods and services for the City where the vendor requires such use. Credit card purchases are intended to be small in scope and of a “non-capital” nature. All purchasing of budgeted capital items must have the proper approval of the appropriate General Manager or City Manager.

I. Cardholder Limits

- A. City employees and officials may be Cardholders in accordance with this policy.
- B. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle has been provided to each Cardholder. The City’s standard limits are as follows:
  - 1. Single Purchase Limit - Not to exceed \$1,000
  - 2. Billing Cycle Limit - Not to exceed your assigned card limit
- C. If the situation arises that purchases are regularly required over the Cardholder’s established limit, a “Credit Card Maintenance” form must be completed and signed by the appropriate General Manager requesting the change and forwarded to the Administrative Services General Manager. At the Administrative Services General Manager, with concurrence from the City Manager, approval may be granted or denied. If approved, the limitation change will be a temporary one-time approval.

II. Use of Credit Card

- A. The credit card is to be used for City purchases only.
- B. No person other than the Cardholder is authorized to use the card unless prior written authorization is obtained from the Cardholder.
- C. Questions regarding credit card accounts and procedures should be directed to the Administrative Services General Manager.
- D. The credit card may be used at any business establishment, which accepts credit cards for payment.
- E. Cardholder should exhaust all other methods of procurement before using the credit card (ie, purchase orders or invoicing).
- F. The Cardholder must be able to justify that the use of the credit card was necessary and official city business purpose.
- G. Cardholder shall take all necessary precautions to keep the card and card number in secure location.

- H. Cardholder's department is responsible for all charges incurred on the credit card including any annual service fees and finance charges.

III. Telephone and Facsimile Orders

- A. When placing a telephone/facsimile order, confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.
- B. All telephone/facsimile orders must be recorded on the "Record of Credit Card Use" form when the transaction occurs.
- C. Request that the vendor send, via facsimile or e-mail, a copy of the invoice marked "Paid by credit card". The original invoice is still necessary by the Finance Department for reconciliation purposes.
- D. If no receipt is available for the telephone/facsimile order, complete the "Telephone/Facsimile Order" form in full. This form will be used as the documentation when reconciling the Monthly Statement of Account.
- E. NO backorders are allowed.

IV. Documentation

- A. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the Monthly Statement of Account.
- B. All purchases are to be recorded on "Record of Credit Card Use" form. This form must be maintained as charges occur.
- C. If, for any reason, the Cardholder does not have documentation for a transaction, the Cardholder must attach a "Statement of Missing Documentation" form, which provides a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to insure proper documentation in the future. In addition, the Cardholder and the City Manager's signature are required on the form.
- D. If receipts are related to travel, it is the Cardholder's responsibility to photocopy the receipts to attach to their "Travel Requisition" form. The original must be forwarded to the Finance Department for reconciliation with Monthly Statement of Account.
- E. Copies of all necessary forms are enclosed within this section of the Financial Operations Guide.

V. Card Restrictions

A. The following uses of a Credit Card are prohibited:

1. Cash advances.
2. Personal purchases. A Cardholder may not charge any personal items on the City credit card.
3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation will be required.
4. Alcoholic beverage purchases.

B. Per Diem. Per Diem requests shall be processed through Accounts Payable prior to travel. Refer to City of Cottonwood - Financial Operations Guide - page 6 Travel and Training Policy.

C. Cardholders shall also comply with any applicable departmental restrictions on usage.

D. A Cardholder may not violate any established procurement requirements, where it pertains to obtaining quotes, when using the City credit card.

VI. Reconciliation and Payment

A. At the close of each billing cycle, the Finance Division will request a copy of your "Record of Credit Card Use" form and provide a due date for its submission.

B. Attach any additional documentation necessary, complete all forms fully and assure that all necessary signatures have been obtained.

C. This form will be reconciled with both the receipts and the "Monthly Statement of Account" by the Finance Division.

D. If unable to submit the required documentation by the due date, please contact the Finance Division as soon as possible.

E. Payment will be made promptly and before the due date to avoid any service or finance charges.

F. Any department not responding promptly to the request for information from the Finance Division or in any way delaying the timely monthly payment of the credit card account will be assessed the finance charges imposed by the issuing financial institution.

VII. Disputes

A disputed item could result from numerous circumstances including defective purchases and unauthorized use. The proceeding steps should be taken when an item is being disputed:

- A. Whenever possible, return item(s) to vendor for replacement or credit.
- B. If vendor refuses to replace the item(s) or credit the account, the “Statement of Disputed Item” form will need to be completed.
- C. If unauthorized charges occur, complete the “Statement of Disputed Items” form.
- D. Fax completed “Statement of Disputed Items” form to the Card Issuer at 1-800-346-5538.
- E. Forward a copy of the “Statement of Disputed Items” form to the Finance Division.
- F. If, after notifying the Card Issuer, the Cardholder is not satisfied with the outcome, the Cardholder may contact the Administrative Services General Manager for assistance. At this time the Cardholder will need to inform the Administrative Services General Manager of any prior action taken to resolve this dispute.

VIII. Lost or Stolen Cards

Should any Cardholder lose, suspect of having lost, or have their credit card stolen, it is their responsibility to immediately notify the Card Issuer and the Finance Division of the loss. The following steps must be taken to report the loss:

- A. Report the loss immediately to the Credit Card Issuer at 1-800-541-2382. They can be reached 24 hours a day, seven day a week.
- B. Notify the Finance Division immediately upon discovering that the card is missing.

IX. Termination / Resigning Employees

- A. All efforts will be made by the Finance Division to obtain the credit card, any receipts, “Record of Credit Card Use” forms and other related forms when a Cardholder employee is terminated or resigns, or when a Cardholder official leaves office.
- B. If the credit card cannot be collected, a “Credit Card Maintenance” form shall be completed by the General Manager or City Manager, as may be appropriate, to insure the card is canceled.

X. Policy Violations

Failure to follow this policy may result in loss of Cardholder privileges and, for employees, may result in disciplinary action, including termination of employment.

**City of Cottonwood  
Credit Card User Agreement**

1. I understand that I am making a financial commitment on behalf of the City of Cottonwood and will strive to obtain the best value for the City.
2. I understand that under NO circumstance will I use the credit card to make personal purchases, either for others or myself.
3. I will follow the established Credit Card policy. I understand that failure to do so may result in either loss of privileges or other disciplinary actions, including termination of employment.
4. I agree that should I willfully violate the term of this Agreement, I will reimburse the City of Cottonwood for all incurred charges and any fees related to the collection of those charges.
5. All receipts received when making a credit card purchase will promptly be forwarded to the Finance Division for monthly reconciliation and payment.
6. I understand that I am restricted to specific limits when using the credit card for purchases.
7. I agree that should I leave City of Cottonwood employment, I will return my credit card and all appropriate documentation to the Finance Division.
8. I will use the City of Cottonwood credit cards with the highest degree of personal and professional integrity and ethics, recognizing my responsibility to the public and the City organizations.
9. I agree to promptly contact JPMorgan Chase at 1-800-346-5538 if I lose, misplace, or have my credit card stolen.

I have received, read, understand, and agree to comply with the City of Cottonwood Credit Card User Policy.

---

Employee Name (Print)

---

Employee Signature

---

Date

Request for City of Cottonwood Credit Card

To: Finance Department

From: \_\_\_\_\_ Department

Subject: Request for Credit Card

I request that the following employee be issued a City of Cottonwood credit card.

Temporary Issue: \_\_\_\_\_ Length of Time: \_\_\_\_\_ Permanent Issue: \_\_\_\_\_

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

Employee Title: \_\_\_\_\_

Reason for request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

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

\_\_\_\_\_  
General Manger Signature

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services  
General Manager Signature



**City of Cottonwood  
Credit Card  
Statement of Disputed Item**

Instructions: You should first make a good-faith effort to settle a claim or disputed charge directly with the vendor. If unable to resolve the dispute with the vendor, complete this form and fax to the Credit Card Issuer. Forward a copy of this statement to the Finance Division if you are not satisfied with the results of the Credit Card Issuer.

Send form to: JPMorganChase  
Merchant Dispute Department  
P. O. Box 15299  
Wilmington, DE 19850-5299  
Phone # (888) 489-8452

Cardholder Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

This charge appears on our statement (billing close date): \_\_\_\_\_

Transaction Date: \_\_\_\_\_ Reference Number: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Posted Amount: \_\_\_\_\_ Disputed Amount: \_\_\_\_\_

**Please check only *one* of the following:**

- Unauthorized Transaction**  
I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My credit card was in my possession at the time of the transaction.
- Charge amount does not agree with the order authorizing the charge**  
The amount entered on the sales receipt was changed from \$\_\_\_\_\_ to \$\_\_\_\_\_. I have enclosed a copy of the unaltered sales receipt.
- Merchandise or Services Not Received**  
I have not received the merchandise or services represented by the above transaction. The expected delivery date or services was \_\_\_\_\_. (On city letterhead, please describe any attempts to resolve this matter with the vendor, the date(s) you contacted them and their response.)
- Disputed Transaction**  
I did engage in the above transaction, which I am now disputing. I have contacted the vendor, but I have been unable to return the merchandise and /or I have been unsuccessful in reaching an acceptable resolution with them. (On letterhead, please describe your attempt to resolve this matter with the vendor, the date(s) you contacted them and their response.)

**Double or Multiple Charges**  
My credit card account has been doubled charged. The first charged appeared on the \_\_\_\_\_ (date) billing statement.

**Defective or Wrong Merchandise**  
I returned the merchandise on \_\_\_\_\_ because it was: (check one)  
 defective     wrong size     wrong color     wrong quantity  
(Please enclose proof of return)

**Other (Explain)**  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
Date

**City of Cottonwood  
Credit Card  
Maintenance Form**

<b>Cardholder Name</b>
Name as it appears on the card: Account number:
Change name to:

<b>Credit Limit</b>
Permanent Change                      Temporary Change If change is temporary, how long is the limit in effect? _____
Current Single Purchase Limit:                      Change Single Purchase Limit To:
Current Billing Cycle Limit:                      Change Billing Cycle Limit To:

<b>Card Replacement</b>
Reason: Lost                      Stolen                      Mutilated                      Please return mutilated card to the Finance
Please Explain:

<b>Card Cancellation</b>
Name as it appears on card: Account number:
Please Explain:

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

\_\_\_\_\_                      \_\_\_\_\_  
City Manager Signature                      Date

**City of Cottonwood  
Credit Card Purchase Form**

Instructions: This form is to be completed and forwarded to the Finance Division within 72 hours of the purchase and must include original receipts or completed Statement of Documentation.

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

The following purchase was made using the City credit card:

Date: \_\_\_\_\_ Vendor: \_\_\_\_\_ Amount: \_\_\_\_\_

Description of items purchased:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Charged to accounting code: \_\_\_\_\_

Credit Card Used (circle one):

*(have initialed for approval by cardholder)*

\_\_\_\_\_ Jesus R. Rodriguez  
\_\_\_\_\_ Mike Casson  
\_\_\_\_\_ XXXXXXXXXXX  
\_\_\_\_\_ Douglas Bartosh  
\_\_\_\_\_ Larry Wright  
\_\_\_\_\_ Kyla Allen

\_\_\_\_\_ Roger Biggs  
\_\_\_\_\_ Richard Faust  
\_\_\_\_\_ Marianne Jiménez  
\_\_\_\_\_ Tim Costello  
\_\_\_\_\_ Larry Dawson  
\_\_\_\_\_ Jody Fanning

**City of Cottonwood  
Telephone / Facsimile Order Form**

Complete this form only if a receipt was not provided by the Vendor.

Merchant Name:
Date of Purchase:
Amount of Purchase:
Was the merchandise received? (Y / N)
Description of item(s) purchased:

\_\_\_\_\_

Cardholder Signature

\_\_\_\_\_

Date



I. Policy

City vehicles are assigned to various divisions and the appropriate General Manager will be responsible for the maintenance and upkeep of the vehicle. Pooled vehicles will be under the supervision of the Administrative Services General Manager. It is the responsibility of these individuals to ensure that the vehicles are scheduled for regular maintenance, are safe to operate, are presentable in appearance and are not subject to any abuse.

II. Replacement

*The replacement policy will be subject to annual appropriations.* The mileage and age criteria are established as guidelines, and actual age or mileage of vehicles may exceed the limits established. Each year, a vehicle and equipment listing will be presented to the City Council as part of the annual budget process, for approval. Other factors, such as safety and/or condition, may alter the priority of replacement.

**Group One:**

These vehicles would be emergency response/public safety, utility and health vehicles. This group will be separated into four sub-groups:

- A. Marked Patrol Cars - These vehicles would be purchased new or low mileage pre-owned, if available. At 75,000 miles, these vehicles would be auctioned or integrated into Group Two, if possible.
- B. Public Safety Administration Vehicles (Police & Fire) - These vehicles would be purchased new or low mileage pre-owned, if available. After 60,000 miles or five (5) years of service, these vehicles would be "rolled" into Group Two. These vehicles will remain or become "unmarked" when rolled into Group Two.
- C. Animal Control Vehicles - These vehicles would be purchased new or low mileage pre-owned, if available. At 60,000 miles or five (5) years of service, this vehicle would be "rolled" into Group Three. This vehicle would remain or become "unmarked" when rolled into Group Three.
- D. Water / Wastewater Utility Vehicles - These vehicles would be purchased new or low mileage pre-owned, if available and kept in service seven (7) years or 70,000 miles. This sub-group would be rolled into Group Two or Three.

**Group Two:**

This group of vehicles would be sedans and/or light trucks used for administrative types of use (building inspectors, engineering, administration, etc.). These vehicles would be "rolled" into service from the Group One, (A, B, or D) vehicles. After 100,000 service miles or twelve (12) years of age, these vehicles would be auctioned. If a sufficient supply of Group Two vehicles is not available as rollovers, additional used vehicles would be purchased from fleet sales if low mileage pre-owned is available.

**Group Three:**

Group Three vehicles would be utility service type of vehicles (pick-ups, custodial vans, flat bed trucks, etc.). These vehicles would also be purchased used through fleet sales if low mileage pre-owned is available and kept in service for fifteen (15) years or 100,000 service miles, whichever is greater.

**Group Four:**

Group Four would be public transportation vehicles. These vehicles would be replaced at 200,000+ miles.

**Group Five:**

Group Five would include special service vehicles. These vehicles would include boom trucks, road graders, backhoes, tractors, fire apparatus, dump trucks, street sweepers, etc. Replacement would be based on need.

III. Vehicle Utilization

For Group One and Two vehicles, a recommended use of 7,500 service miles per year minimum would be necessary to justify a vehicle being in service (unless other circumstances require a need).

For Group Three vehicles, 2,500 minimum service miles per year would be necessary to justify a vehicle being in this group (unless other circumstances require a need).

All City vehicles are intended to be used in connection with City business only. Passengers in City vehicles shall be limited to individuals in connection with Official City Business, such as consultants, contractors, or vendors. **Exception is made for law enforcement and fire suppression, please reference Police General Order 302, Citizen Observer Program, and Fire Ride-A-Long Policy, respectively.**

All Police employees using a City vehicle in connection with outside employment activities must receive prior approval from the Police Chief and City Manager. The City is to receive reimbursement at a rate \$3.50 per hour, per vehicle in use and \$1.00 per hour for standby vehicles. All other use of City vehicles outside of official City business is strictly prohibited.

IV. Prohibited Usage

- A. Alcoholic beverages shall not be consumed or transported in any City vehicles nor shall City employees have consumed alcohol or any substance (as defined in the City's Employee Manual, Section 37 -- Drug Free Work Environment Policy) while operating City vehicle. **Exception is made for law enforcement, please reference General Order 211 Code of Conduct.**
- B. Parking in front of certain types of businesses, such as liquor stores, or bars unless the vehicle is being used to conduct official City business such as inspections, & utility service calls is inappropriate. **Exception is made for law enforcement, please reference General Order 211 Code of Conduct.**

V. Take-Home Vehicles

The City has adopted a "non-personal use" policy for all City vehicles. Take-home vehicles are assigned to individuals essential to the public health & safety of the citizens or the protection of public property. Take home vehicles are to be used only for official City business after normal working hours or weekends and are not intended for any personal use. The City Manager will review the necessity of take home vehicles to determine their continued need. All take-home vehicles shall meet Publication 15B requirements for "qualified non personal-use vehicles".

Take home vehicles are intended for official City business only and any usage outside the City limits must have prior authorization by the appropriate General Manager and the City Manager. The employee who is assigned a take home vehicle is responsible to complete a Policy Use Statement (FOG VII-1), and submit annually an Employee Report of Vehicle Use (FOG VII-3) and Policy Use Statement Memorandum (FOG VII-2) to the Finance Division. **Failure to submit the required forms could subject the employee to a taxable non-cash fringe benefit added to their compensation at the end of the calendar year related to the personal use of the pooled vehicle.**

VI. Operation of a City Vehicle

City vehicles shall be operated in a responsible, and safe manner as outlined below

- A. All personnel operating a City vehicle shall have a valid State of Arizona Driver's License with the appropriate license classification for the type of vehicle they are operating.
- B. Seat belts shall be worn by all employees and passengers using a City vehicle.
- C. City vehicle shall be driven in compliance with all motor vehicle laws.

SUBJECT: VEHICLE USAGE POLICY

- D. Cellular phone or wireless device usage is governed by the Cottonwood Safety Manual, Section X. Motor Vehicle Safety – Cell Phone Use. All employees shall be familiar with this policy when using a city vehicle.
- E. Employees are responsible for the prompt and proper reporting to their supervisor of any citations received while using a City vehicle.
- F. Employees are personally responsible for the payment of fines for any citations for moving violations received while using a City vehicle. Under no circumstance are citations for moving violations to be paid using City funds.
- G. Citations shall be reported within three (3) working days of the violation to the appropriate General Manager.
- H. A City employee shall immediately notify their supervisor of loss of their driver's license.
- I. City issued insurance card shall remain in the City vehicles at all times and should be stored in the glove compartment or in an appropriate log book.
- J. Vehicle Fuel Cards shall remain in the City vehicles at all times and should be stored in the glove compartment or in an appropriate log book.

VII. Accident Reporting

Any employee operating a City owned vehicle shall be familiar with this Vehicle Usage Policy as well as Section XI, Motor Vehicle Safety – Vehicle Accident Reporting and Review; of the City of Cottonwood Safety Policy Manual and Personnel Operations Guide.

VIII. Vehicle Maintenance

- A. Employees operating City vehicles are responsible for keeping them clean and litter free.
- B. Employees assigned to a specific City vehicle on a regular basis are responsible for ensuring the vehicle is in good working order at all times.
- C. It is the policy of the City of Cottonwood to keep its vehicles in good working condition. A regular maintenance program will provide all employees safe and reliable vehicles.
  - 1. Vehicle Maintenance - The minimum maintenance for all City vehicles is every 3,000 miles or four (4) months, whichever comes first. Departments may adjust this schedule to comply with manufacturer's guidelines or departmental service requirements.

A standard “Work Order for Vehicle Maintenance” (FOG VII-4) is in place to provide the City’s contracted maintenance shop, or other service center with an outline of the work to be performed. Departments may expand the work with a supplemental form to meet their maintenance requirements. This form should be completed and submitted to the mechanic at the shop at each service.

2. Vehicle Inspection - A regular inspection program is essential for vehicle safety. Daily, a visual inspection of each vehicle should be performed to detect items requiring immediate attention such as low air pressure in tires, leaking fluids, worn tires, broken glass and other such gross visual problems. Weekly, the minimum inspections should be performed on all City vehicles:

-  check fluid levels
-  check belts and hoses
-  check turn signals, brake and other lights
-  check wiper operations
-  check seat belts
-  check brakes
-  check horn

Departments may expand inspections to meet the operating requirements of vehicles. **Pool vehicles will be inspected by a member of the Maintenance Division.**

3. Compliance - The appropriate General Manager will be responsible for monitoring the compliance of the minimum maintenance standards and ensure that necessary repairs on each vehicle be completed.
4. Violation of this policy will subject employee and General Manager to potential disciplinary action. Any division found to be out of compliance will be reported to the City Manager.

**City of Cottonwood  
Request for City Vehicle Assignment**



To: Finance Department  
From: \_\_\_\_\_ Department  
Date:  
Subject: Request for Vehicle Assignment

I request that the following employee be assigned a City owned vehicle.

Temporary Issue: \_\_\_\_\_ Length of Time: \_\_\_\_\_ Permanent Issue: \_\_\_\_\_

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

Employee Title: \_\_\_\_\_

Reason for request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By signing this request, I understand the responsibilities of having a City vehicle assigned to me and that I will use this vehicle as intended. I am also aware that any usage beyond that of City business related activities will constitute violation of the policy and will subject me to disciplinary action. Finally, I am aware that commuting to and from work constitutes taxable income.

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

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

\_\_\_\_\_  
General Manager Signature

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services  
General Manager Signature

MEMORANDUM



To: Finance Division

From: \_\_\_\_\_ Department

Date:

Subject: Vehicle Policy Use Statement

Vehicle Information

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

License: \_\_\_\_\_

Make/Model: \_\_\_\_\_

The City of Cottonwood has provided me with the above vehicle for my use during \_\_\_\_\_ (year), and requires that I commute to and from work in the vehicle. In addition, the City of Cottonwood has adopted the following policy related to this and similar vehicles.

*Employees provided with vehicles and required to commute to and from work with them may **not**, use the vehicle for personal purposes (other than commuting or incidental personal purposes such as a stop for a personal errand on the way between a business stop and home).*

*(Exception is made for Police/Fire Emergency vehicles as per Publication 15B of the United States Internal Revenue Code.)*

I understand that employees found to be in violation of the above policy will have a taxable non-cash fringe benefit added to their compensation at the end of the calendar year related to the personal use of the pooled vehicle. Such an adjustment to compensation is required by the IRS.

-----  
I have read the above policy statement, understand the implications of personal use, and agree to follow the policy.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

**CITY OF COTTONWOOD  
EMPLOYEE REPORT  
OF VEHICLE USE\***



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

Vehicle Information

Make: \_\_\_\_\_ Model: \_\_\_\_\_ Two-door \_\_\_\_ Four-door \_\_\_\_

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

Period(s) of Use: \_\_\_\_\_

Information Required for Tax Purposes

- 1. Total miles driven \_\_\_\_\_
- 2. Total business miles \_\_\_\_\_
- 3. Total commuting miles (N/A for emergency vehicles) \_\_\_\_\_
- 4. Total other personal miles \_\_\_\_\_
- 5. Total personal miles (3 + 4) \_\_\_\_\_
- 6. Average daily round-trip commuting distance (N/A for emergency vehicles) \_\_\_\_\_
- 7. Number of one-way commutes during period (N/A for emergency vehicles) \_\_\_\_\_
- 8. Was vehicle available during off-duty hours? (Y or N) \_\_\_\_\_
- 9. Was another vehicle available for personal use? (Y or N) \_\_\_\_\_
- 10. Do adequate records or sufficient evidence exist to justify business miles? (Y or N) \_\_\_\_\_
- 11. Is the evidence written? (Y or N) \_\_\_\_\_

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

Was this an emergency vehicle (Fire/Police)?      yes \_\_\_\_ no \_\_\_\_

•An employee/user report **must** be filled out for each vehicle made available to the employee/user during the period.

**WORK ORDER FOR  
VEHICLE MAINTENANCE**

City of Cottonwood  
827 N. Main St.  
Cottonwood, Arizona 86326  
(928) 634-5526



Department \_\_\_\_\_ Date \_\_\_\_\_

Vehicle ID # \_\_\_\_\_ Vehicle Lic. # \_\_\_\_\_ Mileage \_\_\_\_\_

Work Needed/Driver Complaints:

\_\_\_ PMI Service Only

**Preventative Maintenance Inspection (PMI)**

- |                        |                               |                               |
|------------------------|-------------------------------|-------------------------------|
| ___ Lube Chassis       | ___ Radiator & Cap            | ___ CV Boots / Joints         |
| ___ Head & Tail Lights | ___ Coolant                   | ___ Shock Absorbers           |
| ___ Brake Lights       | ___ Fan Belts                 | ___ F/R Diff. Oil             |
| ___ Back-up Lights     | ___ Hoses                     | ___ U-Joints                  |
| ___ Turn Signals       | ___ Air & PVC Filters         | Tire Wear LF ___/32 RF ___/32 |
| ___ 4-way Flashers     | ___ Engine Oil & Filter       | Tire Wear LR ___/32 RR ___/32 |
| ___ Emergency Lights   | ___ A/M Trans. Fluid & Filter | Brakes LF ___/32 RF ___/32    |
| ___ Interior Lights    | ___ Brake Fluid               | Brakes LR ___/32 RR ___/32    |
| ___ Mirrors            | ___ Washer Fluid              |                               |
| ___ Parking Brake      | ___ P/S Fluid                 |                               |
| ___ A/C Operations     | ___ Clutch Fluid              | Tire Pressure Front ___       |
| ___ Horn               | ___ Batteries                 | Rear ___ Spare ___            |
| ___ Windshield & Glass | ___ Front End & Steering      |                               |
| ___ Wiper blades       | ___ Exhaust System            | ___ Tire Rotation             |

Employee Requesting Service \_\_\_\_\_ Date \_\_\_\_\_

Mechanic: \_\_\_\_\_ Date Completed \_\_\_\_\_

Comments:

SUBJECT: TUITION REIMBURSEMENT POLICY

I. Policy

It is the policy of the City of Cottonwood to provide employees in the City service with 100% tuition payback for tuition and books for courses deemed pertinent and related to the job being performed.

II. General Reimbursement Principles

- A. The City of Cottonwood will provide up to \$5,000 reimbursement per employee per fiscal year towards their education.
- B. Funding must be budgeted during the budget preparation process.
- C. This policy is subject to a downward modification depending on current economic conditions of the City, and budgetary constraints.
- D. Reimbursements will only be allowed for tuition, books and lab fees, no travel will be authorized.
- E. Any proceeds from the books sold back to the college or university shall be submitted to the City for credit toward the total reimbursement limit.
- F. Any violations to the policy will subject the employee to disciplinary action, up to and possibly including termination.

III. Procedure

Prior approval of the appropriate General Manager, the Administrative Services General Manager and the City Manager is required before reimbursement is authorized. Approval of an educational request is completely within the discretion of a General Manager and the City Manager. The employee shall have no grievance or appeal rights from the decision to recommend or not recommend courses.

- A. Employees shall submit a "Tuition Reimbursement Request" form requesting authorization for reimbursement for tuition/books before they enroll in the course.
- B. The Finance Manager must certify the availability of funds and compliance with this policy prior to authorization by a General Manager.
- C. Upon approval by a General Manager the signed "Tuition Reimbursement Request" will be forwarded to the City Manager.
- D. The City Manager shall review the request, and if approved, signed copies will be forwarded to the Human Resources Division for distribution to the employee and department, with the original placed on file in the employee's personnel file.

IV. Upon Completion

- A. Employee shall submit a "Confirmation of Tuition Expenses" to their General Manager, together with all pertinent receipts for tuition/books upon successful completion of the course.
- B. A General Manager should then review and attest to the fact that the "Confirmation of Tuition Expenses" packet is accurate and forward the signed document to the Human Resources Division for verification.
- C. The Human Resources Manager shall assure all the pertinent documentation, including the employee's report card or transcripts are included in the package and shall process the package for signature from the Administrative Services General Manager and the City Manager on all the necessary paperwork.
- D. The approved documents will be returned to Human Resources Manager in order to process the check needed requisition to the Finance Division for payment.

Upon successful completion of such course work, the City of Cottonwood shall reimburse the employee the costs of tuition and books. Successful completion will be defined as a letter grade of "C" or better, or "B" or better for graduate level courses. In courses where no letter grade is given, a report of successful completion signed by the instructor or an official of the institution must be obtained.

IV. Tuition Reimbursement Agreement

The "Tuition Reimbursement Agreement" is available for City employees interested in obtaining additional education and degree opportunities related to their duties as a City employee.

- A. The employee shall be provided this agreement upon approval of his/her written detailed request of the type of educational program he/she wishes to participate in. The request will become part of this agreement.
- B. The employee shall also enter a tuition reimbursement amount as part of this agreement noting the non-job related courses that shall be reimbursed.
- C. This agreement also identifies the process for determining payback by the employee to the City, if the employee leaves City employment for any reason other than a Reduction in Force in less than the prescribed time after completion of the educational program.
  - 1. **Police Officer's** prescribed time is two (2) years following completion of all training, including field training by Field Training Officer (FTO),

2. **Firefighter's** prescribed time is two (2) years from completion of all training, including certification. Re-certification does not require a "Tuition Reimbursement Agreement".
3. **Volunteer Firefighter's** prescribed time is two (2) years of volunteer or classified employment, where a volunteer must accumulate 100 points for a year's credit based on the Cottonwood Fire Department Alternative Pension and Benefits Plan point system.
4. **Other Employees'** prescribed time is two (2) years following the completion of the last reimbursed class.



**CONFIRMATION OF TUITION EXPENSES**

**TO: GENERAL MANAGER**

In accordance with "Tuition Reimbursement Request" approved on \_\_\_\_\_,  
I hereby submit pertinent receipts for tuition and books, and proof of passing grade for the course(s) that  
I have enrolled in and completed at \_\_\_\_\_.

Name of College

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

\_\_\_\_\_  
Date

Reimbursement Check Needed:

Charge to Account Code: \_\_\_\_\_

Amount: \_\_\_\_\_

Payable to: \_\_\_\_\_

**THRU: HUMAN RESOURCES**

**TO: FINANCE DEPARTMENT**

Attached please find pertinent receipts for reimbursement of tuition and books relating to the course(s)  
that \_\_\_\_\_, has enrolled in at

Name of Employee

\_\_\_\_\_. Also find attached grade received for the  
Name of College

course(s) indicating a passing grade of "C" or better ("B" or better for graduate level courses). Please  
process same for reimbursement payable from the above account and department.

\_\_\_\_\_  
Signature of General Manager

\_\_\_\_\_  
Date

**APPROVAL FOR PAYMENT:**

\_\_\_\_\_  
Administrative Services General Manager

\_\_\_\_\_  
Date

**TO: HUMAN RESOURCES**

Distribute a copy of this request to the employee and department. The originals shall be maintained in  
the employee's personnel file.

**TUITION REIMBURSEMENT AGREEMENT**  
(DEGREE PROGRAM)

This agreement is made effective the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between the City of Cottonwood, a political subdivision of the State of Arizona ("City"), and \_\_\_\_\_, hereafter referred to as "Applicant."

**WHEREAS:**

1. The City of Cottonwood employs individuals to serve the residents of the City of Cottonwood and the public in general; and
2. With training and education, such individuals may better fulfill the duties of their employment positions; and
3. It has been determined that it is in the City's interest to have such individuals obtain additional education and degrees related to their duties as City employees, and to attract and retain quality employees by providing educational opportunities; and
4. The City wishes to benefit from the further education and degrees obtained by its employees.

NOW, THEREFORE, the parties to this agreement, in consideration of the mutual covenants and stipulations set forth herein, agree as follows:

1. An overall education program with exact classes and times must be submitted for approval by the City Manager upon the recommendation of Applicant's direct supervisor. Such program is attached as Exhibit "A" and is hereby incorporated by reference.
2. The City shall reimburse the Applicant for tuition and books paid by Applicant to obtain further education and degrees related to Applicant's duties as an employee of the City.
3. Such reimbursement shall only be paid to Applicant on a course by course basis.
4. The City shall reimburse Applicant for a course only if a letter grade of "C" or better ("B" or better for graduate level courses) is obtained. If a course is not offered with letter grades, City shall reimburse applicant upon successful completion of the course as defined by the educational institution offering the course.
5. Applicant has until the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ to complete the approved educational program. The educational program is described in the attached Exhibit "A" which is hereby incorporated by reference. Extensions of this date must be agreed to in writing and may be granted for good cause shown.
6. The tuition amounts reimbursed to Applicant by City shall be entered onto the attached Exhibit "B" which is hereby incorporated by reference. The amounts reimbursed for non-job related courses shall be delineated from the total reimbursement.

7. Applicant agrees to pay back to the City all of the tuition amounts listed in Exhibit "B" as non-job related if Applicant leaves the employment of the City of Cottonwood for any reason other than a Reduction in Force less than two (2) years after completion of the educational program. Applicant expressly agrees that the City may recover such amounts from the final paycheck of Applicant, any amounts owed by the City to Applicant such as compensation for accrued leave time, or by entering into another agreement with Applicant to repay the City over time. If the Applicant agrees to pay the City over time, such agreement shall include an interest rate of ten percent per annum (10%) or the maximum legal rate, whichever is lower. If the amount owed to City is not satisfied by the above methods, City reserves the right to pursue any action against Applicant, whether in law or equity.
8. If the City has to take legal action to enforce its rights under this agreement to collect the amounts due under paragraph 9, Applicant shall also pay the City the amount of its costs and reasonable attorney's fees incurred to enforce this agreement. Furthermore, Applicant shall owe City an administrative fee of five hundred dollars (\$500.00) not as a penalty but as liquidated damages to cover the expense by City of staff and administrator's time in pursuing legal action. Both parties agree that the administrative fee is a reasonable estimation of the damages to the City which cannot otherwise be precisely determined.
9. Applicant expressly acknowledges that this agreement does not grant Applicant any vested rights to continued employment with the City of Cottonwood beyond those granted by the laws of the United States, the State of Arizona, or under any City of Cottonwood Personnel Manual or policy now or hereafter in effect.
10. The terms of this agreement shall take precedence over any conflicting provision in the City Personnel Manual and policies to the extent of such conflict.
11. This instrument reflects the entire agreement between the parties and no statements, promises or inducements made by either party, or the agent of either party, other than those which are contained herein shall be valid or binding.

IN WITNESS HEREOF, this agreement is executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
City of Cottonwood

STATE OF ARIZONA     )  
                                  ) ss.  
COUNTY OF YAVAPAI    )

SUBSCRIBED and SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

APPROVED AS TO FORM: \_\_\_\_\_  
Steve Horton, Esq., City Attorney

## PUBLIC SAFETY EMPLOYMENT AGREEMENT

This agreement is made effective the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between the City of Cottonwood, a political subdivision of the State of Arizona, and the City of Cottonwood Police/Fire Department, hereinafter cumulatively referred to as "Police/Fire Department", and \_\_\_\_\_, hereafter referred to as "Applicant".

Whereas:

1. The Police/Fire Department employs individuals to serve as Police Officers/Firefighters and to perform the duties and responsibilities of Police Officers/Firefighters; and
2. Such individuals must be trained and certified by the State of Arizona as certified law enforcement officers/certified firefighters; and
3. That after being hired, the Police/Fire Department sends non-certified Police Officers/Firefighters to an appropriate training program; and
4. The Police/Fire Department pays a portion of the expenses of the employees' attendance at the training program, with the rest of the expenses being paid by the State; and
5. The Police/Fire Department pays these expenses with the express intent of gaining certified Police Officers/Firefighters who will remain employed with the Police/Fire Department; and
6. The Applicant is not certified as a law enforcement officer/firefighter in the State of Arizona and wishes to become certified and be employed as a City of Cottonwood Police Officer/Firefighter; and
7. The Applicant has successfully completed all testing or requirements imposed by the Police/Fire Department; and
8. The Police/Fire Department has undergone considerable expense in recruiting, screening and hiring Applicant. The Police/Fire Department undergoes additional expense in training and certifying employees. These costs include but are not limited to approximately \_\_\_\_\_ in salary and administrative costs while the employee is attending the academy.

NOW, THEREFORE, the parties to this agreement, in consideration of the mutual covenants and stipulations set forth herein, agree as follows:

1. The Police/Fire Department will employ Applicant as a Police Officer/Firefighter and send him/her to a training academy with the intent that Applicant becomes a certified law enforcement officer/firefighter.
2. If the Applicant fails to complete the academy for any reason, his/her employment with the Police/Fire Department shall automatically cease without any right by Applicant to review or appeal/grievance process and his/her responsibilities under this agreement shall terminate.
3. The Applicant agrees to remain in the employment of the Police/Fire Department for two (2) years from completion of all training, including field training. If Applicant resigns, quits, or is terminated by the Police/Fire Department for any reason other than Reduction in Force prior to the expiration of the two-year period, the Applicant shall be required to reimburse the City for the all training expenditures on behalf of the Applicant. This amount may be deducted from the Applicant's final paycheck, or may be paid by entering into another agreement with the City to repay the amount over time at an interest rate of ten percent per annum (10%) or the maximum legal rate, whichever is lower. The City shall reduce the required amount of reimbursement by a percentage equal to the percentage of the two-year term completed by the Applicant. This provision shall not be construed as preventing Applicant from accepting additional outside employment which does not interfere with his/her ability to perform the duties of a City of Cottonwood Police Officer/Firefighter and which does not violate any rules and regulations applicable to employee. Throughout this period and during the entire term of employment relationship, the Police/Fire Department reserves the right to terminate the Applicant's employment.
4. Applicant expressly acknowledges that, this agreement gives him/her absolutely no vested rights to continued employment with the Police/Fire Department. Applicant expressly acknowledges that this agreement gives him/her no rights to continued employment beyond those given by the laws of the United States, the State of Arizona, or under any City of Cottonwood Personnel Manual or policies now or hereafter in affect.
5. The terms of this agreement shall take precedence over any conflicting provision in the City Personnel Manual and policies and any policies and procedures of the Cottonwood Police/Fire Department, to the extent of such conflict.
6. This instrument reflects the entire agreement between the parties and no statements, promises, or inducements made by either party, or the agent of either party, other than those which are contained herein shall be valid or binding.

IN WITNESS HEREOF, this agreement is executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
City of Cottonwood

STATE OF ARIZONA     )  
  ) ss.  
COUNTY OF YAVAPAI    )

SUBSCRIBED and SWORN to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

APPROVED AS TO FORM:

\_\_\_\_\_  
Steve Horton, Esq., City Attorney

\_\_\_\_\_  
Police/Fire Chief, City of Cottonwood

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

**PUBLIC SAFETY EDUCATION COST REIMBURSEMENT AGREEMENT**

This application is to be used to apply for reimbursement from the City of Cottonwood for course(s) taken by employees of the City ("Applicant"). IN ORDER TO OBTAIN REIMBURSEMENT, THIS APPLICATION MUST BE SUBMITTED AND APPROVED BEFORE THE COURSE(S) BEGIN.

Applicant Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Department: \_\_\_\_\_

Applicant hereby attests that the following course(s) shall improve the Applicant's skills and knowledge in relation to Applicant's employment by the City of Cottonwood. Applicant seeks reimbursement from the City of Cottonwood for such courses. Applicant understands that reimbursement shall only be given after completion of the course(s) and on a course by course basis.

Applicant shall not be eligible for reimbursement in a course unless a letter grade of "C" or better ("B" or better for graduate level courses) is obtained. If a course is not offered with letter grades, the City shall reimburse applicant upon successful completion of the course as defined by the educational institution offering the course.

Applicant must submit this application to his/her direct supervisor for approval. If the supervisor approves of the course(s) listed below as an education program that will improve the applicant's skills and knowledge in relation to the applicant's employment by the City, the supervisor shall signify such approval by (a) signing on the line below and (b) forwarding the application to the City Manager for review with a recommendation that the course(s) be approved. Recommendation of an educational program by Applicant's direct supervisor is completely within the sole discretion of such supervisor and Applicant shall have no grievance from the decision to recommend or not recommend the course(s) listed below.

Upon submission of this application with the recommendation of Applicant's direct supervisor, the City Manager shall review this application for approval. If the course(s) is/are approved, the City Manager shall (a) signify such approval by signing on the line below and (b) designate each course as either job related or non-job related based upon how the courses fit with applicant's job designation. Approval of the course(s) and the designation of each course(s) as job related or non-job related by the City Manager are completely within the sole discretion of the City Manager and Applicant shall have no grievances from any such decisions.

Once the course(s) listed below are approved, the Applicant shall not be entitled to reimbursement until he/she enters into a Tuition Reimbursement Agreement with the City of Cottonwood.

**COURSE(S) SUBMITTED FOR APPROVAL**

Educational Institution:

Designation (circle one):                      Job Related                      Non-Job Related  
Course  
Date or Days /Times  
Description

Designation (circle one):                      Job Related                      Non-Job Related  
Course  
Date or Days /Times  
Description

Designation (circle one):                      Job Related                      Non-Job Related  
Course  
Date or Days /Times  
Description

Designation (circle one):                      Job Related                      Non-Job Related  
Course  
Date or Days /Times  
Description

The above course(s) are a true and correct description of the educational program that I wish to pursue.

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby recommend that the above course(s) be approved by the City Manager.

Police/Fire Chief's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby approve the course(s) listed above for reimbursement by the City of Cottonwood.

City Manager's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I. Purpose  
The City of Cottonwood establishes funds for the convenience of making change in conjunction with collecting City revenues.

II. Procedure  
The following change funds have been established for the purpose of making change only:

**Department/Location**

<b>Finance Dept. (main register) .....</b>	<b>\$200.00</b>
<b>City Hall.....</b>	<b>\$100.00</b>
<b>Police Department.....</b>	<b>\$55.00</b>
<b>Pool.....</b>	<b>\$100.00</b>
<b>Library (3) .....</b>	<b>\$18.00</b>
<b>Planning and Zoning .....</b>	<b>\$50.00</b>
<b>Court .....</b>	<b>\$75.00</b>
<b>River Front Concession .....</b>	<b>\$150.00</b>

III. Change funds shall be randomly audited by the Finance Department on an annual basis, and the findings forwarded to the General Manager and City Manager.

SUBJECT: PROPERTY AND EQUIPMENT

I. Policy

To establish standards for the adequate safeguard of city property, plant and equipment. Such safeguards can only be established through the development of physical and accounting controls.

II. Procedure

- A. A physical inventory of capital equipment items in the city will be taken annually. Equipment items will be listed and grouped according to department. Equipment listings will reflect for each individual item: identification tag number (if applicable), description (including serial numbers) and funding source. Department heads will be responsible for their inventory and equipment.
- B. A separate listing of all acquisitions and disposals made during the fiscal year will be maintained by the Finance Department. In addition to the information required for the equipment listing, the acquisitions listing will include the method of acquisition and should refer to supporting documentation (e.g., purchase order number, check number).
- C. An identification system will be maintained by the Finance Department to provide physical control over equipment. This system should provide for the following:
1. All capitalized equipment items (unit value/cost \$1,000 or more and with a useful life of more than one year) must be inventoried. The assigned identification numbers will be recorded on the equipment listing.
  2. Identification tags will be numbered on a city-wide basis.
  3. The distribution of tags will be controlled by the Finance Department, with a record of identification tag assignments by the Finance Department.
- D. All acquisitions and disposals of equipment items will be supported as follows:
1. Purchases - The related purchase order number and check numbers, vendor's invoice and receiving report will provide support for all acquisitions.
  2. Disposals - All disposals will be reported on a Request for Authorization to Dispose of Equipment form. (Exhibit R)
  3. For purposes of property control through trade-in, sale, transfer, reporting a loss, or other circumstance, the Request for Authorization to Dispose of Equipment form will be utilized by all department heads.

CITY OF COTTONWOOD, ARIZONA  
Request for Disposal of Equipment Form

Department \_\_\_\_\_

Equipment Description	Serial #	I.D. Number	Fund

Reason for Disposal:

\_\_\_\_\_

Approvals:

\_\_\_\_\_  
Department Head / Date

\_\_\_\_\_  
Finance Director / Date

\_\_\_\_\_  
City Manager / Date

SUBJECT: CLAIMS PROCEDURE

I. Policy

It is the policy of the City of Cottonwood to issue Accounts payable checks on a semi-monthly basis, on the Friday that immediately follows the first and third regular city council meeting each month. It is also the policy of the City of Cottonwood to provide written notification and approval to the city council on claims in excess of \$1,000 to any single individual or person.

II. Procedure

The finance department will provide the city council and all departments annually, an Accounts Payable (claims disbursement) schedule for the upcoming calendar year. This schedule should include the following information:

1. \$1,000 invoice submitted cut off date (to meet the city council claims report).
2. Check needed cut off date.
3. City council meeting date.
4. Date the checks will be disbursed.

A. Claims Report

A "Claims Report" is to be submitted to the city council for approval at each regular meeting. The claims on this report will include invoices in excess of \$1,000 to be approved by the city council prior to being released. This report will include the following information:

1. The fund(s) from which the disbursement is to be made.
2. Vendor name.
3. Amount.
4. Brief description of the disbursement.
5. Total disbursement (See exhibit XI-1)

B. Claims Exception Report

In order to comply with state statutes and other sound fiscal practices, the city council will allow the following claims in excess of \$1,000 to be released prior to city council approval. A separate form "Claims Exception Report" is to be submitted to the city council at each regular meeting, as written notification of disbursements made in excess of \$1,000 to any single vendor prior to city council approval. The following category of claims may be released prior to city council approval:

1. Payments to contractors for amounts less than \$5,000 when such payments are to be made to comply with state statutes.
2. Fines and Forfeitures to be submitted to the State Treasurer.
3. Invoices in which the city may obtain a purchase discount from prompt payment.
4. Invoices for a city council approved lease-purchase or other city council approved fixed obligation.
5. Invoices in which the city will receive a late charge if not paid within a certain date.

6. Expenditures in relation to payroll.
7. Utility payments.
8. Checks issued to individuals or vendors in which the accumulation of invoices exceed \$1,000 for the check being issued.

The Claims Exception Report will include the following information:

1. The fund(s) from which the disbursement was made.
2. Vendor name.
3. Amount.
4. Brief description of the disbursement.
5. Total disbursement (**See exhibit FOG XI**)



I. Policy

It is the policy of the City of Cottonwood to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all applicable State and City statutes governing the investment of public funds.

II. Scope

This investment policy applies to all financial assets of the City of Cottonwood. These funds are defined in the City of Cottonwood's Comprehensive Annual Financial Report (CAFR) and include:

- General Funds
- Special Revenue Funds
- Debt Service Reserve Funds
- Debt Service Sinking Funds
- Capital Project Funds
- Proprietary Funds
- Fiduciary Funds
- Expendable Trust Funds
- Any new funds created unless specifically exempted by Council

III. Objectives

The primary objectives, in priority order, of the City of Cottonwood's investment activities shall be:

A. Safety of Principal

The City recognizes its fiduciary responsibility for the stewardship of public funds with which it has been entrusted. Therefore, its foremost investment objective is to ensure safety of principal. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity

City of Cottonwood's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.

C. Yield

City of Cottonwood's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account City of Cottonwood's investment risk constraints and the cash flow characteristics of the portfolio.

IV. Standard of Care

A. Prudence

This policy shall apply the "prudent person" standard, as defined in the glossary, in the context of managing the overall portfolio. Investment officials acting in accordance with procedures consistent with this policy and exercising due diligence, shall not be held personally liable for market price changes or the credit risk of a certain investment, provided that any unexpected deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

B. Ethics and Conflicts of Interest

Investment officials shall refrain from 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 disclose to the City Manager any material personal financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City, particularly with regard to the time of purchases and sales.

C. Delegation of Authority

Authority to manage the investment program is granted to the Administrative Services General Manager, and derived from the Arizona Revised Statutes §35-323. Procedures for investing of Trust and Sinking Funds are specified in Arizona Revised Statutes §35-324 and §35-328. Investments in the State Treasurer's Pool investment fund for collective investments of public funds is authorized in Arizona Revised Statutes §35-326. Responsibility for the operation of the investment program is hereby delegated to the Administrative Services General Manager, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements, and resolutions for participation in the State' Treasurer's Local Government Investment Pool – LGIP are included with this. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer within the City's Financial Operations Guide. The Administrative Services General Manager, with the concurrence of the City Manager, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Dealers and Institutions

- A. The Administrative Services General Manager shall maintain a list of financial institutions, which are authorized to provide investment services. In addition, a list will be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment services in the State of Arizona. No public deposit shall be made except in a qualified public depository as established by State laws.
- B. Banks and savings and loans shall provide their most recent "Consolidated Report of Condition" (call report) at the request of the City.
- C. Securities dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers, or meet certain other criteria as determined by the Administrative Services General Manager.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Administrative Services General Manager with the following:

- 1. Most recent audited annual financial statements,
- 2. Proof of National Association Security Dealers membership,
- 3. Proof of State of Arizona registration, and a
- 4. Completed broker/dealer questionnaire

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Administrative Services General Manager.

A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the City does business.

VI. Safekeeping and Custody

A. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

B. Safekeeping

All securities shall be held by a third party custodian designated by the Administrative Services General Manager. The third party custodian shall be required to issue a safekeeping receipt to the City listing the specific instrument, rate, maturity and other pertinent information.

Collateralization shall be required on two (2) types of investments:

- 1. Certificates of deposits
- 2. Repurchase agreements

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of market value of principal and accrued interest. Acceptable types of collateral for repurchase agreements shall consist of treasuries and agency notes with a maximum maturity of five (5) years and a collateralization level of 102% of market value of principal and accrued interest.

C. Internal Controls

The Administrative Services General Manager shall establish a system of written internal controls, which will be reviewed annually with the independent auditor. This review will provide internal control by assuring compliance with policies and procedures.

VII. Suitable and Authorized Investments

A. Authorized Investments

The City is empowered by statute to invest in the following types of securities. If an investment is not specifically listed in the suitable list, it is prohibited.

1. Fully insured or collateralized certificates of deposit and other evidence of deposit at banks and savings and loan associations.
2. Interest bearing savings accounts in banks and savings and loan institutions doing business in Arizona whose accounts are insured by Federal Deposit Insurance Corporation (FDIC).
3. Repurchase agreements with a maximum maturity of one hundred eighty (180) days, collateralized at no less than one hundred two percent (102%), provided a signed PSA Master Repurchase Agreement is on file with the counterpart bank or broker\dealer.
4. Deposits in the local government investment pool operated by the Treasurer of the State of Arizona.
5. Bonds or other evidences of indebtedness of the United States or any of its agencies or instrumentalities if the obligations are guaranteed as to principal and interest by the United States or by any agency of instrumentality of the United States.
6. Bonds or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns, school districts, or municipal improvement districts which carry as a minimum one of the A ratings of Moody's Investors Service or one of the A ratings of Standard and Poor's Rating Service or their successors.

7. Commercial Paper with an A-1/P-1 rating or higher rating.
8. Mortgage-backed securities.

B. Prohibited Investments

1. Reverse Repurchase Agreements.
2. Futures, Contractual Swaps, Options.
3. Inverse Floaters.
4. Interest Only Securities.
5. Interest Bearing Securities that have the possibility of not accruing current income.
6. Closed end management type companies.
7. Securities whose yield/market value is based on currency, commodity or non-interest indices.
8. Bearer-form securities.
9. Securities lending.
10. Any security product not described in this document until reviewed and approved by the City Council.

C. Investment Pools

A thorough investigation of any investment pool is required prior to investing. There shall be a questionnaire developed which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safekept (including the settlement processes), and how often are the securities priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal.
5. A schedule for receiving statements and portfolio listings.

6. Are reserves, retained earnings, etc. utilized by the pool?
7. A fee schedule, and when and how is it assessed.
8. Is the pool eligible for bond proceeds and/or will it accept such proceeds?

VIII. Diversification and Maturity Limitations

The City will diversify its investment portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification standards by security type and issuer shall not exceed the following:

A.	Fully insured or collateralized CD's	no more than 25%
B.	U.S. Treasuries and securities having principal and interest guaranteed by the U.S. Government or agencies or instrumentalities of the U.S. Government	100%
C.	State, county, school district and other district municipal bonds or debt with an A rating or better	no more than 25%
D.	Repurchase agreements	100%
E.	Local Government Investment Pool	100%

The Administrative Services General Manager shall be required to diversify maturities. To the extent possible, the Administrative Services General Manager will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Administrative Services General Manager may not invest more than 25% of the portfolio for a period greater than three (3) years. Unless matched to a specific requirement, the Administrative Services General Manager may not invest any portion of the portfolio for a period greater than five (5) years.

IX. Reporting

A. Method

The Administrative Services General Manager shall prepare quarterly reports for the City Manager's, which provide a clear picture of the status of the current investment portfolio. The management reports shall include:

1. Comments on fixed income markets and economic conditions.
2. Discussions regarding restrictions on percentage of investment by category.
3. Possible changes in portfolio structure going forward.

4. Thoughts on investment strategies.
5. Any schedules should include:
  - A listing of individual securities held at the end of the reporting period by authorized investment category.
  - Weighted average maturity and final maturity of all investments listed.
  - Coupon, discount or earnings rate.
  - Par Value, Amortized Book Value and Market Value.
  - Percentage of the portfolio represented by each investment category.

The City Manager and Administrative Services General Manager shall be responsible for making recommendations to the City Council of changes in the investment policy and in establishing performance benchmarks based upon City of Cottonwood's portfolio composition and current investment strategy.

The Administrative Services General Manager shall include a market report on investment activity and returns in City of Cottonwood's Comprehensive Annual Financial Report - CAFR.

B. Performance Standards

The City of Cottonwood's cash management portfolio shall be designed with the objective of regularly meeting or exceeding a selected performance benchmark, which could be the average return on three-month U.S. Treasury bills, the state investment pool, a money market mutual fund or the average rate of Federal funds. These indices are considered benchmarks for lower risk investment transactions and therefore comprise a minimum standard for the portfolio's rate of return.

X. Investment Policy Adoption

City of Cottonwood's Investment Policy shall be adopted by the City Council. The policy shall be reviewed on an annual basis by the City Manager and significant modifications thereto must be approved by the City Council.

XI. Glossary

A glossary of financial terms referenced herein follows.

## GLOSSARY

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

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

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

**BID:** The price offered for securities.

**BROKER:** A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active to markets in which banks buy and sell money and in inter-dealer markets.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report for the City. It includes five (5) combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

**CITY:** The City of Cottonwood, Arizona

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

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

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

**DELIVERY VERSUS PAYMENT:** There are two (2) methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

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

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

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent return.

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

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

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

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

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

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven (7) members of the Federal Reserve Board and five (5) of the twelve (12) Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven (7) member Board of Governors in Washington, D.C., twelve (12) regional banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term “passthroughs” is often used to describe Ginnie Maes.

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

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the state treasurer for investment and reinvestment.

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

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

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

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

**OFFER:** The price asked by a seller of securities.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

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

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

**PRUDENT PERSON RULE:** An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived. The care skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

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

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

**REPURCHASE AGREEMENT:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use repurchase agreements extensively to finance their positions.

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

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

**SECURITIES & EXCHANGE COMMISSION:** Agency created by congress to protect investors in securities transactions by administering securities legislation.

**STATE:** State of Arizona

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

**TREASURY BILL:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three (3) months, or one (1) year.

**TREASURY BOND:** Long-term U.S. Treasury securities having initial maturities of more than ten (10) years.

**TREASURY NOTES:** Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one (1) to ten (10) years.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage.

(a) **Income yield** is obtained by dividing the current dollar income by the current market price for the security.

(b) **Net yield or yield to maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

I. Purpose:

To provide a policy governing the use of wireless communication devices by City of Cottonwood employees and to provide allowance guidelines, criteria and conditions for business use of personally owned wireless communication devices.

As a general rule, the City of Cottonwood shall not own or otherwise provide wireless communication devices or services to its employees. The exception to this rule is cellular phones owned for short-term events, emergency or disaster recovery purposes, or for on-call personnel. This administrative guideline will also help ensure consistency among City departments using cellular phones and wireless devices.

II. Employee Owned Wireless Communication Devices Guidelines:

- A. City employees are allowed to use discounted plans for government employees from Verizon wireless or other wireless carriers.
- B. All personal wireless communication devices and accessories are the employee's responsibility and not the liability of the City.
- C. The City of Cottonwood will provide a wireless communication device allowance to those employees who have a documented official City business need for a communication device, and who continue to meet eligibility requirements.
- D. The City of Cottonwood does not purchase any wireless communication devices for employees.
- E. The City of Cottonwood provides an allowance to officials and employees who work in areas or on assignments where standard telephones or other forms of electronic communications equipment are not always readily available and where such use will benefit the City and its citizens

III. Maximum Allowances:

- A. The monthly wireless allowance shall not exceed the employee's monthly wireless plan charges. The City will pay an allowance equal to the lesser of the employees' monthly plan or **\$40** per month for cellular phone service.
- B. The Wireless Communication Device allowance is for phones that allow secure access to City of Cottonwood's e-mail environment. This additional allowance is equal to the lesser of one half of the employee's monthly plan charge or **\$25**.
- C. If internet accessibility is essential to conduct City business via a Wireless Communication Device, then an additional allowance not to exceed **\$15** shall be provided.

- D. Employees may request allowance for any combination of services; however the maximum monthly reimbursement shall not exceed **\$80**. The wireless allowance may be subject to taxation and will be added to the employees' gross income.
- IV. Oversight Responsibility:
- A. Individual departments shall be responsible for oversight of employee wireless usage and shall monitor and review such usage periodically to ensure that use is appropriate and that prudent fiscal management guidelines are followed.
- B. This periodic review shall include an assessment of each authorized employee's continued need to use wireless devices for business purposes.
- C. Wireless Communication Device accounts shall be randomly audited by the City's Finance Division by requesting the statement summary of the account.
- V. Allowance Procedures:
- A. All requests for wireless communication devices allowance will require the completion of a "*Request for Wireless Communication Device Allowance*" form, approved in advance by the General Manager and the City Manager, then forwarded to the Finance Division.
- B. Any employee eligible for an allowance and currently in possession of a City owned wireless communication device shall sign an "*Assumption of Liability*" form, re-assigning all responsibility for the service from the City of Cottonwood to the employee.
- C. It is recommended that wireless communication devices and contracts be obtained through Verizon Wireless to take full advantage of their IN program, and the governmental discounts provided by the carrier.
- D. All wireless communication device bills will be sent to the employee's home.
- E. All employees receiving an allowance shall provide all information requested by the Finance Division for audit purposes within ten (10) calendar days.
- VI. Policy Violations:
- A. Failure to follow this policy may result in loss of wireless communication device allowance and may result in disciplinary action, up to and including termination of employment.
- B. Allowance will be suspended for employees not complying with the Finance Division's audit requests and will not be provided with back allowance.

VII. Personal Use of City Provided Wireless Device Guidelines - While the City generally will not provide wireless phones to employees, there are some exceptions to this rule:

- A. The City will own and retain a certain number of cell phones for emergency, on-call, or disaster recovery purposes.
- B. In the instances where the City is providing a wireless communication device:
  - 1. Employee use of City wireless communication devices is limited to official City business only.
  - 2. There shall be limited personal use of City wireless communication devices **except** in response to family emergencies or unforeseen work schedule changes.

VIII. Procedures:

- A. All requests for City provided wireless communication device will require completion of a “*Request for City Issued Wireless Communication Device*” form approved in advance by the department head and the City Manager, then forwarded to the Finance Department.
- B. All purchases of City issued wireless communication devices will be through State of Arizona contract, unless a more advantageous contract is negotiated through an outside provider.
- C. All cellular telephone bills will be sent to the Finance Division.
- D. The employee responsible for the cellular telephone will review each monthly cellular telephone bill for accuracy.

IX. Policy Violations:

- A. Failure to follow this policy may result in loss of wireless communication device privileges and, for employees may result in disciplinary action, up to and including termination of employment.
- B. Excessive non-work usage of a City owned wireless communication device shall be reviewed by the employee’s supervisor to determine whether continued access to a cellular telephone is in the City’s interest.

**City of Cottonwood  
Wireless Communication Device Allowance Agreement**

I understand that I am receiving an allowance provided by the City of Cottonwood in order to make my work easier and more productive.

I will be allowed to use discounted plans for government employees from Verizon wireless or any other service provider.

The City of Cottonwood does not purchase any wireless communication devices for employees.

I understand that the personal wireless communication devices and accessories are not provided by the City, but are my responsibility and not the liability of the City.

The City of Cottonwood will provide a wireless communication device allowance to those employees who have a documented official City business need for a communication device, and who continue to meet eligibility requirements.

Under no circumstance will my allowance be greater than my wireless communication device plan.

I will immediately notify my supervisor and the City of Cottonwood Finance Division of any changes that may affect my allowance.

I will follow the established Wireless Communication Device Policy. I understand that failure to do so may result in loss of privileges and, as a City employee, disciplinary action, up to and including termination of employment.

I have received, read, understand, and agree to comply with the City of Cottonwood Wireless Communication Device Policy.

\_\_\_\_\_  
Officer/Employee Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Received by the Finance Division

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**City of Cottonwood  
Request for Wireless Communication Device Allowance**

To: Administrative Services

From: \_\_\_\_\_ Department

Subject: Request for Wireless Communication Device Allowance

I request that the following employee be provided an allowance for their wireless communication device.

Temporary allowance: \_\_\_\_\_ Length of time: \_\_\_\_\_ Permanent allowance: \_\_\_\_\_

Employee name: \_\_\_\_\_

Employee title: \_\_\_\_\_

Reason(s) for the amount of the request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Allowance amount requested:

\$40 \_\_\_\_\_ Cellular Phone

\$65 \_\_\_\_\_ Blackberry

\$15 \_\_\_\_\_ Wireless Internet Access (additional allowance)

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

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

\_\_\_\_\_  
General Manager Signature

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services General Manager Signature

# Transfer of Billing Responsibilities E-mail/Faxback Form

Corporate to Personal/Employee Assumption of Liability rev02062007



This form will allow you to transfer billing responsibilities for a Verizon Wireless mobile telephone number currently held by your employer to you.

- 1) Complete all the applicable fields below.
- 2) If you are eligible, or required, to change your calling plan (or if the line you are transferring is the primary line on a Family SharePlan, or is the *only* secondary line on a Family SharePlan), please review the available calling plans on the Verizon Wireless website at [verizonwireless.com](http://verizonwireless.com). After selecting a calling plan, complete the fields in the Calling Plan Change section below.
- 3) Read the terms and conditions of this Transfer of Billing Responsibilities Form.
- 4) Read and accept the Terms and Conditions of the Verizon Wireless Customer Agreement. You may obtain a copy of the Customer Agreement from your Organization or Verizon Wireless representative or online at [verizonwireless.com](http://verizonwireless.com) (enter in Customer Agreement in the search field).
- 5) When returning this form via e-mail you must click the box above the signature line below to acknowledge your electronic acceptance of these terms. Save a copy of the form and upload it to the Verizon Wireless Secure Document Gateway at <https://b2b.verizonwireless.com/tbmb/formuploader> (address must be manually typed in to your browser). The form should then be e-mailed to **RanchoBSC@nw.verizonwireless.com**. E-mails will only be accepted from your Organization's email domain. Once the form is received, a confirmation e-mail notice will be sent to the requester's e-mail box.
- 6) If e-mail process is not available, return this form via Fax, have both parties sign and print at the bottom of this form and fax this form to: (866) 857-3667

**Note:** Completion timelines for the Assumption of Liability request is 3-5 business days.

## Account Information (Assuming Customer)

Wireless Number to be Transferred:		Create New Billing Account: Yes <input type="checkbox"/> No <input type="checkbox"/>		
Assuming Customer Name:		Add to Existing Account Number (if applicable):		
Billing Address: (No PO Boxes)		Date of Birth:	Social Security #:	
Billing Address (Cont):		E-Mail Address:		
City:	State:	Zip Code:	Driver's License Number:	State:
Primary Address for Use (if different than billing) Note: No P.O. Boxes:		Home Phone:		
City:	State:	Zip Code:	Work Phone:	

## Calling Plan Change - If Required (Assuming Customer)

Calling Plan Name:	Home Airtime Minutes:	Monthly Access Fee:	<input type="checkbox"/> 12 Months <input type="checkbox"/> 24 Months
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## Organization Release of Liability (Relinquishing Customer)

- The account identified must be current (no past due balance) before Verizon Wireless can transfer it to another party.
- The individual signing this Transfer of Liability on behalf of Organization represents that they have the legal capacity to bind Organization.
- Organization remains responsible for all charges incurred until the line is transferred.
- By signing this form, or checking the box below, Organization agrees to release liability for the mobile telephone number indicated above. If returning via email, the Organization representative must include their name and date.

If you received this form electronically and are returning via e-mail, please check the box to the left to acknowledge your electronic acceptance of these terms.

Signed:	Title:	
Name:	Date:	Current Corporate Account Number:

## Personal/Employee Assumption of Liability (Assuming Customer)

- Upon processing of the transfer of billing responsibilities, a new personal account will be established for you, for this mobile telephone number for which you agree to assume all financial responsibility.
- Establishment of your new personal account is dependent upon a credit check. Some of your personal information above will be used in conjunction with that credit check. A deposit may be required to establish this account.
- Your new personal account requires a minimum of an annual service agreement and you may be subject up to a \$175 Early Termination Fee pursuant to the terms and conditions of both the Transfer of Billing Responsibilities and the Customer Agreement.
- If you are receiving discounted monthly access fees as a benefit of your employment: You understand that this discount is based on your organization's agreement with Verizon Wireless, and that from time to time, your discount rate may be adjusted in accordance with your organization's agreement. You agree that, if you are otherwise subject to an Early Termination Fee, you will not be permitted to terminate your service without being liable for such Early Termination Fee solely because of a change in your rates resulting from a discount adjustment to which your organization has agreed.
- You understand that certain information relating to your service, including your name, your mobile telephone number and total monthly charge may be released to your organization.
- Verizon Wireless reserves the right to require proof of your employment (Company ID badge or pay stub). If a review of your employment status reveals that you are not, or are no longer, an employee of your organization, Verizon Wireless reserves the right to remove this discount and move you to a commercially available calling plan or to a non-discounted service plan for the remainder of your line term commitment.

If you received this form electronically and are returning via e-mail, please check the box to the left to acknowledge your electronic acceptance of these terms and the Customer Agreement.

Signed:	Print Name:	Date:
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**City of Cottonwood**  
**Request for City Issued Wireless Communication Device**

To: Administrative Services

From: \_\_\_\_\_ Department

Subject: Request for City Issued Wireless Communication Device

I request that the City of Cottonwood provide a wireless communication device for departmental use only.

Temporary allowance: \_\_\_\_\_ Length of time: \_\_\_\_\_ Permanent allowance: \_\_\_\_\_

Department: \_\_\_\_\_

Reason(s) for the request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Type of phone requested:

\_\_\_\_\_ Cellular Phone

\_\_\_\_\_ Wireless Communication Device

\_\_\_\_\_ Include Wireless Internet Access

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

\_\_\_\_\_  
General Manager Signature

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services General Manager Signature

**City of Cottonwood**  
**City Owned Wireless Communication Device User Agreement**

I understand that I am using a wireless communication device that has been issued to me by the City of Cottonwood in order to make my work easier and more productive.

I will restrict my personal calls to emergencies only.

I will follow the established Wireless Communication Device Policy. I understand that failure to do so may result in loss of privileges, and as a City employee could result in disciplinary action, up to and including termination of employment.

I agree that if I violate the terms of this Agreement, I will notify and reimburse the City of Cottonwood for all incurred charges and any fees related to the collection of those charges.

I agree that if I leave City of Cottonwood employment or public office, I will return my wireless communication device and all appropriate documentation and accessories to my supervisor or to the City Manager, as may be appropriate.

I will use the City-issued wireless communication device with the highest degree of personal and professional integrity and ethics, recognizing my responsibility to the public and the City organization.

I have received, read, understand, and agree to comply with the City of Cottonwood Wireless Communication Device Policy.

\_\_\_\_\_  
City Employee Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I. Purpose

The purpose of this policy is to establish procedures governing the authorization for vehicle allowances for specific department heads and supervisory personnel in lieu of providing a City owned vehicle. The option to receive a vehicle allowance or use of a City vehicle is that of the employee submitting a request and the City Manager.

II. Eligible Employees

Eligible employees are departmental heads and supervisory staff, meeting the minimum criteria under this policy and with approval from the City Manager. It is, however, ultimately the City Manager's discretion to approve or deny any vehicle allowance request.

III. Vehicle Allowance Criteria

A. Vehicle allowances may be provided to certain departmental and supervisory staff in lieu of providing a City owned vehicle. The following factors are considered in order to obtain approval for a car allowance.

1. The employee's City of Cottonwood duties require city business usage of a personal vehicle.
2. The employee considering request for a vehicle allowance should provide proof that they log over 7,000 miles annually on City related business and not have a vehicle available for use in the department.
3. A City vehicle or vehicle allowance is normally furnished to an individual in a similar capacity at a comparable community.
4. An appropriate source of funds must be available; however, available funding is **not** sufficient justification for an allocation.

B. A person approved for a vehicle allowance is not permitted to submit mileage for reimbursement as a travel expense.

C. Authorized Amount

1. The authorized vehicle allowance amount may not exceed \$450 per month.
2. All amounts require the City Manager's approval.

D. Approval Procedure

1. An employee seeking initial approval of a vehicle allowance will complete the Vehicle Allowance Request and Approval Application (FOG XIV-1) and submit it his/her General Manager for review and approval.
2. The form with appropriate GM signatures is then forwarded to the Administrative Services General Manager and the City Manager for their review and approval.
3. The application must include justification, and the recommended monthly vehicle allowance amount (not to exceed the maximum amount under this policy).

4. Upon receiving the approved memo, the employee will forward the approved memo to the Human Resources Division for processing.
5. Typical start date for approved vehicle allowance is the fiscal year in order to provide the funding allocation to the respective department.

E. Employee Owned Vehicle Requirements

1. Employee must have a valid Arizona drivers license, and in good standing.
2. Employee must promptly notify the City of any adverse matters regarding their driver's license status.
3. Employee must maintain their vehicle in good working order.
4. Employee must maintain at the very least, minimum insurance coverage in accordance with State requirement, at the sole responsibility of the employee.
5. Employee may not use a vehicle that is not registered to them.
6. Under no circumstance is the City responsible for maintenance, repairs, and/or fuel costs associated with the employee's personal vehicle.

F. Payment Procedure

The vehicle allowance payment will be established on the employee's payroll record and will be paid each month of the fiscal year unless notified in writing of a change.

G. Taxability

1. Vehicle allowances are considered taxable income subject to federal and state taxes.
2. Vehicle allowances are not considered as part of gross wages according to the Arizona State Retirement System and the Public Safety Personnel Retirement System.
3. Vehicle allowances are not considered part of benefits base salary for insurance purposes or any other purpose.

IV. Right to Change Policy

The City of Cottonwood reserves the rights to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time without the consent of employees.

**VEHICLE ALLOWANCE REQUEST AND AUTHORIZATION**

To: Administrative Services

From: \_\_\_\_\_ Department

Date:

Subject: Request for Vehicle Allowance in lieu of City Vehicle

I request that the following employee be provided a vehicle allowance.

Temporary: \_\_\_\_\_ Length of Time: \_\_\_\_\_ Permanent Issue: \_\_\_\_\_

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

Employee Title: \_\_\_\_\_

Is this public safety personnel: yes \_\_\_\_\_ no \_\_\_\_\_

Reason for request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By signing this request, I understand the responsibilities of using my personal vehicle and opting for a vehicle allowance. I am also aware violation of any section of the policy will subject me to disciplinary action.

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

\_\_\_\_\_  
General Manager Signature

Authorized Amount: \$\_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services General Manager Signature

I. Policy

The City of Cottonwood values the years of satisfactory performance its employees give the organization. The purpose of this policy is to provide guidance to govern the annual distribution of Longevity Pay.

II. Eligibility

- A. An employee must be a full time classified employee.
- B. An employee must have completed five (5) years or more of continuous service.
- C. Years of continuous full-time service will be calculated on July 1<sup>st</sup>.
  - 1. Time off payroll does not count toward years of service.
  - 2. For the purpose of longevity calculation:
    - a. 2,080 hours for classified regular employees
    - b. 2,912 hours for shift firefighters
- D. Must have attained a compa-ratio of 100+ in an approved classification position.
- E. An employee must have at least a satisfactory rating in their most recent performance review.
- F. All retiring employees are eligible for longevity pay upon retirement through one (1) of the two (2) City sponsored retirement plans.
  - 1. Arizona State Retirement System (ASRS)
  - 2. Public Safety Personnel Retirement System (PSPRS)

III. Procedures

- A. The Cottonwood City Council, during the annual budget preparation process, may appropriate funds for this program, subject to budgetary limitations.
- B. The Finance Department will compile a fulltime classified employee listing as of July 1<sup>st</sup> of each year, and make the necessary calculations based on the Longevity Pay criteria.
- C. The Finance Department will, no later than the first council meeting each November, provide the City Council with a status report on the City's financial position.
- D. The Cottonwood City Council may chose to reduce or eliminate the amount of appropriation based on the City's economic situation.
- E. If funded, the Finance Department will produce a final listing of employees still employed by the City of Cottonwood and make the necessary calculations
- F. The Finance Department will make the disbursement on an off payroll week by mid-December.

IV. Calculation of Longevity Pay

<b>LONGEVITY PAY MATRIX</b>					
	<b>Years of Service (\$s /year)</b>				
<b>Compa-Ratio</b>	<b>5+</b>	<b>10+</b>	<b>15+</b>	<b>20+</b>	<b>25</b>
100%-105%	\$25	\$50	\$75	\$100	\$125
105.1% - 110%	\$50	\$75	\$100	\$125	\$150
110.1% - 115%	\$75	\$100	\$125	\$150	\$175
115.1% - Above	\$100	\$125	\$150	\$175	\$200

(Calculation example: 12 years of service @ 111% Compa-ratio = \$100 X 12 = \$1,200)

V. Policy Restrictions

- A. No prorated payments will be made for partial years of service.
- B. The gross dollar value of the Longevity Pay is not meant as covered salary for the purposes of calculating retirement benefits.
- C. Employee must still be employed with the City of Cottonwood at the time of distribution.
- D. The cap of maximum longevity pay per individual is set at \$5,000.

CURRENTLY NOT IN EFFECT

I. Purpose:

The intent of the policy is to protect the assets and interests of the City of Cottonwood, and outline the responsibility of employees for detecting, reporting, and resolving instances of fraud, and suspected fraudulent activities.

II. Policy:

- A. It is the policy of the City of Cottonwood to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the City and, when appropriate, to pursue legal remedies available under the law.
- B. The City will take appropriate disciplinary and legal actions against employees and/or entities to include the possibility of termination of employment, restitution, and forwarding of information to the appropriate authorities for criminal prosecution.
- C. This policy will attempt to clarify acts that are considered to be fraudulent, and describe the steps to be taken when fraud or other related dishonest activities are suspected. This policy also includes the procedures to follow in accounting for missing funds, restitution, and recoveries.

III. Definitions:

- A. **City:** The City of Cottonwood and all of its components, regardless of source of funding.
- B. **Employee:** Any staff member who receives compensation, either full or part time, from the City. The term also includes any volunteer who provides services to the City through an official arrangement with the City or a City organization.
- C. **Management:** City Manager, General Manager, Director, Division Manager, Supervisor, or other individual who manages or supervises funds, expenditures, assets, or other resources, including human resources.
- D. **Fraud:** Fraud is defined as the intentional deception, misappropriations of resources or the manipulation of data to the advantage or disadvantage of a person or entity.
- E. **Fraudulent Activity/Fiscal Misconduct:** Defalcation, misappropriation, and other fiscal irregularities or improprieties meeting the definition of fraud under Section IV - Actions Constituting Fraud.

- F. **Screening:** Investigation into the following to determine the business practices, liabilities, and integrity of vendors and their principals:
- Criminal records
  - Bankruptcy records
  - Illegal activity allegations
  - Civil cases
  - Liens
  - Media coverage
- G. **Suspected Fraudulent Activity:** A reasonable belief or actual knowledge that fraudulent activity has or is occurring. Failure to show an actual diversion of assets or loss shall not be considered unreasonable belief.
- IV. Actions Constituting Fraud:  
Dishonest or fraudulent activities include, but are not limited to, the following:
- A. Forgery or alteration of documents (checks, promissory notes, timesheets, independent contractor agreements, purchase orders, budgets, etc.).
- B. Intentional misrepresentation of information on documents.
- C. Misappropriations of funds, securities, supplies, or any other asset.
- D. Theft, disappearance, or destruction of any asset.
- E. Improprieties in the handling or reporting of money transactions.
- F. Employee acceptance or solicitation of any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties.
- G. Authorizing or receiving payments for goods not received or services not performed.
- H. Authorizing or receiving payment for time not worked.
- I. Knowing, reckless, or intentional inaccuracies in the maintenance of books and records or irregularities in financial reporting.
- J. Computer related activities involving any of the above activities, including the manipulation of data or misappropriation of City owned software.

SUBJECT: FRAUD POLICY

- K. Any apparent violation of Federal, State, or local laws related to dishonest activities or fraud.
  - L. Any similar or related activity.
- V. Deterring Fraud and Corruption:
- A. The City has established internal controls, policies and procedures in an effort to deter, prevent, and detect fraud and corruption.
  - B. All new employees, including temporary, seasonal, and contract employees, are subject to background investigations including a criminal background check.
  - C. Prior to making an offer of employment to any applicant, the City will also verify some or all of the following items: employment history, education, and personal references.
  - D. All vendors, contractors, and suppliers must be active, in good standing, and authorized to transact business in the City of Cottonwood. Vendors, contractors and suppliers are also subject to screening.
  - E. Contractual agreements with the City may contain provisions prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.
  - F. The City employees will receive fraud and corruption awareness training before policy implementation and on an annual basis.
  - G. New employees will receive this policy as part of their orientation at the commencement of employment.
  - H. Employees will be required to sign an acknowledgement verifying that they received a copy of the fraud policy. It is an employee's responsibility to read and understand the policy.
  - I. Each department is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities.

VI. Employee Responsibilities:

When suspected fraudulent incidents or practices are observed by or made known to an employee, the following should be done:

- A. The incident or practice must be relayed to his/her superior for reporting to the proper management official.
- B. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or City Manager.
- C. When a higher level of management and/or the City Manager is involved, employees should report directly to the City Attorney or Administrative Services General Manager.
- D. If the employee is uncomfortable reporting the information directly to management, the employee may make an anonymous report through the City's Fraud reporting webpage at this Uniform Resource Locator - url <http://www.ci.cottonwood.az.us/anonymousfraud.php>
- E. The reporting employee shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with anyone unless requested to by the Administrative Services General Manager, the Legal Department, and/or law enforcement personnel.

VII. Management Responsibility:

- A. Management is responsible for detecting fraudulent or related dishonest activities in their areas of responsibility.
- B. Each manager should be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.
- C. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- D. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor and their General Manager.

- E. If a General Manager is involved the City Manager, City Attorney, or Administrative Services General Manager should be contacted.
- F. If the City Manager is involved, the City Attorney or Administrative Services General Manager should be contacted.
- G. The General Manager should also immediately contact the Cottonwood Police if they feel the situation warrants such action (for example, obvious theft has taken place, security is at risk, or immediate recovery is possible).
- H. The Administrative Services General Manager will conduct an investigation with appropriate internal and external departments to include Risk Management.
- I. After turning the matter over to the Administrative Services General Manager, management should not attempt to conduct individual investigations, interviews, or interrogations.
- J. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- K. Management will support the City's responsibilities and will cooperate with the Administrative Services General Manager, other involved departments, and law enforcement agencies in the detection, reporting and investigation of criminal acts, including prosecution of offenders.
- L. The Administrative Services General Manager shall have full and unrestricted access to all necessary records and personnel unless restricted by law.
- M. All City furniture and contents, including desks, lockers, and computers, are open to inspection when there is reasonable suspicion of a dishonest or fraudulent activity which makes such inspection appropriate; employees are hereby notified that they should have no subjective expectation of privacy in City-owned computers, desks, or other furniture.
- N. Every effort should be made to effect recovery of City losses.
- O. Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid the following:
  - 1. Incorrect accusations.
  - 2. Alerting suspected individuals that an investigation is underway.
  - 3. Treating employees unfairly.

4. Making statements that could lead to claims of false accusations or other offenses.
  5. Individuals who knowingly make false accusations may be subject to disciplinary action.
- P. Responsibilities of the manager in handling dishonest or fraudulent activities include the following:
1. Do not contact (unless requested) the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did," "the crime," "the fraud," "the forgery," "the misappropriation," etc.
  2. Do not discuss the case, facts, suspicions, or allegations with anyone outside the City, unless specifically directed to do so by the City Attorney.
  3. Do not discuss the case with anyone inside the City organization other than employees who have a need to know such as the City Manager, Administrative Services General Manager, City Attorney or law enforcement personnel.
  4. Direct all inquiries from the suspected individual, or his or her representative, to the Administrative Services General Manager, City Manager, or City Attorney. All inquiries by an attorney of the suspected individual shall be directed to the City Attorney. Direct all inquiries from the media to the City Manager. A proper response to such an inquiry might be, "I'm not at liberty to discuss this type of matter."
  5. Take appropriate corrective and disciplinary action, up to and including termination, after consulting with Human Resources, in conformance with the City's Personnel Policies and Procedures.

VIII. Administrative Services Responsibilities:

- A. Upon assignment by the City Manager, the Administrative Services General Manager will promptly direct a staff member(s) to investigate the fraud, and forward the names of the investigation team to the City Manager and City Attorney.
- B. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Administrative Services General Manager, in consultation with the City Attorney, will contact the Police Department.

- C. The Administrative Services General Manager shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
- D. If evidence is uncovered showing possible dishonest or fraudulent activities, the Administrative Services General Manager will proceed as follows:
  - 1. Discuss the findings with the appropriate management/supervisor and the General Manager.
  - 2. Advise management, if the case involves staff members, to meet with the Human Resources Manager (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the City's Employee Manual policy.
  - 3. Report to the City's external auditor such activities in order to assess the effect of the illegal activity on the City's financial statements.
  - 4. Coordinate with the City's Risk Manager regarding notifications to insurers and proper filing of insurance claims.
  - 5. Take immediate action, in consultation with the City Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
    - a. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
    - b. Preventing the individual suspected of committing the fraud from having access to the records.
- E. In consultation with the City Attorney and the Police Department, the Administrative Services General Manager may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- F. If the Administrative Services General Manager is contacted by the media regarding an alleged fraud or audit investigation, the Administrative Services General Manager will consult with the City Manager and the City Attorney, as appropriate, before responding to a media request for information or interview.
- G. At the conclusion of the investigation, Administrative Services will document the results in a confidential memorandum report to the City Manager and the City Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Police Department.

- H. An employee under investigation for fraud shall be notified at the earliest appropriate time under the circumstances, as determined by the Administrative Services General Manager and/or the City Manager. Following such notice, the employee shall be given an opportunity to respond to the allegations in writing to the Administrative Services General Manager within seven (7) calendar days. Any response submitted pursuant to this subsection will become part of the investigatory file.
- I. The Administrative Services General Manger will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- J. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by Administrative Services to that department.

IX. False Allegations

The City recognizes that false allegations of fraud can seriously and permanently damage an employee's personal and professional reputation. Therefore, it shall be a violation of this policy for any City employee to make a knowingly or recklessly false allegation of fraud against another City employee, and employees who make such allegations may be subject to disciplinary action, up to and including dismissal.

X. Corrective Action and Discipline

- A. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the City Manager (or City Council if the City Manager is involved).
- B. Offenders at all levels of the City organization will be treated equally regardless of their tenure with the City.
- C. Determinations will be made based on a finding of facts in each case, actual or potential damage to the City, cooperation by the offender and legal requirements.
- D. Appropriate and timely action will be taken against those proven to have committed fraudulent acts. These remedial actions may include, but are not limited to:
  - 1. Disciplinary action (up to and including immediate termination of employment).

2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
  3. Forwarding information to the appropriate authorities for criminal prosecution.
  4. Institution of civil action to recover losses.
  5. Where the City of Cottonwood elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy.
  6. The City of Cottonwood may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.
- XI. Cost of Recovering Funds:  
There is no special fund to cover the costs of recovery, such as hiring special investigators. These expenses may be allocated from existing budget funds.
- XII. Retaliation:  
Retaliation for filing a good faith report regarding suspected fraudulent activity is prohibited by this policy, and is cause for disciplinary action, up to and including termination.
- XIII. Confidentiality:
- A. The City of Cottonwood treats all information received confidentially.
  - B. Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the City of Cottonwood from potential civil liability.

I. Purpose:

To ensure financial stability, the City of Cottonwood desires to manage its financial resources by establishing fund balance/net asset ranges for selected funds. This will ensure the City maintains a prudent level of financial resources to provide sufficient cash flow for daily financial needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

II. Definitions:

A. Fund Balance: Fund balance means the difference between fund assets and fund liabilities as reported in a governmental fund. Furthermore, Government Accounting Standard Board (GASB) Statement 54 establishes the following fund balance classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

1. **Non-spendable fund balance** includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
2. **Restricted fund balance** includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
3. **Committed fund balance** includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
4. **Assigned fund balance** comprises amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
5. **Unassigned fund balance** is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the General Fund.

- B. Net Assets: Net assets are the difference between assets and liabilities as reported in a financial reporting unit such as proprietary funds and fiduciary funds.
- C. Fund Balance Range: Fund balance range is the range of amounts this policy has set within which the City means to maintain the undesignated fund balance.
- D. Surplus: Surplus is the amount by which the undesignated fund balance exceeds the upper limit of the fund balance range.
- E. Shortfall: Shortfall is the amount by which the lower limit of the fund balance range exceeds the undesignated fund balance.
- F. Expenditures: Expenditures are all uses of financial resources, budgeted for any purpose, and include operating and capital expenses, debt service, and transfers to other funds.
- G. Operating Expenditures: Operating expenditures are uses of financial resources for personnel, supplies, services and materials, and exclude capital expenses, debt service, and transfers to other funds.

III. Fund Balance Range:

Fund balance ranges are established for each governmental fund type which contains operating expenses, as well as, the proprietary funds. The amounts set for each fund are based on the predictability of revenues, volatility of expenditures, and liquidity requirements of each fund and may need to be reviewed periodically.

The calculation of the various fund balances to proposed expenditures will be established as part of the budget preparation process taking the previous year's revised expenditures and the established fund ratio to determine the ensuing budget year's fund balance requirements.

IV. Designations for Proprietary Funds:

Unrestricted net assets in proprietary funds do not necessarily represent resources available for appropriation. This is due to the fact that capital assets are included in proprietary funds and are offset in unrestricted net assets. Since it is not likely the organization will sell the capital asset in order to fund operations, its value is not available for appropriation. In order to take this into account when calculating the ratio related to the fund balance range, staff will identify the portion of unrestricted assets that does not represent resources available for appropriation and consider the amount "designated".

V. Funds:

- A. General Fund: The fund balance for the General Fund consists of several balances for multiple purposes. These balances are depicted below.
1. General Fund Balance: The unassigned fund balance range for the General Fund shall be not less than 16.66% and not more than 25% of the total revised budgeted operating expenditures of the General Fund budget.
  2. General Fund Capital Accumulation Fund: The assigned fund balance range for the General Fund Capital Accumulation Fund shall be any current accumulation plus not less than 2.67% of the total revised budgeted operating revenues of the General Fund budget. Currently capped at \$1,000,000.
  3. Public Safety Capital Accumulation Fund: This restricted fund balance range is an accumulation of the City's .2% sales tax after all current library bonded debt service is satisfied. The fund balance requirement for this fund should not fall below \$100,000 with no upper limit.
  4. The City may establish additional committed, assigned, or unassigned fund balances in any amount as deemed necessary.
- B. Highway User Revenue Fund (HURF): The restricted fund balance range for the HURF shall be not less than 5% and not more than 16.66% (60 days) of the total budgeted revenues of the HURF.
- C. Library Fund: The assigned fund balance range for the Library Fund shall be not be less than 0% and not more than 5% of the total budget revised expenditures of the Library Fund budget.
- D. Enterprise Funds: The fund balance range for the Enterprise Funds, including maintenance, operations and administration shall be not less than 25% (90 days) and not more than 33.3% (120 days) of the total budgeted operating expenses of the Fund. For the purpose of calculation, this reserve shall be in addition to all other required reservation of net assets including, but not limited to, amounts restricted for debt service, amounts reserved for replacement of capital assets, amounts set aside for resource development, and/or required bond covenants.
- E. Capital Projects Fund: The Capital Projects Fund was created to account for resources (such as the local government infrastructure sales surtax) designated to construct or acquire general fixed assets and major improvements. Occasionally, these projects may extend beyond a single fiscal year. Therefore, although no specific reserve requirement is established for the capital projects fund, at a minimum, the fiscal year-end assigned and unassigned fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund all outstanding capital fund obligations.

- F. Debt Service Fund: The restricted fund balance for the Debt Service Fund is dictated by a bond indenture or similar agreement to be reserved for debt service payments in the event the government defaults on its debt.
- VI. Surplus:  
If it is determined that there is a surplus (an amount in excess of the upper limit of the fund balance range for any fund), the funds are to be designated or appropriated at the next budget cycle for the following purposes in order of priority:
- A. Eliminate shortfalls in related funds. Any General Fund surplus shall be transferred to cover shortfalls within HURF, Library Fund, or any other fund initiated by the City to provide City services. Any Utilities Operating Fund surplus shall be transferred to the respective Utilities Capital Improvements Fund.
  - B. Reduction for avoidance of debt. If there is short-term debt within the fund the surplus may be applied to reduce or eliminate the debt if financial analysis proves this to be advantageous for the City. If a borrowing is scheduled, the surplus may be used to reduce the principal amount the City needs to obtain if financial analysis proves this to be advantageous for the City.
  - C. Applied to a replacement program. Surplus funds may be used to supplement or enhance a capital replacement program such as vehicle, personal computer, or heavy equipment replacement, or any other capital replacement program initiated by the City.
  - D. One-time capital needs. Since a surplus does not represent a recurring source of revenue it should not be used to fund a recurring expense; however, if a one-time capital expenditure has been identified, but not already funded through an appropriation, the surplus may be appropriated for this use.
  - E. Tax, fee, or rate stabilization. Surplus funds may be designated for stabilization in order to avoid raising taxes, fees, or rates related to the fund in subsequent years.
- VII. Shortfall:  
If it is determined there is a shortfall (an amount below the lower limit of the fund balance range for any fund), the fund balance is to be replenished through the following mechanisms in order of priority:
- A. With exception of the HURF, Proprietary Fund, and Fiduciary Fund, a distribution of surplus from other related funds as delineated under “Surplus” category.
  - B. An appropriation during the next annual budget process of at least 20% of the lower limit of the fund balance range until the lower limit has been reached.

- C. If this is financially infeasible, a written plan shall be forwarded by the Administrative Services General Manager to the City Manager for Council approval in order to restore the fund balance to an amount within the range within a practical time frame. This plan may require reduction of services, increases in taxes, fees, or rates, or some combination thereof.