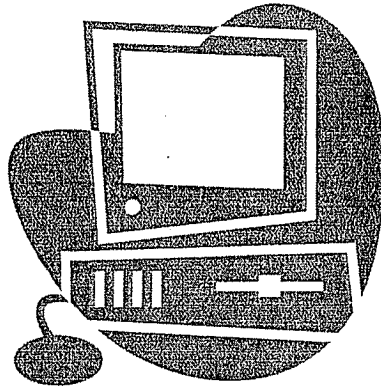


Polk County, Texas

Polk County Auditor's Office



Accounting Procedure Manual

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CASH HANDLING GUIDELINES

BACKGROUND

This procedure documents general policies and guidelines, which should be followed by all Polk County departments. These guidelines apply to and should be considered as the minimal requirements for establishing adequate internal controls for processing cash and cash equivalent transactions and safeguarding County funds. Generally, throughout this procedure reference to cash includes cash equivalents.

Written procedures should be established within each department for all operations handling cash and cash equivalent transactions and safeguarding County funds.

In accordance with Texas Local Government Code (LGC) §113.022, a county officer who receives funds shall deposit the funds with the county treasurer on or before the next regular business day after the date on which the funds are received. If this deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the day on which the funds are received.

Note that although not statutorily required, for internal control purposes deposits should be made on a daily basis if average weekly deposits total \$5,000 or more.

PURPOSE

To prescribe general policies and guidelines regarding the handling of cash and cash equivalent transactions.

GUIDELINES

A. GENERAL

1. All personnel handling cash should be bonded or insured pursuant to LGC §154.010 or applicable statute.
2. Commissioners Court must authorize all bank accounts.
3. All receipts must be County Auditor approved and should be pre-numbered or numbered by a computer system with adequate safeguards regarding the numbering process.

4. A sign should be posted advising the payee to obtain a receipt for payment. A sample receipt should also be posted to indicate to the individual what he/she should expect to receive.
5. If a computer-generated receipting system exists, a manual back up receipting system should be available.
6. Adequate physical security should be provided for people handling cash such as closed cages, locked doors, etc.
7. The employees who accept payments should not be the same employees who balance receipts or deposit collections(if the department has sufficient personnel).
8. Petty cash funds, change funds, blank receipts, and collections left in the office overnight should be secured in a safe or other locked storage place when the office is closed. Access to safe combination and/or keys should be limited to as few staff members as possible.
9. Security alarms should be considered with particular attention to an alarm in the room where receipts, blank checks, and cash are kept.
10. Deposits must be made on or before the next regular business day after the date on which the funds are received. If this deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the day on which the funds are received.

Note: Although not statutorily required, for internal control purposes deposits should be made on a daily basis if average weekly deposits total \$5,000 or more.

11. Employees should be cross-trained in each other's duties and rotated occasionally. This provides an additional method of checking for improprieties and also is beneficial for vacation relief.

B. CASH RECEIPTS

1. Acceptable forms of payment are cash, cashiers checks, money orders, and if the officer desires, personal checks, debit cards (processed as credit cards), and credit cards.

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2. All checks and money orders should be stamped "For Deposit Only" with the appropriate organization name, organization number and location number immediately upon receipt.

PLEASE NOTE THE FOLLOWING:

- The acceptance of a counterfeit bill and the issuance of a receipt do not extinguish the debt.
 - The acceptance of a check and the issuance of a receipt do not extinguish the debt until the check clears the bank.
 - The acceptance of a money order and the issuance of a receipt do not extinguish the debt until the money order clears the bank. Since certain money orders decrease in value over time, it is **recommended** that money orders only be accepted within 90 days of the date of issue. It is further **recommended** that money orders presented for payment more than 90 days past the date of issue (as well as those already expired) should neither be receipted nor deposited but should instead be returned to the payer.
 - The acceptance of a cashier's check for certain types of transactions such as cash bonds is at the official's discretion. However, it is **recommended** that a cashier's check only be accepted in lieu of currency during normal business hours from known financial institutions upon verification of the check's authenticity by phone with the issuing bank.
 - The acceptance of a credit card and the issuance of a receipt do not extinguish the debt until the credit card provider settles the debt by depositing funds into the County depository.
3. All large bills should be examined carefully for the detection of counterfeit bills. Individuals handling cash should follow established procedure if a suspected counterfeit bill is tendered and be trained for the detection of counterfeit bills.
 4. Individual locking cash drawers and individual ID codes for appropriate computer accounting/receipting systems should be provided for each individual handling cash. Individual computer ID codes should be changed periodically.

5. All payments received by mail should be logged and immediately stamped "For Deposit Only" with the appropriate organization name before being distributed for processing to other clerks. Additionally, unless the departmental staff is deemed too small, the person responsible for processing payments received by mail should be someone other than the cashier.
6. Generally, at least three copies of the receipt should be generated - one for the payer, one for the clerk, and one for the Auditor.
7. Manually receipted transactions by departments with an internal electronic receipting system are to be entered into the applicable electronic system within two business days following the day the manual receipt is issued.
8. The clerk should balance the cash drawer at least daily against receipts issued reporting any overages or shortages to their supervisor in accordance with internal procedures.
9. Generally, overages should be recorded as appropriate and deposited with other collections and shortages should be made up.

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CHANGE FUNDS

BACKGROUND

In accordance with Local Government Code §130.902, the commissioners court of a county may set aside from the general fund an amount approved by the county auditor for use as a change fund by any county or district official who collects public funds. Additionally, on the auditor's recommendation, commissioners court may increase or decrease the change fund at any time.

The change fund may only be used to make change in connection with collections that are due and payable to the county, the state, or another political subdivision of the state that are processed by the official. The change fund may not be used to make loans or advances or to cash checks or warrants of any kind.

The official who receives a change fund is responsible for the correct accounting and disposition of the fund.

See Accounting Procedure *Petty Cash Accounts*, should funds be required on site to handle miscellaneous disbursements.

PURPOSE

To prescribe the accounting aspects for establishing, maintaining, and modifying a change fund.

PROCEDURE

Requesting Opening or Increasing a Change Fund

A. COUNTY DEPARTMENT

1. Makes a request in writing to the County Auditor to establish a change fund.

Note: To expedite the process of depositing and utilizing the change funds, the check for the new account or increase will be made payable to the custodian of the account. Therefore, the name of the custodian must be listed on the request.

2. Receives notification from the County Auditor that Commissioners Court has approved or denied the establishment of the change fund.

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B. Custodian

1. Receives a check from the County Treasurer in the amount of the opening balance or amount of increase made payable to the custodian of the change fund.
2. Cashes the check (e.g., at the County Treasurer, a County depository location, or payee's own financial institution) and secures the cash.

C. COUNTY AUDITOR

1. Receives written request from department for establishment of a change fund.
2. Reviews the request to determine if the amount requested is reasonable based upon Auditor established parameters and the proposed use of the account is appropriate.
 - a) If the requested amount falls within the established parameters and the proposed use is appropriate, documents the Auditor's review, indicates his approval in writing.
 - b) If the requested amount exceeds the established parameters or the proposed use is not appropriate, denies the request in writing to the requesting department with an explanation for the denial.
3. Indicates in writing that he has approved the request and forwards such approval to Commissioners Court for authorization.
4. If the request was approved by Commissioners Court:
 - a) Initiates a pay voucher request for payment, for the initial amount or amount of increase (indicating the custodian name that the check is to be made payable to and forwards it to the Accounts Payable department along with a copy of the supporting documentation.
 - b) Notifies the requesting department that the request was approved and that the check to establish/increase the change fund will be processed and forthcoming from the Treasurer.

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Note: If denied by Commissioners Court, returns County Auditor's approval to the department with indication of Court denial.

D. Accounts Payable

1. Receives pay voucher, and supporting documentation from County Auditor.
2. Processes pay voucher, in accordance with internal procedures including generating a check for the approved amount.

Note: Checks to open or increase a change fund should only be made payable to the authorized change fund custodian.

3. Forwards the check to the Treasurer.

E. COMMISSIONERS COURT

1. Receives County Auditor's written approval for establishment of a change fund.
2. Approves or denies the request.

F. COUNTY TREASURER

1. Receives the check and check register from Accounts Payable.
2. Processes and disburses the check in accordance with internal procedures.

Maintaining a Change Fund

A. COUNTY DEPARTMENT

1. Maintains the following controls over the change fund:
 - a) Segregates the change fund from all other miscellaneous office funds.
 - b) Assigns the change fund custodian duty to a full-time staff member.
 - c) Keeps change fund in a locked place with restricted access that is near the custodian (sole custody).

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- d) Submits change order requests as necessary.
 - e) Periodically performs independent count of change fund to ensure the fund is in balance.
 - f) Ensures compliance with Accounting Procedure *Cash Handling Guidelines*, as applicable.
 - g) Deposits overages with the Treasurer or County depository, as applicable, in accordance with this procedure.
2. For change fund overages:
- a) Prepares deposit for the amount of change fund overage being remitted.
 - b) Deposits the change fund overage being remitted **on a separate deposit slip**.
 - c) Forwards to the Treasurer.

B. COUNTY AUDITOR

Compliance Audit

1. Performs change fund cash counts in accordance with internal procedures and an approved audit program.
2. Reports cash count findings, if applicable.

Changing Custodians

A. COUNTY DEPARTMENT

Custodian

1. Counts the change fund in the presence of the employee that will be assigned as the new custodian.

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2. Notify the County Auditor in writing as to the new custodian of the change fund.

B. COUNTY AUDITOR

1. Receives written notice of the change in custodian from the county department.
2. Updates internal records accordingly.

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ACCOUNTING FOR CAPITAL ASSETS

REFERENCES

BACKGROUND

Beginning with Fiscal Year 2003, Polk County implemented Governmental Accounting Standards Board Statement 34 (GASB 34) to report the financial standing of the County to the general public. The financial reporting model outlined by GASB 34 made government annual financial reports look more like corporate financial statements and provided a shift in reporting focus from near-term inflows and outflows of spendable resources toward the long-term effectiveness of fiscal management.

For the purposes of this policy statement and the related procedures, the term GASB 34 shall refer to not only GASB Statement 34, but all related pronouncements as well.

These reporting requirements are intended to improve fiscal accountability for public investments by enabling the users of state and local government financial reports to:

- Determine whether current-year revenues were sufficient to cover the cost of current-year services
- Assess the service efforts and costs of programs
- Assess the governments' financial position and condition and determine whether the government's financial position improved or deteriorated as a result of the year's operations
- Assess the service potential of physical resources having useful lives that extend beyond the current period

Consequently, public finance firms, individual investors, and bond-rating agencies should be better informed about the government's ability to repay their debts and support their service obligations. For capital assets financed by municipal bonds or general obligation bonds, the investment community should have better data to understand the government's ability to service debt and properly care for capital assets once put into service. For capital assets paid for by various user fees and taxes, the general public and those paying the user fees and taxes should have greater assurance that what they are paying for will provide lasting service.

The financial reporting model historically used by governments differs substantially from that used by private-sector companies. The principal differences include:

- Fund accounting by governments
- Spending focus for governmental activities
- Budgetary reporting

State and local governments, prior to GASB 34, prepared financial reports that focus on groups of related funds rather than on the government as a whole. Each fund grouping had its own set of financial statements. Fund accounting was designed based on a checkbook system where each fund represented a unique bank account and developed as a mechanism to ensure and demonstrate legal compliance with internal and external restrictions on the use of resources.

Conversely, companies in the private-sector prepare financial reports for the entity as a whole. Data from a parent company, for example, is merged together with data from its subsidiaries to create a single set of consolidated financial statements.

Both private-sector businesses and state and local governments adopt budgets; however, the reasons for adopting the budgets are entirely different. In the private-sector, the budget is merely a financial plan, whereas in governments, the budget is a critical document that provides the legal authorization to spend. As a result, demonstrating compliance with the budget has traditionally been an integral part of governmental financial reporting. It has taken the form of a required budget-to-actual comparison statement.

GASB 34 does the following:

- ❖ Requires fund financial statement reporting.
- ❖ Requires all current and long-term assets and liabilities, such as capital assets and general obligation debt, to be reported within the balance sheet of the government-wide financial statements.
- ❖ Requires new government-wide financial statements utilizing the full accrual basis of accounting that include:
 - a Statement of Net Assets that includes not only current assets and liabilities, but also assets and long-term debt; therefore, it includes the cost of buildings and infrastructure, such as roads and bridges, and general obligation debt; and
 - a Statement of Activities that reports revenues and expenses (including depreciation) in a format that focuses on the net cost of a government's individual functions. The expenses of an individual function are compared to revenues generated by the function. This format allows users to see the relative financial burden that each function places on the taxpayers of the government.
- ❖ Requires additional note disclosures in the summary of significant accounting policies and disclosures about capital assets and long-term liabilities.
- ❖ Requires all capital assets, including infrastructure assets, to be depreciated over their estimated useful lives.

Investment of public funds in infrastructure, capital and non-capital assets must be adequately safeguarded. The guidelines set forth in this policy are designed to assist in this effort.

PURPOSE

To provide policy and guidelines for capital asset recording and reporting.

POLICY AND GUIDELINES

1. Polk County classifies major capital assets into the following categories:
 - a. Land
 - b. Buildings
 - c. Improvements other than buildings
 - d. Machinery and equipment
 - e. Infrastructure
2. All acquisition and disposal of capital assets will be properly authorized.
3. Proper accounting of capital assets will include classification in the applicable general ledger account, application of the county's capitalization thresholds, and reporting capital assets in the appropriate fund at their historical cost, net of accumulated depreciation in accordance with Generally Accepted Accounting Principles (GAAP).
4. Capital assets will be labeled with property identification tags for tracking purposes, where practicable, and be subject to inventorying.
5. Acquisition costs will include:
 - a. original contract or vendor invoice price
 - b. sales and other taxes
 - c. initial installation cost (excluding in-house labor)
 - d. modifications
 - e. attachments
 - f. accessories or any other items or costs necessary to make the capital asset usable and render it into service
 - g. ancillary costs such as:
 - i. freight and transportation charges
 - ii. in-transit insurance
 - iii. handling and storage costs
 - iv. testing and preparation for use costs
 - v. reconditioning costs for used items
 - vi. site preparation costs
 - vii. professional fees

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Note: costs of extended warranties and/or maintenance agreements, which can be separately identified from the cost of the capital asset, should not be capitalized.

6. Interest shall be capitalized on capital assets that are constructed or otherwise produced for the County's own use (including capital assets constructed or produced for the County by others for which deposits or progress payments have been made).
7. If consideration other than cash is used to pay for the capital asset, the fair market value (FMV) of the non-cash payment or consideration shall determine the capital asset's cost or acquisition value. When the value of the consideration provided cannot be determined, the capital asset's FMV determines its cost.
8. In the event of a trade-in, the County's NBV (net book value) of the capital asset being traded will be added to the purchase price of the capital asset. For example:

Sales price of new capital asset	\$10,000
NBV of capital asset traded in	<u>5,000</u>
Acquisition cost (Purchase Price of New capital asset	\$15,000

9. Capital assets are defined as assets with an initial cost of more than \$5,000 and a useful life in excess of one year.
10. The County Auditor will assign an estimated useful life to all assets for the purpose of recording depreciation. Asset lives will be adjusted as necessary depending on the present condition and use of the asset based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight line method using actual month convention and depreciated down to the assets salvage value.
11. Donated capital assets will be officially accepted by Commissioners Court prior to being recorded in the County's financial records and depreciated.
12. Residual or salvage values will be set at 10% of the purchase price of the asset.
13. Capital assets that have been designated for disposal must be approved by Commissioners Court.
14. Controlled assets are those assets below the capitalization threshold that have been entered into the accounting system to be tracked due to the nature of the items.

NOTE : Examples of common controlled assets may include, but are not limited to hand guns, rifles, personal computers and monitors, televisions, VCR's and cellular telephones.

OPENING NEW BANK ACCOUNTS

REFERENCES

Accounting Procedure *Custodial Bank Accounts*
Accounting Procedure *Petty Cash Accounts*

BACKGROUND

Polk County departments request new bank accounts by submitting a written letter to the County Auditor, which is reviewed and processed by the Auditor and the County Treasurer. All new bank accounts must be opened with the County Depository (Depository) unless required to be opened at another financial institution in accordance with a Court or Commissioners Court order or approved agreement.

The Auditor submits the request to Commissioners Court for approval of the new account. The Auditor's request for Commissioners Court approval is due to the County's fiduciary responsibilities. Any changes in the purpose/use of the funds of a previously approved bank account (i.e., that varies from the approved purpose/use) must be re-submitted to the Auditor and re-approved by Commissioners Court.

Following Commissioners Court approval, the Treasurer opens all new County bank accounts except for custodial accounts such as the Tax Assessor-Collector accounts, and County Clerk and District Clerk Registry accounts. Generally, if the Treasurer will be signing for disbursements from the account, the Treasurer will open the account.

Changes to established County bank account titles for clarification purposes only, should be submitted to the County Auditor. The Auditor and Treasurer will review the request and, if approved, will have the title changed by the Depository. Rejected requests are returned to the requesting department with the reason for denial.

PURPOSE

To prescribe approval requirements for opening new County bank accounts (including custodial, Tax Office, and Registries bank accounts) and changing account titles of established County bank accounts.

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PROCEDURE

Prior to Commissioners Court Approval

A. COUNTY DEPARTMENT

1. Notifies the County Auditor by letter of the desire to open a new bank account. If the Auditor is the requesting department, this letter is not required and the Auditor should proceed to step B.2. below.
2. For any changes in the purpose/use of the funds of a previously approved bank account (i.e., that varies from the approved purpose/use), submits a letter/memo with the updated proposed use of the bank account to the Auditor for review, and if recommended, submission to Commissioners Court for approval.
3. Receives notification from County Auditor if the new bank account request is rejected.

B. COUNTY AUDITOR

1. Receives a request from a department for a new bank account.
2. Ensures that the new bank account is to be opened at the Depository or that documentation is provided requiring the account to be opened at another financial institution.
3. Attaches the department request and list of departmental authorized check signatories.
4. Submits form to Commissioner Court for approval.
5. If the request is denied, notifies the department that the bank account request has been rejected.

Subsequent to Commissioners Court Approval

A. COUNTY DEPARTMENT

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1. Receives notification from the Treasurer of the bank account name(s) and number(s) when the account is opened.
2. Authorized signatories for bank accounts **must** be Polk County employees or Officials, and when a signatory leaves Polk County (i.e., due to resignation, termination, lost election, retirement, etc.) that signatory **must** be removed as an authorized signer on all bank accounts. County Treasurer should be contacted, as necessary, to coordinate having authorized signatories updated.

B. COUNTY AUDITOR

1. Receives the Commissioners Court approval for opening the new bank account.
2. Copies the original documents for internal records and processes the copies in accordance with internal procedures.

C. COUNTY TREASURER

1. Receives the Commissioners Court approval for opening a new bank account.
2. Processes the approval and sending a copy of the approved form to the appropriate bank for opening the account.
3. Receives the assigned bank account number(s) from the bank.

D. COUNTY DEPOSITORY (OR OTHER BANK IF REQUIRED)

1. Receives the Commissioners Court approved request from the Treasurer.
2. Opens an account in accordance with the Commissioners Court order.
3. Receives requests from Financial Services or authorized department Officials to change bank account authorized signatories.
4. Processes authorized signatory change requests in accordance with internal procedures.

CUSTODIAL BANK ACCOUNTS

BACKGROUND

Custodial bank accounts are accounts that are generally used for non-County funds held in a "custodial" capacity, separate from County bank accounts and not monitored by the County Treasurer. Certain custodial accounts may consist of some County funds as in the case of a separate account for grant funds requiring County cash match funding. Custodial accounts are maintained by the approved departments and used for child support funds, County and District Clerk registry funds, Sheriff Commissary funds, guardianship funds, seized funds, funds collected by the Tax Assessor-Collector until remitted to the appropriate taxing entity, etc.

All new bank accounts must be opened with the County depository unless required to be opened at another financial institution in accordance with a Court or Commissioners Court order or approved agreement (e.g., Miller Trust account ordered by a Probate Court or Commissioners Court approved bond issuance documents that include a requirement to establish an account at a specified financial institution outside the County depository).

Due to the County's fiduciary responsibilities, the County Auditor generally submits requests to Commissioners Court for approval of each new custodial account; however, the Auditor may determine that Commissioners Court approval is not required due to the source and nature of the funds being deposited into the account. Any changes in the purpose/use of the funds of a previously approved bank account (i.e., that varies from the approved purpose/use) must be re-submitted to the Auditor and re-approved by Commissioners Court.

The County department maintaining the custodial bank account is responsible for the funds, for recording all deposits, disbursements, and adjustments to the custodial account in an appropriate subsidiary ledger, and for reconciling the bank account monthly.

This procedure should be implemented **only after** receiving Commissioners Court approval to maintain a custodial bank account.

PURPOSE

To prescribe the general controls and guidance for maintaining, accounting, reconciling, and reporting of custodial bank accounts.

PROCEDURE

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A. COUNTY DEPARTMENT

1. Submits a request for opening a custodial bank account to the County Auditor.
2. Receives notice of Commissioners Court approval to open and maintain the custodial bank account for the specified purpose/use, or denial of the request, as applicable.
3. Ensures that adequate controls are in place for the custodial bank account and:
 - a) Keeps the checkbook and any blank check stock in a locked location.
 - b) Keeps signature plates and media (if used) in a locked location when not in use.
 - c) Maintains control over any keys to the secure environment.
 - d) Marks "VOID" clearly on all checks prepared in error and retains all erroneous checks.
 - e) Ensures that authorized signatories for bank accounts are Polk County employees or Officials, and that when a signatory leaves Polk County (i.e., due to resignation, termination, lost election, retirement, etc.) the signatory is removed as an authorized signer on all bank accounts.
 - f) Complies with Accounting Procedure *Cash Handling Guidelines*, as applicable.
4. Maintains a checkbook-type subsidiary ledger (account ledger) and records all deposits to, disbursements from, and adjustments to the custodial bank account in the ledger, and ensures the ledger formatting provides a running balance after each entry.
5. For all disbursements:
 - a) Issues and disburses checks from the custodial account for necessary and authorized business items only and in accordance with the Commissioners Court approved purpose/use.
 - b) Obtains receipts or other supporting documentation for each disbursement.
6. For all deposits:

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- a) Deposits all custodial funds received by completing an encoded, pre-numbered bank deposit slip for the funds collected at the time specified by and in accordance with internal procedures.
 - b) Retain one copy of the prepared deposit slip for reference until the depository's validated deposit slip copy has been received.
 - c) Deposits funds in a safe and secure manner.
 - d) Receives a validated deposit slip from the institution accepting the deposit when the funds are deposited.
 - e) Retains the validated deposit slip in department records.
 - f) Monitors the supply of encoded deposit slips to ensure an adequate supply is on hand.
 - g) Re-order deposit slips when there is only a four-week supply remaining on hand.
 - h) Receives all credit/debit advices and returned items from the depository and processes the items timely and in accordance with internal procedures and the applicable depository contract.
7. Receives the custodial account bank statement from the applicable financial institution monthly.
8. Prepares reconciliation report and:
- a) Reconciles the department's custodial account ledger balance, including any County seeded funds used to open the account, with the bank statement balance.
 - b) Reviews the bank statement for NSF ("non-sufficient funds") charges, material and/or unusual transactions, investigates each such item, and documents an explanation for each item on the reconciliation form/report or in an attachment.
 - c) Documents, tracks, and clears all reconciling items timely.

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- d) Obtains supervisory review for and approval signature on the reconciliation.
 - e) Retains the bank statement and reconciliation in department records.
9. Forwards electronically (if possible) the following to the County Auditor by the 20th of the month following the month for which the reports are prepared:
- A copy of the reconciliation report.
 - A copy of the applicable monthly account bank statement and supporting lists of deposits in transit, outstanding checks, deposits for the month, and checks issued for the month.
 - The department subsidiary ledger balance for the custodial account.
 - Any other documentation requested by the County Auditor.

B. COUNTY AUDITOR

1. Receives and processes requests to open custodial bank accounts from departments in accordance with Accounting Procedure *Opening New Bank Accounts*, which includes submitting the request to Commissioners Court, if applicable.
2. Notifies the requesting department of Commissioners Court approval to open and maintain a custodial bank account for a specified purpose/use, or denial of the request, as applicable.
3. Receives electronically (if possible) the following from the responsible department for the custodial bank account, by the 20th of the month following the month for which the reports are prepared:
 - A copy of the reconciliation report.
 - A copy of the applicable monthly account bank statement and supporting lists of deposits in transit, outstanding checks, deposits for the month, and checks issued for the month.

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- The department subsidiary ledger balance for the custodial account.
 - Any other documentation requested by the County Auditor.
4. Reviews each custodial bank account bank reconciliation and:
 - a) Ensures the reconciliation is completed properly and adequately and in accordance with this procedure.
 - b) Ensures that the department's subsidiary ledger balance agrees with the County Auditor's General Ledger balance and contacts the responsible department as necessary to make appropriate adjustments, if the two balances do not agree.
 - c) Reviews all reconciling items, NSF charges, material and/or unusual transactions on the reconciliation and/or bank statement and the department supplied explanations, and contacts the responsible department as necessary for further explanation.
 - d) Keeps supervisor apprised of material and/or unusual or inadequately explained transactions.
 5. Establishes an account for each custodial bank account on the County's General Ledger, within the proper fund, to record the custodial account activity.
 6. Prepares a journal entry for the monthly custodial account activity (total receipts, disbursements, and other account adjustments or activity) in accordance with internal procedures.
 7. Includes the custodial bank account in the annual financial audit.

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PAYMENT OF CLAIMS

BACKGROUND

Section 113.064 of the Local Government Code states, in part, "(a) In a county that has the office of county auditor, each claim, bill, and account against the county must be filed in sufficient time for the auditor to examine and approve it before the next meeting of the commissioners court. A claim, bill, or account may not be allowed or paid until it has been examined and approved by the auditor. (b) The auditor shall stamp each approved claim, bill, or account. If the auditor considers it necessary, the auditor may require that a claim, bill, or account be verified by an affidavit indicating its correctness."

Section 113.065 of the Local Government Code states "The county auditor may not audit or approve a claim unless the claim was incurred as provided by law."

Section 111.092 of the Local Government Code states "The county auditor shall oversee the warrant process to ensure that the expenses of any department do not exceed the budget appropriations for that department."

Section 115.021 of the Local Government Code states "The commissioners court of a county shall audit and settle all accounts against the county and shall direct the payment of those accounts."

Section 2251.021 of the Government Code states "Except as provided by Subsection (b), a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

- (1) the date the governmental entity receives the goods under the contract;
- (2) the date the performance of the service under the contract is completed; or
- (3) the date the governmental entity receives an invoice for the goods or service."

PURPOSE

The payment of all claims and bills must be approved by the Polk County Commissioners Court. The purpose of this document is to prescribe procedures to be followed in order to have a claim or bill approved for payment by the Polk County Auditor's Office and presented to the Commissioners Court for their approval in order that it may be paid in a timely manner.

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PROCEDURE AND GUIDELINES

The Polk County Auditor's Office processes all claims for payment in accordance with the statutory references noted above as well as the procedures that follow.

Purchase Orders

For the most part, invoices must be accompanied by a purchase order or a payment voucher signed by an elected official or department head. Invoices not requiring a purchase order or a payment voucher will be discussed below.

Most purchases must be initiated by the issuance of a purchase order. Personnel in county offices needing to purchase supplies and/or equipment must contact the Auditor's office and get a purchase order number prior to the actual purchase. The personnel must furnish a description of the item to be purchased, the account number to which the purchase will be charged and the approximate amount of the purchase.

If sufficient budget dollars are not available the department requesting the purchase order must request a budget revision.

This purchase order is input into the financial accounting software system. The approximate amount will be encumbered from the budget of the line item charged.

When the invoice associated with the purchase order is received the information is entered into the accounting system. The actual purchase amount is recorded in the expense line item and the encumbrance is removed.

Payments Not Requiring Purchase Orders or Payment Vouchers

Recurring payments for approximately the same amount and contract payments are not required to have purchase orders or payment vouchers in order to be paid.

Approval of claims by Commissioners Court

In accordance with statutes listed above, all claims (with exceptions noted below) are required to be approved by Polk County Commissioners Court prior to their payment. The court meets the second and fourth Tuesday of each month. Care must be taken to process all invoices for payment so as to adhere to Government Code 2251.021 which calls for payments of claims against governmental agencies to be made within 30 days of their receipt.

Claims disbursed prior to approval by Commissioners Court

Some claims, because of their nature, are disbursed prior to approval by Commissioners Court. These include credit union deductions, credit card payments, federal payroll taxes, optional insurance coverage, retirement, child support/IRS deductions, lease payments and workers comp/unemployment insurance. The County Auditor has previously requested and received an order from the Polk County Commissioners Court approving this practice.

Disbursement by County Treasurer

After all claims are entered into the accounting system a list of such claims is printed and provided to the County Judge's office so that the County Judge and Commissioners can review the list prior to the court session at which it is to be voted on.

Upon notification that the claims have been approved by Commissioners Court the Auditor's office prints checks to pay the claims. After the checks are printed, they are turned over to the County Treasurer for disbursement. In addition to disbursement, the County Treasurer matches checks with invoices and confirms that all checks printed have been disbursed.

Files and Copies

Copies of checks are matched with the invoices and scanned and available for viewing in the financial accounting system. The copy of the check and the invoices are then filed in the vendor files. Vendor files are retained in the County Auditor's office for one year then stored.

PETTY CASH ACCOUNTS

BACKGROUND

Local Government Code (LGC) §130.909 provides that Commissioners Court “may set aside from the general fund of the county an amount approved by the county auditor for the establishment of a petty cash fund for any county or district official or department head approved by the commissioners court. The petty cash fund must be established under a system provided and installed by the county auditor with reports to be made to the auditor as the auditor requires.”

In accordance with LGC §130.909, the County Auditor developed the following criteria and procedures to establish, operate, and maintain a fixed reasonable amount in a petty cash account, which will meet the County department’s operational related expenses. The account is to be replenished for the exact amount of the disbursements. The total amount of cash on hand plus substantiating vouchers should always reconcile to the total fixed amount authorized by Commissioners Court. The Department Head is liable for any shortage.

The petty cash account may **not** be used for:

- Travel Advances
- Individual items costing more than \$50.00
- Mileage reimbursements for County employees

The petty cash account may be used for:

- Purchasing individual items which cost \$50.00 or less
- Reimbursing volunteers and other individuals **not** employed by the County, as appropriate, for miscellaneous expenses such as mileage, parking, and tolls
- Reimbursing County employees for parking, tolls, other approved work related expenses not specifically identified as requiring prior Commissioners Court approval, etc. **(Non-routine only, as determined by individual Department Heads. Items such as regular daily commuting expenses are not reimbursable due to IRS regulations)**
- Overnight mail services
- Obtaining copies or filing documents with non-Polk County entities

This procedure does not apply to the Sheriff’s Department custodial (imprest) account opened in accordance with LGC §130.904 or with other authorized custodial accounts.

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PURPOSE

The purpose of this document is to prescribe the accounting aspects for opening and operating a petty cash account once Commissioners Court has authorized the establishment of the funds.

PROCEDURE

Open New Account or Increase Authorized Account Balance

A. COUNTY DEPARTMENT

1. Makes a request in writing to the County Auditor stating the reasons for the need of the Petty Cash Fund.

Note: To expedite the process of depositing and utilizing the petty cash funds, the check for the new account will be made payable to the custodian of the account. Therefore, the name of the custodian must be listed on the request.

2. Receives notification from County Auditor that Commissioners Court has approved or denied the opening of the petty cash account.

B. Custodian

1. Receives a check from the County Treasurer in the amount of the opening balance or amount of increase made payable to the custodian of the petty cash account.
2. Cashes the check (e.g., at the County Treasurer, a County depository location or payee's own financial institution) and secures the cash.

C. COUNTY AUDITOR

1. Receives a written request for a petty cash fund from the department.
2. Reviews the request to determine if the amount requested is reasonable and the proposed use of the account is appropriate.

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- a) If the requested amount falls within the established parameters, documents the Auditor's review, retains a copy for file, and forwards the original request to Commissioners Court for action.
 - b) If the requested amount exceeds the established parameters, forwards the request to Commissioners Court with a recommendation that the request be denied.
3. Receives authorization or denial from Commissioners Court to open the petty cash account.
 4. Notifies the department that the petty cash account has been approved or denied.
 5. Initiates pay voucher for the initial amount (indicating the custodian name that the check is to be made payable to and forwards it to Accounts Payable along with a copy of the supporting documentation.
 6. Processes pay voucher in accordance with internal procedures including generating a check for the approved amount.

Note: Checks to open a petty cash account should only be made payable to the authorized petty cash account custodian.

7. Forwards the check to the Treasurer.

Maintaining a Petty Cash Account

A. COUNTY DEPARTMENT

1. Maintains the following controls over the petty cash fund:
 - a) Segregates the petty cash fund from all other office miscellaneous funds.
 - b) Assigns the petty cash custodian duty to a full-time staff member.
 - c) Keeps petty cash in locked place with restricted access that is near the custodian.
 - d) Submits reimbursement requests on a regular basis.

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- e) Reconciles petty cash fund on a frequent basis so the fund is in balance at all times.
- f) Establishes proper internal authorizations control procedures for petty cash expenditures.
- g) Makes up losses or shortages resulting from the operation of the account or requests indemnification in accordance with Accounting Procedure C.3, *Indemnification of Public Officials – Loss of Funds*.

B. COUNTY AUDITOR

1. Receives original petty cash receipts from the department.
2. Reviews receipts closely for accuracy and legitimacy.
3. Notifies the respective department of any unallowable expenditures and/or inaccurate tabulations.
4. Forwards a copy of request for reimbursement to accounts payable.
5. Processes the reimbursement in accordance with internal procedures ensuring that no single reimbursement is processed for an amount greater than the department's authorized petty cash account balance.

Note: Checks to reimburse petty cash accounts should **only** be made payable to the authorized petty cash account custodian.

6. Forwards the check to the Treasurer.

Changing Custodians

A. COUNTY DEPARTMENT

Custodian

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1. Counts the petty cash funds or reconciles the petty cash checking bank account and reconciles the petty cash account imprest balance in the presence of the employee that will be assigned the new custodian.
2. Makes written notice to the County Auditor of the change of custodian.

B. COUNTY AUDITOR

Financial Accounting

1. Receives written notice of the change of custodian from the department.
2. Updates petty cash account subsidiary records with new custodian name.

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CASH RECEIPTS

REFERENCES

Accounting Procedure, *Cash Receipts*
Accounting Procedure, *Reporting Collections*

BACKGROUND

Polk County departments use their established internal receipting systems to issue receipts for County collections.

Departments issuing receipts from their internal receipting system create cash receipts on official Polk County receipt forms and process the receipts in accordance with internal procedures. These departments calculate or generate collection totals by payment type (i.e., C-cash, K-check, MO-Money order) and then by revenue or liability account (this report is called a Distribution Summary). This report is provided to the County Treasurer at the time the receipts are turned over to the Treasurer as support for the total amount receipted.

DEFINITIONS

Cash Receipt – For purposes of this procedure, a receipt issued for payment received in cash, check, money order, cashier's check, credit card, or other legal form of payment defined as a payment type in IFAS.

Distribution Summary – Report that totals a department's collections by payment type and also by revenue or liability account.

PURPOSE

To prescribe the process of recapping cash receipts issued from a department's internal receipting system to the financial accounting system.

PROCEDURE

A. COUNTY DEPARTMENT

1. To reduce the risk of loss of County funds, consider maintaining a "hot check listing" within the department of names of previous customers whose payments have been returned by the depository due to insufficient funds, closed accounts, unauthorized signatures, or drawn on uncollected funds, and provides the listing to employees collecting payments within the department, if used.
2. Ensures compliance with Accounting Procedure, *Cash Handling Guidelines*.
3. Secures all collections until they are deposited with the County Treasurer or depository.
4. Makes up all shortages.
5. Deposits all overages, including unidentified collections, with other collections with the County Treasurer or depository and issue an additional receipt for each overage/unidentified collection using an appropriate account coding (if unsure of the coding, contact County Auditor).
6. Deposits collections with the County Treasurer.
7. Reports collections in accordance with Accounting Procedure, *Reporting Collections*.

Cashier/Receipter

1. Collects payments.
2. Verifies for check payments, that the name on the check is not listed on the department's "hot check listing", if used, and if the name is on the listing, accepts only non-check payments from the customer.
3. Issues department receipts to customers in accordance with internal procedures and other established County Auditor prescribed Accounting Procedures, as applicable.
4. If at the time of collection the cashier/receipter must issue a manual receipt (e.g., if the department's internal receipting system is inoperable):
 - a) Prepares manual receipt in triplicate.

Note: Unused manual receipts should remain in the secure custody of the responsible official or employee.

- b) Provides a copy of the manual receipt to the payer, retains a copy for County Auditor, and retains a department copy.
 - c) Creates a department system receipt using information from the manual receipt (e.g., when the department's system becomes operable), ensuring that the manual receipt number is referenced on the system receipt.
5. For correction/voided receipts:
- a) Obtains and attaches together all copies of the receipt issued, as possible.
 - b) Defaces all copies as **VOID**, documenting the reason for the correction/void on the voided receipt and initials the receipt.
 - c) Obtains a supervisor's signature or initials of approval for and on the voided receipt.
6. Performs closeout and balancing procedures at the time specified by and in accordance with department internal procedures.
7. Forwards distribution summary documentation to the Treasurer.

B. COUNTY TREASURER

- 1. Receives distribution summary documentation from the applicable department.
- 2. Enters the department's collections to the financial accounting system in accordance with internal procedures.

C. COUNTY AUDITOR

- 1. Audits County departments' collections in accordance with internal procedures and an approved audit program.
- 2. Reports audit findings, if applicable.

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REPORTING COLLECTIONS

REFERENCES

Accounting Procedure, *Cash Receipts*

BACKGROUND

In accordance with Local Government Code (LGC) §114.043,

“...the county auditor may require a district clerk, district attorney, county officer, or precinct officer to furnish monthly reports...regarding any money, tax, or fee received...the auditor may count the cash in the custody of the officer or verify the amount on deposit in the bank in which the officer has deposited the cash for safekeeping.”

In addition, LGC §154.044 requires that,

“...On or before the fifth day of each month, a district, county, or precinct officer shall file with the county auditor a report, on a form prescribed by the county auditor, that contains...a detailed and itemized statement of all fees, commissions, and other compensation that the officer collected during the preceding month...”

Pursuant to the above statutes and other statutory authority provided to the County Auditor, each Polk County officer/department that has collections is required to furnish a monthly report of those collections and other requested supporting documentation to the County Auditor for review.

Generally, County department collections are deposited to the General Fund bank account.

This procedure does not relate to collections by Court Registries, which are Court controlled collections prescribed by a specific Court action.

DEFINITIONS

Collections - For purposes of this procedure, amounts collected by County officers/departments related to fees, fines, and/or court costs that will be placed in the County depository for use by the County or submission to the State. Collections do not include items received by Court Registries.

PURPOSE

The purpose of this document is to prescribe the procedure for reporting County department collections.

PROCEDURE

A. COUNTY OFFICER/DEPARTMENT

1. Receipts collections in accordance with Accounting Procedure *Cash Receipts*.
2. Deposits receipted collections with County Treasurer.
3. Prepares monthly, a report of collections for the previous month or other approved department internal system generated report or form serving as the officer's/department's official monthly report of collections.

Note: Each officer's/department's monthly report must at a minimum reflect the following:

- Name of reporting department,
 - Name of officer/department head responsible for reporting the collections,
 - Indication of the calendar month for which the collections are being reported,
 - Indication of each kind of revenue being reported,
 - Total amount of each kind of revenue being reported,
 - Officer's/department head's attestation, signature, and date
 - Notary's or witness' signature
4. Provides the monthly report, related receipts, and other requested documentation to County Auditor.

B. COUNTY AUDITOR

Compliance Audit

1. Obtains monthly from each applicable officer/department that receives collections, the officer's/department's monthly report, related receipts, and other requested documentation.

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2. Audits the officer's/department's monthly report of collections, related receipts, and other requested documentation in accordance with an approved audit program, which includes making manual adjustments to the monthly report, if necessary.
3. Reports audit findings, if any, to the officer/department.
4. Retains audit documentation including receipts in accordance with the County's record retention policy.

GRANT ACTIVITY

REFERENCES

1. Grant Information Form
2. Polk County Auditor's Department Grant Status Report

BACKGROUND

Direct Grants are grants received by Polk County for services provided by Polk County directly to the beneficiary. Pass-through Grants are grants received by Polk County for which Polk County contracts with sub-recipients to perform the services to the beneficiary. Both type of grants require monitoring, accounting and reporting to ensure the County and/or sub-recipients are using funds in accordance with grant requirements.

PURPOSE

The purpose of this procedure is to prescribe procedures for monitoring grant activity during the term of the grant. The activities described in this document will be the responsibility of the member of the County Auditor's staff designated by the County Auditor as the Grants Auditor.

MONITORING PROCEDURES

1. The Grants Auditor shall review agendas and minutes of all Commissioners Court meetings to determine if new grants have been approved or applied for.
2. Upon determination that a grant has been awarded to the county the Grants Auditor will complete a Grant Information Form(see example).
3. The Grants Auditor shall obtain the grant document from the grantee department and review the document for terms and conditions such as matching funds requirements, audit requirements and monitoring anticipated by the granting agency.
4. The Grants Auditor shall communicate with grantee department to determine their understanding of the requirements of the grant document.
5. The Grants Auditor shall work with the County Treasurer to set up any necessary bank accounts as prescribed by the grant document.
6. The Grants Auditor shall set up a filing system to retain documents and reports relevant to the grant.

7. The Grants Auditor will review accounting records each month to insure that revenue and expenses associated with the grant have been recorded to the proper accounts and fund.
8. The Grants Auditor shall file copies of accounting reports and source documents (checks, bank drafts, invoices, receipts) to document the accounting activity to the revenue and expense accounts associated with the applicable grant.

REPORTING PROCEDURES

1. The Grants Auditor shall compile information from the Grant Information Form and from the accounting records compiled as described above and prepare a report entitled Polk County Auditor's Department Grant Status Report.
2. This report shall list the grantor, the program name, the CFDA number, the contract number, the grant funds received, the revenue account, fund, expense account and amounts expensed for each grant.
3. This report shall be split between federal and state grantors with a total for each type of grantor.
4. This report shall be compiled from time to time and distributed to the County Judge, all four County Commissioners, the department head of grantee departments and each District Judge.
5. The Grants Auditor shall compile information from the Grant Status Report and furnish this information to the external auditor in compliance with requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs.

ACCOUNTING PROCEDURES

1. The Grants Auditor will insure that any necessary revenue and expense accounts are set up in the financial accounting system.
2. The Grants Auditor will determine proper amounts to be budgeted for revenue and expense reports and insure that such amounts are set up in accordance with budgeting procedures.
3. The Grants Auditor will monitor budgets for revenue and expense accounts and insure any amendments are made in accordance with budgeting procedures.
4. The Grants Auditor will determine any necessary cash match and insure that such cash match is budgeted in accordance with budgeting procedures.
5. The Grants Auditor will insure that any furniture, equipment or vehicles purchased in connection with a grant are added to the property records.

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MILEAGE REIMBURSEMENT

REFERENCES

Accounting Procedure *Travel Policies and Procedures*
County Auditor's Form *Travel Voucher*

BACKGROUND

In accordance with the following Local Government Code (LGC) references, County Commissioners Court is empowered to set a reasonable mileage reimbursement rate for County Officials and County employees who use personal vehicles while performing County business authorized by the County Commissioners Court.

- LGC §152.011:
“The commissioners court of a county shall set the amount of the compensation, office and travel expenses, and all other allowances for county and precinct officers and employees who are paid wholly from county funds.”
- LGC §152.013:
“(a) Each year the commissioners court shall set the salary, expenses, and other allowances of elected county or precinct officers. The commissioners court shall set the items at a regular meeting of the court during the regular budget hearing and adoption proceedings.”
- LGC §152.035:
“(a) The commissioners court of a county may reimburse the county auditor for expenses incurred in traveling...to attend conferences and seminars relating to the performance of official duties.
(b) The commissioners court of a county...may reimburse an assistant of a county auditor for the assistant's expenses that are the same kind as those for which the county auditor may be reimbursed under Subsection (a).”
- LGC §152.901:
“(a) The commissioners court of a county may authorize the payment of reasonable travel expenses incurred by a person who:
(1) is an agent of the county, or is a board or committee member appointed by the commissioners court; and
(2) is not a county or precinct officer or employee whose travel expenses may be set under Section 152.011.

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(b) The travel expenses must be incurred by the person while performing county business authorized by the commissioners court.”

Historically, Commissioners Court has adopted a mileage reimbursement rate in accordance with the Internal Revenue Service standard mileage rate. However, Commissioners Court may change this rate at its discretion. To determine the current approved rate, contact the County Auditor.

This procedure does not apply to County Officials or employees currently receiving approved vehicle allowances, unless travel is outside of Polk County. See also, Accounting Procedure *Travel Policies and Procedures*.

The commuting expenses incurred in traveling between the employee's residence and County office or for mileage/expenses incurred in any other travel of a personal nature are not reimbursable. If mileage incurred in a single day to a place outside the office exceeds normal commuting mileage (home to office and return), the difference between mileage incurred that day and commuting mileage is reimbursable.

Refer to the following examples:

Example 1: Steve lives on the east side of town and his daily round trip commute to the office and back home is 30 miles. He has an eight o'clock meeting at Bear Creek Community Center. He goes directly from home to the center, returns to the office after the meeting, and goes home at the end of the day. Steve traveled 70 miles today, and 40 miles is reimbursable.

Example 2: Janet lives on the southwest side of town, and has a 10-mile daily round trip commute to the office. She reports to the office in the morning and leaves for a 10 o'clock meeting at the Washburn Tunnel. The meeting lasts until the end of the normal workday, at which time she goes home. Janet traveled 40 miles today, and she will be reimbursed for 30 miles.

Example 3: Don lives on the south side of town. He has a morning meeting at Precinct 1 Willardville office. The meeting lasts all day, and Don returns home from Precinct 1. A total of 20 miles were traveled today. Don commutes 30 miles round trip to the office each day, therefore no request for reimbursement can be made.

Example 4: Nick lives in any part of Houston. He has a meeting in Austin. He drives directly to Austin, attends the meeting, and returns. He should check his odometer reading when he leaves his house and when he returns to his house. His total round trip is 363 miles. His normal commute is 40 miles round trip to the office each day. The 40 miles should be deducted from the total mileage and Nick should submit the difference, 323 miles for reimbursement.

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Parking expenses are reimbursable if incurred in conjunction with County business. For each parking expense, the employee must obtain and attach the associated parking receipt to the completed County Auditor's Travel Voucher form, when submitting expenses to Accounts Payable for reimbursement in accordance with this procedure.

Toll road charges are reimbursable so long as the actual receipt, or a certification that said expense was incurred in conjunction with County business, is presented along with the County Auditor's Travel Voucher form.

PURPOSE

To prescribe the procedure to standardize, define, and expedite the reimbursement process.

PROCEDURE

A. COUNTY OFFICIAL/EMPLOYEE

1. Completes County Auditor's Travel Voucher form

Note: The employee shall submit one claim for mileage reimbursement each month.

2. Forwards County Auditor's Travel Voucher form, and applicable supporting documentation to their Department Head for approval.

B. COUNTY DEPARTMENT

1. Reviews County Auditor's Travel Voucher form and other applicable supporting documentation for proper completion and account coding. In addition, reviews to ensure that the mileage expenses were incurred for County purposes and that mileage reimbursement for the trips detailed on the request has not previously been sought.
2. Signs and dates the completed County Auditor's Travel Voucher form and forwards form and other applicable supporting documentation to Accounts Payable for payment.

C. COUNTY AUDITOR

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1. Receives County Auditor's Form Travel Voucher form and other applicable supporting documentation from a County Department.
2. Processes the County Auditor's Travel Voucher form in accordance with internal procedures.

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CELLULAR TELEPHONES

REFERENCES

Polk County Personnel Policy 5.18, Cell Phone Allowance

BACKGROUND

Polk County (County) Commissioners Court has approved a policy to grant authorized County Officials and employees a monthly cellular telephone allowance, the amount being recommended by the elected official or department head and approved by Commissioners Court.

The cellular telephone allowance is considered supplemental income subject to IRS reporting requirements and is, therefore, processed through the County payroll system, included in the employee's gross income, and is subject to standard payroll withholdings. Expenditures over the approved allowance levels designated by Commissioners Court will not be reimbursed. Department Heads may request approval of Commissioners Court for exceptions to this allowance program so that equipment may be purchased by the County, as needed, and assigned and maintained for a particular position or positions, based upon the necessity of the exception.

To justify establishment of cellular telephone allowances or County provided cellular telephones, departments should review employees' job functions and the estimated usage level for County business. Usage may be estimated based on the employee's own cellular telephone and/or County assigned cellular telephone. Employees eligible for cellular telephone allowance or a County provided cellular telephone must be regular full-time employees in positions for which a clearly defined business need has been determined by department management. If an allowance is approved by the elected official or department head, a Personnel Action Form is prepared and submitted along with a copy of the employee's most recent cellular phone bill to Commissioners Court for approval. Cellular allowances will not be prorated when an employee has absences during a pay period. Cancellation of an employee's allowance due to an extended absence is at the department's discretion.

Each cellular telephone allowance and change in allowance must be submitted on a Personnel Action Form for review and approval by Commissioners Court.

Cellular contract termination fees (if assessed by service provider) resulting from employees that receive an allowance subsequently being terminated, quitting, transferring to another office or department, or being moved into another position, will not be paid or reimbursed by the County.

PURPOSE

To prescribe the procedure for providing approved employees with cellular telephone allowances or County provided cellular telephones.

PROCEDURE

A. COUNTY DEPARTMENT

1. Determines or is made aware of the potential need for an employee to utilize a cellular telephone for County business purposes.
2. Reviews the employee's job function and current cellular telephone usage (County provided or personal, as applicable), if any, to verify justification of request for a cellular telephone allowance or County provided cellular telephone.
3. If it is determined that the employee should receive a cellular telephone allowance:
 - a) Determines the appropriate monthly allowance amount based upon estimated usage.
 - b) Reviews the department's budget to ensure funds are available for the allowance and performs necessary budgetary transfers, if necessary.
 - c) Completes a Personnel Action Form and submits to Commissioners Court for approval along with a copy of the employee's most recent cellular phone bill.
4. If an employee should no longer receive a cellular telephone allowance promptly submit a Personnel Action Form to remove the allowance from employee's salary.
5. Obtains from employee copy of cellular telephone bill to support cellular telephone allowance and maintains a listing of such associated telephone numbers. Copy of cellular telephone bill and list of telephone numbers should be provided to the County Auditor upon his request.
6. If it is determined that an employee should utilize a, or is in need of an upgraded, County provided cellular telephone based upon estimated usage:

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- a) Review cellphone line item budget and ascertain that sufficient budgetary funds are available.
- b) Contact service provider and order cellular telephone.
- c) Notify County Auditor of new cellular telephone number and employee assigned to such cellphone.
- d) Monitor and review cellular telephone bills for County provided cellular telephones each month.

B. COMMISSIONERS COURT

1. Considers each department budgetary requests for cellphone allowances and cellphone charges
2. Approves or rejects each department request.

C. COUNTY AUDITOR

1. Receives County provided cellular telephone invoices for payment.
2. Processes County provided cellular telephone invoices.
3. Verifies periodically that cellular allowances presented in the County's payroll system are supported by individual cellular telephone bills.
4. Contacts applicable department with any potential discrepancies regarding employees receiving cellular telephone allowances or County provided cellular telephones.

D. Human Resources

1. Receives a Personnel Action Form initiating cellular telephone allowance from applicable department.
2. Contacts the department as necessary to resolve any discrepancies.
3. Presents Personnel Action Form to Commissioner's Court for approval.

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TRAVEL POLICIES AND PROCEDURES

REFERENCE

Polk County Employee Manual Section 18-Travel/Expense Reimbursement
Accounting Procedure *Mileage Reimbursement*

TRAVEL POLICY

1. Sufficient funds must be available in the applicable department's adopted budget before an expenditure is made.
2. If a payment in advance is required by an institute, conference, seminar, hotel, etc., a check may be issued for that amount by the County Auditor.
3. The purpose of the trip must be for the County's benefit and/or be related to the department's primary business activities.
4. Attendance at local conferences is encouraged and, when possible, out of state travel shall be kept to a minimum.
5. Travel expenses shall be allowed for elected and appointed officials and their employees while on official business. If a spouse and/or dependent(s) accompany the official or employee, the difference in hotel room rates above the single rate must be deducted. Meals and all other expenses for the spouse and/or dependent(s) will not be paid with County funds.
6. Travel expenses shall also be allowed for volunteer committee members while on official business as designated and approved by Commissioners Court
7. If the official or employee elects to travel by personal car, the County will reimburse based on the mileage rate currently being used by the Internal Revenue Service. Point-to-point mileage in accordance with the Official State of Texas Mileage Guide should be used.
8. Taxi fares are allowed when necessary. Limousine service (other than for groups transportation to and from the airport which would be the same or less than taxi fare), is not allowed.

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9. For local mileage reimbursement, the daily travel log must show destination points and at the discretion of each County Departments, any other information the Department Head deems necessary to approve the claim such as street addresses, major intersections, etc. The most direct distance to the destination will be allowed. Any out-of way travel distance will be at the expense of the official or employee. See Accounting Procedure I.1, "Mileage Reimbursement", for additional information.
10. Hotel expenses will be reimbursed based on Polk County Personnel Policy 18.05.
11. Meals will be reimbursed based upon Polk County Personnel Policy 18.04.
12. Personal items, such as prescriptions, cosmetics, movies, golf, health club, etc., will not be reimbursed.
13. Alcoholic beverages will not be reimbursed.
14. Reimbursement will be made only when submitted on forms approved by the County Auditor.

PROCEDURE

A. COUNTY DEPARTMENT

1. Submit a Payment Voucher Form to the County Auditor's office for the payment of registration fees and/or hotel reservations.
2. Submit a Travel Advance Request Form to the County Auditor's office to cover authorized travel expenses, if necessary. Documentation of use of travel advance will be in accordance with A-3 below. Any unused portion of a travel advance should be returned when the travel voucher is submitted.
3. Complete and submit a Travel Voucher for reimbursement of expenses upon completion of the travel. No payment will be made without the original supporting documents which are listed below:
 - Itemized hotel bill
 - Seminar schedule or agenda
 - Parking receipts
 - Meals (itemized ticket, not credit card charge slip)

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- Toll road toll receipts

B. COUNTY AUDITOR

1. Receives request for travel advance seminar payments, if applicable.
2. Processes County travel advance in accordance with internal procedures.
3. Mails advance payments directly to the receiving party unless requested to be picked up by the department.
4. Receives travel expense form from the County official or employee upon return from his/her travel.
5. Processes travel expense form in accordance with County Policy and internal procedures.
6. Issues travel expense reimbursement check payable to the official or employee.
7. Forwards the check to the County Treasurer.

C. COUNTY TREASURER

1. Receives check from County Auditor.
2. Processes the check in accordance with internal procedures.
3. Mails the check to the employee's home address unless the employee had previously requested that the check be held for pick up.
4. If a request was made to hold the check for pick up, notifies the official or employee that the check has been processed and is ready.

**POLK COUNTY AUDITOR'S OFFICE
TRAVEL ADVANCE REQUEST FORM**

Name: _____ Title: _____ Date: _____

TRAVEL ADVANCE REQUEST FOR:

Purpose of Travel: _____

Location: _____

Date(s): _____

Expected Date of Return: _____

ESTIMATED EXPENSES

Travel:

Air fare \$ _____

Auto (_____ miles at _____ per mile _____)

Lodging _____

Meals _____

Registration, Tuition, or Fees _____

Other: _____

ESTIMATED TOTAL EXPENSES \$ _____

ADVANCE AMOUNT REQUESTED \$ _____

AUTHORIZATION:

Authorization for advance travel allowance in the amount of \$ _____ is granted to _____ for reason(s) stated above. Employee understands that proper documentation of actual travel expenses incurred must be reported as required upon return to work; and if actual expenses are less than the advance, the difference must be refunded upon the employee's return.

Employee Signature: _____ Date: _____

Supervisor Approval: _____ Date: _____

**POLK COUNTY AUDITOR'S OFFICE
TRAVEL VOUCHER**

PAY TO: _____

DEPARTMENT: _____

DATES COVERED: FROM: _____ TO: _____

TIME: LEAVE TIME: _____ RETURN TIME: _____

MILEAGE: START: _____ STOP: _____

ITINERARY: _____

ALL CLAIMS FOR REIMBURSEMENT MUST HAVE DETAILED RECEIPTS

EXPENDITURE:	AMOUNT
FARES - PUBLIC TRANSPORTATION	
PERSONAL CAR MILEAGE	-
MILES @	
MEALS AND LODGING	
PER DIEM	
OTHER EXPENSE	
TOTAL	-

I certify that the expense account above rendered totaling \$ _____ is true and correct.

Signature of Claimant _____

Agency Approval _____ Date Approved for Payment _____ 20____

_____ Department Head

_____ County Judge

_____ County Auditor

NOTE: Do not charge such items as miscellaneous, incidentals or unauthorized expenses, as they will not be approved. ALL CLAIMS MUST BE SIGNED BY DEPARTMENT HEAD.