

Lamar County

Financial Policies



Table of Contents

Section 1 – Purpose and Objective of the Policy Manual	5
1.0 General Provisions	5
Section 2 – Accounting, Auditing, and Financial Reporting Policies	6
2.0 General Provisions	6
2.1 Accounting Standards	6
2.2 Accounting Structure, Classification of Transactions, Disclosure	6
2.3 Annual External Auditing and Procurement	6
2.4 Audit Coverage	6
2.5 Monthly Financial Reporting	6
2.6 Comprehensive Annual Financial Report	6
2.7 Internal Controls and Auditing	7
2.8 Illegal Acts	7
Section 3 – Budgetary Policies	8
3.0 General Provisions	8
3.1 Fiscal Year	8
3.2 Participatory Process	8
3.3 Comprehensiveness	8
3.4 Budget Calendar	8
3.5 Fixed Position Allocation	8
3.6 Public Notice	8
3.7 Balanced Budget Required	8
3.8 Performance Measurement	9
3.9 Presentation Standards	9
3.10 Fund Balance Policy, Generally	9
3.11 Fund Balance Policy, Specifically	10
3.12 Contingency Budget	13
3.13 Lapsed Appropriations	13
3.14 Basis of Accounting	13
3.15 Control and Reporting	13
3.16 Legal Level of Control	13
3.17 Transfers	13
3.18 Amendments	13
Section 4 – Revenue Policies	14
4.0 General Provisions	14
4.1 Revenue Diversification	14
4.2 Fees and User Charges	14
4.3 Fee Waivers and Reductions	14
4.4 Revenue and Expenditure Projections	14
4.5 Ad Valorem Tax Estimates	14
4.6 Ad Valorem Tax Objective	15
4.7 Revenue Collections Objective	15

Section 5 – Capital Improvement Program and Budget Policies	16
5.0 General Provisions	16
5.1 Capital Improvements Criteria, Maintenance and Replacement	16
5.2 Capital Improvements Prioritization	17
5.3 Fund Accounting	17
5.4 Funding	17
5.5 Carrying Over Funds	18
5.6 Pay-as-you Go Objective	18
Section 6 – Investment and Portfolio Policies and Procedures	19
6.0 General Provisions	19
6.1 Objectives	19
6.2 Legal Compliance, Ethics and Conflict of Interest	20
6.3 Delegation of Authority	20
6.4 Prudence and Ethical Standards	20
6.5 Suitable and Authorized Investments	21
6.6 Approved Broker-Dealers and Banks	21
6.7 Safekeeping of Securities	22
6.8 Diversifications of The Portfolio	22
6.9 Specific Policies to Ensure Liquidity	23
6.10 Active Secondary Markets	23
6.11 Establishment of Internal Control and Oversight	23
6.12 Policy Considerations	24
Section 7 – Debt Management Policies	25
7.0 General Provisions	25
7.1 Tax Anticipation Notes	25
7.2 Long Term Debt	25
7.3 Multi-Year Leases	25
7.4 Bond Rating Objectives	26
7.5 Long-Term Debt Scheduling	26
7.6 Debt Service Budgeting	26
7.7 Capital Improvements Planning	26
7.8 Interfund Loans	26
7.9 Competitive Financing	26
7.10 Fixed and Variable Rate Debt	26
7.11 Legal Compliance	27
Section 8 – Purchasing Policies	29
8.0 General Provisions	29
8.1 Purchase Orders	29
8.2 Change Orders	29
8.3 Purchasing Verification	29
8.4 Local Buying Preference	29
8.5 Conflicts of Interest	30
8.6 Petty Cash Process	30
8.7 Small Purchases	30
8.8 Written Quote Process	31

8.9	Competitive Sealed Bid Process	31
8.10	Competitive Sealed Proposals Process	32
8.11	Fixed Price Agreements Process	32
8.12	Georgia Local Government Public Works Construction Law Process	33
8.13	Georgia County Road Projects	33
8.14	Sole Source Purchases	33
8.15	Emergency Purchases	33
8.16	Professional and Other Technical Services	34
8.17	Real Property Acquisitions	34
8.18	Cooperative Purchases	34
8.19	Federal and State Purchases	34
8.20	Leases for Real Property and Personal Property (Equipment)	35
8.21	Property Disposal: Purpose	35
8.22	Declaration of Property as Surplus Prior to Disposition	35
8.23	Disposition of Personal Property	35
8.24	Disposition of Real Property	35
Section 9 – Lines of Credit, Credit Card, Fuel Card, and Purchasing Card Policies		36
9.0	General Provisions	36
9.1	Definitions	36
9.2	Designation of Authorized Lamar County Elected Officials	36
9.3	Transaction Limits	37
9.4	Authorized and Unauthorized Purchases	37
9.5	Documentation; Reviewing and Auditing Procedures	38
9.6	Employee Responsibilities	38
9.7	Violations and Penalties	39
Section 10 – Grants Management Policies		40
10.0	General Provisions	40
10.1	Funding Authority and Pre-Award Procedures	40
10.2	Post-Award Procedures	40
Section 11- Travel		42
11.1	Applicability	42
11.2	Policy Statement	43
11.3	Definitions	43
11.4	Non-Local Travel Guidelines	45
11.5	Local Travel Guidelines	48
11.6	Vehicle Insurance	49

Section 1 - Purpose and Objective of the Policy Manual

1.0 General Provisions

The Board of Commissioners of Lamar County, Georgia has a responsibility to carefully account for public funds, to manage finances wisely, and to plan for the provision of public services. Sound financial policies are necessary to carry out these objectives responsibly and efficiently. The financial policies of the Board of Commissioners of Lamar County, Georgia are the framework for the County's overall financial management and enable the County to achieve and maintain a long-term positive financial condition through planning, directing, and maintaining daily financial affairs. While the financial policies may be amended periodically to ensure the County stays abreast of best practices, the key values of the County's financial management, which include fiscal integrity, prudence, planning, accountability, honesty, and openness, will always undergird any future policy amendments.

Section 2 - Accounting, Auditing, and Financial Reporting Policies

2.0 General Provisions

The County shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall County goals and objectives are met. The following policies shall apply:

2.1 Accounting Standards

The County will establish and maintain a high standard of accounting practices. Accounting standards will conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

2.2 Accounting Structure, Classification of Transactions, Disclosure

Each department shall establish an adequate accounting structure to ensure that all valid transactions are identified and recorded; that all transactions are properly classified and monetarily valued; that all transactions are properly recorded in the appropriate accounting period; and, that all transactions are properly presented and disclosed.

2.3 Annual External Auditing and Procurement

An annual audit will be conducted by a properly licensed independent public accounting firm in accordance with the requirements of O.C.G.A. § 36-81-7. Every three to five years, the county will issue a request for proposal to choose an auditor for a period of three years with two one-year options. The government will request two proposals from qualified CPA firms. One proposal shall contain the firm's costs and a second will contain the firm's qualifications. The cost proposals shall only be opened after up to three qualified firms are determined. When awarding the contract for the independent audit, not less than 70% of the decision will be based upon technical qualifications rather than cost.

2.4 Audit Coverage

All general purpose, combining and individual fund and account group statements and schedules may be subject to a full scope audit. The general-purpose financial statements shall be subject to

the annual audit. The combining, individual fund and account group financial statements and schedules shall be limited to the relation to audit coverage.

2.5 Monthly Financial Reporting

The Accountant or designee will prepare monthly financial reports for internal management purposes.

2.6 Comprehensive Annual Financial Report

Annually, the finance office may prepare a comprehensive annual financial report. This report shall be made available to the elected officials, bond rating agencies, creditors, and citizens. Annually, or at the discretion of the Board of Commissioners, the County may prepare and submit a comprehensive annual financial report to the Government Finance Officers Association (GFOA) to determine its eligibility to receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

2.7 Internal Controls and Auditing

The County will maintain strong internal audit functions and internal control structures. All County departments shall develop and implement a plan of organization determining methods and procedures to be used to safeguard assets and resources and assure those assets and resources are used as effectively as possible. As trustees of County funds, the Board of Commissioners may direct the County Administrator and Accountant to conduct randomly or on demand internal audits on any funds and accounts under their fiduciary control and not in conflict with any other law or regulation.

2.8 Illegal Acts

Any employee will be prosecuted to the extent of the law in any instance where the employee is proven to have committed an illegal act such as theft.

Section 3 - Budgetary Policies

3.0 General Provisions

Budgeting is an essential element of the financial planning, control, and evaluation process of county government. The annual general appropriations budget or annual budget is the county's annual financial operating plan. The annual budget includes the operating departments of the general fund, special revenue funds, debt service fund, capital project funds, enterprise fund, and other approved funds that may be established as needed.

3.1 Fiscal Year

The County's annual fiscal year for budgeting and financial reporting will be the period beginning July 1 and ending June 30.

3.2 Participatory Process

The County will utilize a decentralized operating budget process. Each department will have an opportunity to participate in requesting personnel, goods, capital items, and services needed to carry on its responsibility in an exemplary manner.

3.3 Comprehensiveness

Annual fiscal year budgets will be adopted for all funds. Project budgets shall be adopted for major capital projects and no budgets are adopted for trust funds since budget authorization and control is achieved alternatively through stipulations in the trust agreements.

3.4 Budget Calendar

The County Administrator in consultation with the Accountant or designee shall prepare an annual budget preparation package for each department and budget unit explaining the calendar, policies, and procedures for submission. The County Administrator may outline priorities, targets, and other guidelines consistent with good budgeting practice and the opportunities and challenges facing the County in the pending fiscal year planning period.

3.5 Fixed Position Allocation

The Board of Commissioners shall adopt an annual budget that shall have a fixed position allocation list showing the level of full-time equivalent (FTE) personnel (full-time and part-time) ratio for each department or budget division. Any increase in the additional positions or the FTE level shall require a budget amendment to be submitted to the County Administrator for approval by the Board of Commissioners.

3.6 Public Notice

The County shall follow public notice and review procedures for adoption of the budget as provided for in O.C.G.A. §§ 36-81-5 and 36-81-6. Adoption of the budget shall be by either resolution or ordinance.

3.7 Balanced Budget Required

The budget must be structurally balanced for all budgeted funds. Total anticipated revenues plus that portion of beginning fund balance in excess of the unreserved fund balance (see policy 3.10 below) must equal total estimated expenditures for the general fund; provided, however, that if the Board of Commissioners determines that circumstances so warrant and it is in the best interest of the citizens of Lamar County, the Board of Commissioners may elect to utilize a portion of the fund reserve to balance the general fund budget. Total anticipated revenues must equal total estimated expenditures/expenses for all other funds.

3.8 Performance Measurement

The county may develop a program to integrate performance measures and objectives into the budget and a system to monitor performance in meeting objectives.

3.9 Presentation Standards

The county may annually submit documentation to qualify for the Governmental Finance Officers Association "Distinguished Budget Presentation Award."

3.10 Fund Balance Policy, Generally

The purpose of this policy is to establish criteria to define and maintain adequate fund balances in the County's fund accounting structure that will provide sufficient cash flow to meet daily and unforeseen financial needs and to ensure the highest credit quality for the County. Fund balance measures the net financial resources available to finance expenditures for future periods. The application of fund balance policy for the County shall be subject to guidance under Statement

Number 54 of the Governmental Accounting Standards Board, and for each fund in the County's fund structure may be composed of the following classifications:

- a) Nonspendable: This includes amounts that are in an un-spendable form or are required to remain intact (inventories, endowment from a corpus fund, prepaid items, long-term loans and notes receivable, etc.).
- b) Restricted: This includes amounts that can be spent only for the specific purposes stipulated by Georgia Constitution, external resource providers, or through enabling legislation (grant revenues, contributions, debt covenants, etc.). Certain fund balance amounts are restricted in accordance with State and Federal laws and are generally held in Special Revenue Funds.
- c) Committed: This 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 (major construction projects, stabilization funds for contingency or emergency). Fund balance of the County may be committed for a specific purpose by formal action of the Board of Commissioners. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Commissioners.
- d) Assigned: These are amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed (specific projects, etc.). Fund balance may also be delegated to be assigned when appropriate by the County Administrator or his designee under the approved annual appropriations budget.
- e) Unassigned: This amount is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned (to maintain liquidity).

3.11 Fund Balance Policy, Specifically

Governmental fund types include the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

The Board of Commissioners hereby adopts the following fund balance policies for each governmental fund type:

- a) General Fund: The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund. The General Fund will maintain reserves to ensure the County's ability to offset unanticipated revenue fluctuations, respond to local and regional emergencies or other unanticipated non-recurring expenditures, and remain liquid during prolonged periods of revenue shortfalls. Additionally, the County will obtain more favorable financing should the need to borrow funds arises.

The unassigned General Fund balance may only be appropriated by resolution of the Board of Commissioners. It shall be the general policy of the Board of Commissioners to maintain an unassigned fund balance equivalent to three (3) months of annual budgeted operating

expenditures, except where it is necessary or expedient to commit or assign no more than one (1) month for purposes that are in the county's best interests. In circumstances where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, resources will be expended in the following order:

1. Restricted fund balance.
2. Committed fund balance.
3. Assigned fund balance.
4. Unassigned fund balance.

In the event that funds are available over and beyond the targeted amount, excess fund balance amounts in the General Fund may be appropriated for non-recurring expenditures such as capital acquisitions or improvements or may be transferred to capital funds at the Board's discretion.

b) **Special Revenue Funds:** Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of special revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

The Board of Commissioners may discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the General Fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

In circumstances where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows:

1. Restricted fund balance.
2. Committed fund balance.
3. Assigned fund balance.
4. Unassigned fund balance.

The Board of Commissioners commits the following fund balances to be reported as Special Revenue Funds:

1. **E-911 Fund:** Funding is provided by subscription fees to provide Lamar an Enhanced 911 Emergency Telephone System and public safety answering point. The revenue will be used solely and exclusively to support the operational and capital expenses of the facility. It shall be the general policy of the Board of Commissioners to maintain an average unassigned fund balance equivalent to three (3) months of annual budgeted operating revenue, except where it is necessary or expedient to commit or assign a portion of the unassigned fund balance for purposes that are in E911's best interests.

2. Hotel Motel Tax Fund: Funding is provided by an excise tax in an amount determined in the county code of ordinances pursuant to state law and according to the taxing option selected by the Board of Commissioners. The revenue will be used as prescribed by state and local law.
3. Drug Abuse Treatment and Education Fund: Funded by the additional assessment on fines and penalties by the court system for drug-related offenses as prescribed by state law. The revenue will be used solely and exclusively to support operational and capital expenses for drug abuse treatment and education programs and/or the drug and mental health court division.
4. Jail Commissary Fund: Funded by revenue generated by inmates or their outside supporters, the purpose of the jail's commissary or "canteen" is to allow inmates to purchase various items or amenities which are not provided by the jail. An offender's money is inventoried upon incarceration and an account is established for them. Deposits are made as the money arrives for the inmates and canteen purchases are deducted from their accounts. Inmates are not permitted to keep money in their possession. Surplus revenue or net earnings may be used to support operations and capital expenses of the facility, or for law enforcement purposes.
5. Sheriff's Forfeited Property Fund: Funding is provided by the forfeiture of cash and other property seized in the course of criminal activity. The revenue will be used to support operational and capital expenses for law enforcement purposes.
6. Correctional Institute Inmate Telephone Fund: Funding will be provided by commission revenue from the sale of phone cards to inmates. The revenue will be used to support operations and capital expenses of the facility.
7. Multiple Grants Fund: This fund accounts for receipts and disbursements for state and federal grants for restricted purposes. The revenue will be used to support operational and capital expenses for the grant's purpose.

c) Capital Projects Funds Balance Policy: Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital Projects Funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. In circumstances where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) restricted fund balance, 2) committed fund balance, and 3) assigned fund balance.

The Board of Commissioners commits the following fund balances to be reported as Capital Projects Fund:

1. Special Purpose Local Option Sales Tax Fund: Funding is provided by a 1% sales tax, subject to voter referenda and state law, for capital outlay projects. Subscribing to the minimum funds' principle, debt service for principal and interest will be accounted for in this fund, rather than maintaining a separate debt service fund.

In circumstances where expenditures are to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows:

1. Restricted fund balance.
2. Committed fund balance.
3. Assigned fund balance.
4. Unassigned fund balance.

3.12 Contingency Budget

The county may include an amount in the general fund for unforeseen emergency type operating expenditures (i.e., a line-item for contingencies). The amount of the contingency will be no more than 3% of the general fund operating budget.

3.14 Lapsed Appropriations

All operating and unencumbered capital appropriations lapse at year-end. Encumbered capital appropriations shall be re-appropriated in the subsequent year.

3.15 Basis of Accounting

All budgets shall be adopted on a basis of accounting consistent with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Boards, except for encumbrances. Revenues are budgeted when they become measurable and available and expenditures are charged against the budget when they become measurable, or where liability has been incurred and the liability will be liquidated with current resources.

3.16 Control and Reporting

The county will maintain a budgetary control system to ensure adherence to the budget and will prepare timely, monthly financial reports comparing actual revenues, expenditures, and encumbrances with budgeted amounts.

3.17 Legal Level of Control

The budget shall be adopted at the minimum legal level of control required by Georgia law, which is any expenditures for each department for each fund for which a budget is required (i.e., the expenditures may not exceed the total for any department within a fund without the Board of Commissioners approval).

3.18 Transfers

The County Administrator shall have the authority to transfer appropriations within a department within the same fund from one-line item to other line items (i.e., to another object classification within the same department) for all departments under the direction of the Board of Commissioners. The County Administrator may be granted this authority by constitutional officers requesting such transfers provided it is properly documented. Any transfer affecting the allocations of constitutional officers or other operating departments may not be made without Board approval.

3.19 Amendments

The Board may authorize a budget amendment through a supplemental budget resolution at any time whereupon and after consultation with the County Administrator and other county officers

such amendment is needed out of public necessity and in the best interest of the citizenry, and to further reflect any significant change in total revenues and expenditures.

Section 4 - Revenue Policies

4.0 General Provisions

Recognizing that the delivery of services requires sufficient funding, the county shall establish and maintain a system of revenues that strive to meet characteristics of simplicity, equity, stability, adequacy, and vigorous collection, while meeting local, state, and federal requirements, as prescribed.

4.1 Revenue Diversification

The county will attempt to maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any single revenue source. The revenue mix should combine elastic and inelastic revenue sources to minimize the effect of economic downturns.

4.2 Fees and User Charges

The county will establish fees and user charges at a level related to the total cost (i.e., operating, direct, indirect, and capital or debt service) to provide a service. The county will review all fees and user charges annually in order to keep pace with the cost of providing that service. When establishing user charges, the following issues must be considered:

- a) ability to pay;
- b) pricing to limit or encourage demand;
- c) identifiable benefits;
- d) discourage waste; and,
- e) cost of collection.

4.3 Fee Waivers and Reductions

All waivers or reductions in fees must be approved by the Board of Commissioners except where discretionary authority has been granted by other policy or resolution, for example, the waiver of fees during the occurrence of natural disasters or similar emergency.

4.4 Revenue and Expenditure Projections

The county shall prepare an annual and long-term financial plan of at least five years that will forecast revenues, expenditures, and financial position for each fund that will be founded on a meaningful analysis of numerous factors such as:

- historical trends along with growth patterns and key economic indicators
- legal and regulatory changes such as mandates of federal, state, and local government
- internal analysis of the County's environment to identify opportunities, problems, or changes that could impact the sustainability of service levels and demands over a multi-year period.
- the affordability of debt and of maintaining or replacing capital assets

Additionally, this plan considers the timing of receipts, seasonality of expenditures, and one-time sources or uses of funds such as non-recurring grants, donations, or cost recovery from other entities or governments. Finally, the County's projections take caution to ensure revenue estimates shall not be overly optimistic and expenditure projections shall not be understated.

4.5 Ad Valorem Tax Estimates

Upon the advice of the Tax Commissioner, Tax Assessor, County Administrator, and Accountant, the Board of Commissioners may estimate the expected revenue to be generated by ad valorem taxes for the upcoming fiscal year in the annual budget. However, property tax rates to generate the estimated revenue for the applicable taxing year shall be set not later than prescribed by state law in conjunction with the submission of the ad valorem tax digest to the Georgia Department of Revenue.

4.6 Ad Valorem Tax Objective

Property tax rates shall be maintained at a rate adequate to fund the desired basic service level. Based upon taxable values, rates will be adjusted when necessary to fund this desired service level.

4.7 Revenue Collections Objective

The county will follow an aggressive policy of revenue collection. Services will be discontinued if applicable, and legal means of collection for non-payment will be pursued. Real property will be sold at the discretion of the Tax Commissioner to satisfy the non-payment of property taxes.

Section 5 - Capital Improvement Program

5.0 General Provisions

The Capital Improvement Program (CIP) is a means to identify, assess, and prioritize capital improvements for the County and through which funding sources and annual capital budgets are developed. Capital improvements are to be identified, assessed, and prioritized based on the objectives, goals, strategic plans of Lamar County such as the Lamar County Comprehensive Plan, Recreation Master Plan, Transportation Plan, Solid Waste Management Plan, projects identified in a Special Purpose Local Option Sales Tax (SPLOST) referendum or Transportation Special Purpose Local Option Sales Tax (TSPLOST) referendum, or any other relevant operational planning document.

The capital budget provides annual funding for long-term capital projects. The capital improvement program (CIP) will be developed for a period of six years. The first year will represent a current year program budget. The following five years will represent a plan for expenditures subject to annual review and update for each subsequent budget period.

During the annual budget process, each department shall submit its budget request including operating and capital needs. Upon review of the requests, major capital projects are placed in the appropriate capital improvements fund. Other capital outlays shall be placed in the department's operating budget.

5.1 Capital Improvements Criteria, Maintenance, and Replacement

a) Criteria: For the capital improvement program, all vehicles, equipment and machinery, land and land improvements, and building projects costing \$5,000 or more with an estimated useful life of three years or more are classified as major capital assets. Equipment and machinery costing \$5,000 or less with an estimated useful life of three years or less are classified as minor capital assets.

Minor capital assets should be included generally in the operating budget, either in the equipment escrow account or as line-item expenditure for the year the equipment is to be purchased. The Board of Commissioners may make exceptions to include minor capital assets in the capital improvements program at its discretion.

All capital items such as vehicles and heavy equipment should be clearly marked (identified) as Lamar County property unless the property is used by law enforcement agencies for undercover or investigative purposes. The markings should be visible on both sides of the vehicle, equipment, and machinery, no less than 1-1/4 inches high and easily read while moving or in use.

b) Maintenance: All capital improvements should be cared for in a manner that will ensure optimal performance, preserve its useful life, minimize failures and unplanned downtime, reduce repair costs, and comply with safety standards. Preventative maintenance will be performed at scheduled intervals.

c) Replacement: Lamar County intends to maintain the availability, safety, and reliability of long-term improvements. Capital Improvements shall be evaluated for replacement at scheduled intervals and will consider age, mileage or machine hours, maintenance costs, and general condition. The following minimum standard shall be considered with regard to age, mileage, or machine hours:

1. Buildings and Building Improvements – 40 years
2. Equipment and machinery – 8 years and/or 120,000 miles or 20,000 machine hours
3. General-purpose vehicles – 8 years and/or 120,000 miles
4. Ambulance and Rescue vehicles – 7 years and/or 150,000 miles
5. Fire trucks – 15 years and/or 100,000 miles
6. Law Enforcement Patrol vehicles – 5 years and/or 100,000 miles

When extenuating circumstances exist whereby property does not meet the replacement criteria, the property may be replaced if funding is available. Such extenuating circumstances may be:

1. Damage from an accident or natural disaster
2. Excessive repair/maintenance costs
3. Continued use presents a safety hazard

5.2 Capital Improvements Prioritization

Capital projects and/or capital asset purchases will receive a higher priority if they are based on an objective rating of the following criteria:

- a) public health and safety hazards;
- b) mandates;
- c) preservation of assets;
- d) economic development;
- e) operating budget impact;
- f) the life expectancy of investment;
- g) level of service;
- h) population levels served;
- i) relationship to existing plans;

- j) the extent of use;
- k) scheduling or timing of projects;
- l) special needs;
- m) available leveraged funding;
- n) timeliness; and,
- o) public support.

While these criteria will be the basis for ultimately prioritizing projects, they will be considered in conjunction with various other tangible and intangible factors including input from the general public and other public officials.

5.3 Fund Accounting

The County may establish those capital improvements funds as necessary to achieve appropriate fund accounting goals.

5.4 Funding

The County's primary capital funding source will typically be the Special Purpose Local Option Sales Tax (SPLOST) and Transportation Special Purpose Local Option Sales Tax (TSPLOST). Other sources of alternative funding should be considered to help leverage SPLOST and TSPLOST funds for additional projects. Regardless of funding source, every effort should be made to ensure adequate funding, and more specifically, cash flow, for each improvement. For construction projects, design may be initiated with 25% of funds available and construction may proceed with 85% of funds available. For equipment funding, 100% of funds must be available unless outside funding is to be applied toward a project or external entities that require funding to be dispersed only upon a reimbursement basis. Projects involving outside funding or debt financing should have these commitments substantially in place prior to authorization.

If a project is projected to exceed the budgeted funds, a formal revision of the budget must be approved by the Board of Commissioners, and a cost reallocation should be done. Some ways by which this may be accomplished include:

- a) Shifting surpluses in other budget line items to cover the cost overrun;
- b) Reductions in program scope that do not compromise the objectives of the capital project;
- c) Reductions in the scope of other budget lines which do not affect the basic program (e.g., equipment);
- d) Scaling back on later phases of construction if the project has multiple construction phases;
- e) Using project contingency funds to cover the cost overrun so long as the future financial viability of the project is not put at risk

5.5 Carrying Over Funds

The CIP will incorporate in its projection of expenditures and funding sources any amounts relating to the previous year's appropriations but have yet to be expended.

5.6 Pay-as-you Go Objective

To the extent that the unreserved general or enterprise fund balances exceed three months of annual budgeted operations, the County may draw upon the fund balance to provide pay-as-you-go financing for capital projects or to otherwise leverage expenditures on capital projects.

Section 6 - Investment and Portfolio Policies and Procedures

6.0 General Provisions

This investment policy applies to activities of Lamar County with regards to investing the financial assets of its funds (except for Retirement Funds and financial assets under the direct control of any of the Constitutional Officers of Lamar County). These funds are accounted for in the County's annual financial report and include:

- a) General Fund
- b) Special Revenue Funds
- c) Debt Service Funds
- d) Capital Project Funds
- e) Other funds which may be created from time to time

At such time as funds under the direct control of Constitutional Officers might pass to the Board of Commissioners, then these policies will be applicable.

Except for cash in certain legally restricted and special funds, the County will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

6.1 Objectives

Lamar County's investment objectives in order of priority are:

- a) Safety of Principal: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
- b) Credit Risk: Lamar County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
 - 1) Limiting investments to the types of securities listed in this Investment Policy
 - 2) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business with.
 - 3) Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- c) Interest Rate Risk: The County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
 - 1) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
 - 2) Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

- d) Maintenance of Adequate Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.
- e) Return on Investment: The County seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations, and state laws that restrict the placement of certain funds.
- f) Performance Standard: The goal of the overall portfolio shall be an annual objective of exceeding the average return on the Georgia Local Government Investment Pool (Georgia Fund 1) by twenty-five (25) basis points, net of any investment, or safekeeping fees. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

6.2 Legal Compliance, Ethics and Conflict of Interest

Funds of Lamar County will be invested in compliance with the provisions of Georgia Code Section 36-83-4, 36-80-3, and 45-8-18, and in accordance with these policies and written administrative procedures. Certain funds may from time-to-time have outstanding bond issues which have specific investment policies contained within the bond ordinances and official statements. Those policies will be adhered to and are not in conflict with the terms of this policy.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interests in financial institutions, banks or broker-dealers that are considered for conducting business with the County.

6.3 Delegation of Authority

The Board of Commissioners of Lamar County shall establish the overall investment policies, the management, and implementation of which is delegated to the County Administrator or designee, designated as the investment officer who shall establish procedures for the operation of the investment program. Such procedures may include explicit delegation of authority to personnel or entities responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the County Administrator.

6.4 Prudence and Ethical Standards

The standard of prudence to be used by the Accountant or his delegated entities shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard is herewith understood to mean the following: "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 probable income to be derived."

6.5 Suitable and Authorized Investments

Suitable and authorized investments set forth in the Official Code of Georgia Annotated, generally, are:

- a) Obligations of the State of Georgia or other states.
- b) Obligations issued by the United States government consisting of U.S. Treasury Bills, Notes, and Bonds.
- c) Obligations fully insured or guaranteed by the United States government or a United States government agency).
- d) Obligations of corporations of the U.S. Government.
- e) Repurchase agreements backed by b), c) or d)
- f) Prime Bankers' Acceptance that is eligible for purchase by the Federal Reserve Bank and has a credit rating of A1/P1 or better.
- g) The Local Government Investment Pool of the State of Georgia.
- h) Obligations of other political subdivisions of the State of Georgia.
- i) Time deposits and savings deposits of banks organized under the laws of Georgia or the U.S. Government and operating in Georgia.
- j) Certificates of Deposit insured by the Federal Deposit Insurance Corporation provided, however, that that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be secured by direct obligations of the State of Georgia or the United States.

Where allowed by state law and in accordance with the *GFOA Recommended Practices on the Collateralization of Public Deposits*, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

6.6 Approved Broker-Dealers and Banks

A list will be established and maintained for competitive proposals offered by local financial institutions and depositories (banks) selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation) qualified to provide depository services. A formal request for proposals MAY be issued every three years.

A list will be established and maintained for competitive proposals offered by financial institutions and depositories (banks) and also by approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation) qualified to provide investment services. A formal request for proposals shall be issued every five (5) years. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

- a) It is the policy of Lamar County to purchase securities only from those broker/dealers and banks that are authorized by the Board of Commissioners.
- b) Repurchase Agreements will be conducted only with those banks and broker/dealers who have executed a Master Repurchase Agreement with the County. All repurchase agreements must be in written form using the *Securities Industry and Financial Markets Association Master Repurchase Agreement* as a guide. Annex 1 of this guide shall materially conform to the *GFOA Best Practice for Establishing a Repurchasing Agreement*. Agreements not substantially conforming to this *Master* and *Annex 1* are unacceptable.

- c) All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
 - 1) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
 - 2) Proof of National Association of Securities Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
 - 3) Proof of FINRA certification
 - 4) Proof of state registration
 - 5) Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
 - 6) Certification of having read and understood and agreeing to comply with the County's investment policy.
 - 7) Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and *broker/dealers will be conducted by the Accountant*. The County shall seek to follow *GFOA Recommended Practice on "Governmental Relationships with Securities Dealers*.

6.7 Safekeeping of Securities

- a) To protect against potential fraud and embezzlement the investment securities of the County shall be secured through third-party custody and safekeeping procedures. A Safekeeping Agreement will be executed. Securities will be held by a centralized independent third-party custodian selected by the County as evidenced by safekeeping receipts in the County's name listing the specific instrument, rate, maturity, and other information. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (*Statement of Auditing Standards No. 70, or SAS 70*).
- b) Exempt from the third-party safekeeping procedures are securities which collateralize Repurchase Agreements of 7 days duration or less. These securities shall be safely kept at the Federal Reserve Bank, pledged to the Board of Commissioners of Lamar County Board and the County. shall have the right to approve any substitutions of collateral should that prove necessary.
- c) The Safekeeping Agreement explicitly requires that securities will be delivered versus payment. This practice ensures that the County neither transfers money nor securities before receiving the other portion of the transaction. Both transactions occur simultaneously through the custodial bank, authorized to conduct transactions for the County.
- d) Deposit type securities shall be collateralized at 110% of the face value. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent.

6.8 Diversifications of the Portfolio

- a) It is the policy of Lamar County to diversify its investment of idle funds to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be reviewed periodically.
- b) In establishing specific diversification strategies, the following guidelines apply:
 - 1) Portfolio maturities shall be staggered to provide funds when needed.
 - 2) Maturities selected shall provide for stability of income and reasonable liquidity.

- 3) When evaluating the purchase of individual security to a specific maturity its impact on the portfolio as a whole should be a major consideration.

6.9 Specific Policies to Ensure Liquidity

Diversification of Investment Maturities

- a) The longer the maturity of a particular investment, the greater its susceptibility to market price and credit losses. The County seeks to limit such risk by maintaining conservative maturities that are within guidelines recommended by O.C.G.A. 36-83-4, and/or those recommended by the Government Finance Officers Association. The GFOA guidelines generally recommend avoiding securities with maturities beyond five years unless the investment is matched and held to a specific maturity.
- b) Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into consideration large routine expenditures (i.e. payroll and debt payments) as well as anticipated revenues (i.e. property tax collections).
- c) Maximum maturities by the class of security are as follows:

U.S. Treasury Obligations	5 years
U.S. Government Agency Securities and Securities issued by Instrumentalities of Government Sponsored Corporations	4 years
Repurchase Agreements	180 days
Prime Bankers' Acceptance	270 days
Local Government Investment Pool	N/A
Certificates of Deposit	2 years
Obligations of other political subdivisions of the State of Georgia	3 years

6.10 Active Secondary Markets

Although many securities are acceptable for investing using the legally authorized list, some are not very desirable from a liquidity standpoint. Accordingly, although investments may be on the authorized list, only those securities with an active secondary market may be purchased from that list.

6.11 Establishment of Internal Control and Oversight

The County Administrator or designee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. It is the policy of the County to establish a system of internal controls which shall be in writing. The internal controls shall address the following points:

- a) Control of collusion: Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

- b) Separation of functions: By separating key functions and having different people perform each function, each person can perform a "check and balance" review of the other people in the same area.
- c) Separation of transaction authority from accounting and recordkeeping: By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a good separation of duties is achieved.
- d) Custodial safekeeping: Securities purchased from any bank or dealer, including appropriate collateral, should be placed into a third-party bank for custodial safekeeping.
- e) Avoidance of bearer-form securities: Bearer-form securities are much easier to convert to personal use than securities that are registered in the name of Lamar County.
- f) Avoidance of physical delivery securities: Book-entry securities are much easier to transfer and account for since actual delivery is never taken. Physical delivery securities must be properly safeguarded as are many valuable documents. The potential for fraud and loss increases with physical delivery securities.
- g) Clear delegation of authority to subordinate staff members: Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
- h) Written confirmation of telephone transactions for investments and wire transfers: Due to the potential for errors and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person.
- i) Documentation of transactions and strategies: All transactions and the strategies that may have been used to develop the transactions should be documented in writing and approved by the appropriate person.
- j) Development of a wire transfer agreement with the County's lead bank: This agreement should outline the various controls and security provisions for making and receiving the wire transfers.
- k) Reporting: The Accountant shall prepare periodic investment reports summarizing recent market conditions, economic developments, anticipated investment conditions, rates of return, and portfolio performance.
- l) Oversight: Compliance should be assured through the County's annual independent audit. However, additional and periodic oversight shall be provided by the County's finance committee.

6.12 Policy Considerations

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy. This policy shall be reviewed on an annual basis. Any changes must be approved by the Board of Commissioners in consultation with the Accountant.

Section 7 - Debt Management Policies

7.0 General Provisions

Debt may result when the county identifies the need to borrow from an individual or an institution. The county in this instance receives funds to acquire resources for current use with an obligation for repayment later. The debt from borrowing generally must be repaid-with interest. The Board of Commissioners of Lamar County recognizes that to maintain flexibility in responding to changing

service priorities, revenue inflows, and cost structures, a debt management strategy is required. The County strives to balance service demands and the amount of debt incurred. The County realizes that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects as well. The goal of the County's debt policy is to maintain a sound fiscal position and to protect the credit rating of the County. When the Board of Commissioners of Lamar County uses debt financing, it will ensure the debt is financed soundly and conservatively and the terms are fair and reasonable under current market conditions. The following policies shall apply:

7.1 Tax Anticipation Notes

The County may use short-term borrowing to cover cash flow shortage through the issuance of tax anticipation notes subject to Article 9, Section 5, Paragraph 5 of the Constitution of the State of Georgia.¹

7.2 Long Term Debt

The issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. For purposes of this policy, current resources are defined as that portion of fund balance in excess of the required reserves. Every effort will be made to limit the payback period of the debt to the estimated useful life of the capital projects or improvements. The county may use long-term debt financing when the following conditions exist:

- a) when non-continuous capital improvements are desired; and,
- b) when it can be determined that future citizens will receive a benefit from the improvement.

When the county utilizes long-term debt financing it will ensure that the debt is financed soundly by:

- a) conservatively projecting the revenue sources that will be utilized to repay the debt;
- b) financing the improvement over a period not greater than the useful life of the improvement; and,
- c) determining that the cost-benefit of the improvement, including interest cost, is positive.²

7.3 Multi-Year Leases

Multi-year lease-purchase contracts, including certificates of participation, may be used to finance equipment purchases and for the acquisition of real estate pursuant to the provisions of O.C.G.A. 36-60-13, in-lieu of long-term debt financing.

7.4 Bond Rating Objectives

The County will maintain good communications with bond rating agencies and will try to improve or maintain its current bond rating. The County shall follow a policy of full disclosure in financial reporting and with the preparation of a bond prospectus.

7.5 Long-Term Debt Scheduling

All efforts will be made to limit the long-term debt maturity schedule to the estimated useful life of the capital asset constructed or purchased.

7.6 Debt Service Budgeting

Annual budget appropriations shall include debt service payments and reserve requirements for all debt currently outstanding.

7.7 Capital Improvements Planning

When necessary, long-term borrowing should be incorporated into the county's capital improvement plan.

7.8 Interfund Loans

Where cost-effective, the Board of Commissioners may choose to issue loans between funds within its reporting entity. A document outlining the amount, rate, repayment terms, and other such pertinent items will be completed by County Administrator after direction is issued by the Board of Commissioners to complete the inter-fund loan transaction. A meaningful financial analysis will be performed by the Accountant and the County Administrator on the lending fund's working capital to assure adequate cash flows will remain after the money is transferred to the borrowing fund. As a general rule, the lending fund should not incur financial hardship or an increase in rate structure as a result of the transaction. Any inter-fund loan must be approved in final by the Board of Commissioners.

7.9 Competitive Financing

The County generally will conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of unusual or complex financing or security structure. The County may employ outside financial specialists to assist it in developing a bond issuance strategy, preparing bond documents, and marketing bonds to investors. The key players in the County's financing transactions include its financial advisor and bond counsel, the underwriter, and County representatives.

7.10 Fixed and Variable Rate Debt

The Board of Commissioners of Lamar County, Georgia will exercise prudence and caution in the management of financial affairs, particularly regarding the issuance of debt so that the County utilizes the most effective method for accomplishing strategic objectives without imposing inappropriate risks. Therefore, the County will primarily issue fixed-rate debt in order to lesson interest rate risk over the life of the issue. Variable-rate debt may be considered under certain limited circumstances only after a sufficient understanding of the products and their appropriate use has been developed in conjunction with an educated advisor, such as the Accountant or a qualified municipal financial advisor.

7.11 Legal Compliance

When issuing debt, the County shall comply with all legal requirements. This compliance includes adherence to local, state, and federal legislation and bond covenants. Specifically, the Accountant is responsible for maintaining a system of recordkeeping and reporting to meet the requirements of the federal tax code (the "Code"). This system of record-keeping and reporting shall include the following: (a) a list of all property financed with the proceeds of tax-exempt debt ("Tax-Exempt Debt Property") and (b) a system for tracking investment earnings on debt proceeds and amounts of money pledged to the repayment of the debt, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government promptly to preserve the tax-exempt status of the County's outstanding debt issues.

The use of Tax-Exempt Debt Property shall be monitored to ensure that such use does not constitute “private business use” within the meaning of the Code. Without limiting the foregoing, each contract, including but not limited to management contracts relating to such Tax-Exempt Debt Property shall be reviewed by legal counsel prior to the execution of such a contract. The list of Tax-Exempt Debt Property shall be reviewed at least annually to ensure that none of the Tax-Exempt Debt Property has been sold. In the event that Tax-Exempt Debt Property is used in a manner that constitutes “private business use” or the Tax-Exempt Debt Property is sold, the remediation provisions of Treasury Regulation § 1.141-12 shall be carried out in consultation with bond counsel. If bond counsel advises that a fund or account needs to be yield restricted (*i.e.*, not invested at a yield in excess of the debt), the moneys on deposit in such fund or account shall be invested in the United States Treasury Obligations – State and Local Government Series (“SLGS”), appropriate “yield reduction payments” shall be made if permitted by the Code or the Accountant shall establish other procedures to ensure that such fund or account is yield restricted. At the time the debt is issued, the Accountant shall determine if he or she reasonably expects that one of the arbitrage rebate exceptions will be satisfied. If the arbitrage rebate exception relates to the period over which the proceeds of the debt are spent, the Accountant shall verify that the appropriate expenditures have been made at each milestone. If one of the milestones is not satisfied or the Accountant does not reasonably expect that one of the arbitrage rebate exceptions will be satisfied, an outside arbitrage rebate consultant shall be retained unless the Accountant has determined that positive arbitrage will not be earned. All records relating to the debt needed to comply with Section 6001 of the Code shall be maintained. These records shall be kept in paper or electronic form and shall include, among other things, (i) basic records relating to the transaction (including the debt documents, the opinion of bond counsel, etc.), (ii) documents evidencing the expenditure of the proceeds of the debt, (iii) documentation evidencing the use of Tax-Exempt Property by public and private entities (e.g., copies of management contracts, leases, and research agreements) and (iv) documentation pertaining to any investment of debt proceeds (including the purchase and sale of securities, SLG subscriptions, yield calculations for each class of investments, actual investment income received from the investment of the proceeds of the debt, guaranteed investment contracts and rebate calculations). Such records must be maintained as long as the debt is outstanding, plus three years after the final payment or redemption date of the respective debt.

Additionally, the Accountant is responsible for implementing appropriate systems and procedures to ensure that the County complies with all its continuing disclosure undertakings entered into pursuant to Amended SEC Rule 15c2-12 (the “Rule”). These systems and procedures shall include the following (a) signing up for email reminders from the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) and (b) systems for determining if a “material event” has occurred and reporting that event on EMMA. The County shall comply with its continuing disclosure undertakings made pursuant to the Rule and shall file on EMMA all operating and financial data and all material event notices required by its continuing disclosure undertakings. Finally, the Accountant is also responsible for implementing appropriate systems and procedures to ensure that general financial reporting and certification requirements, and financial covenants are monitored to ensure that all covenants are complied with.

Section 8 – Purchasing Policies

8.0 General Provisions

The purpose of this policy is to provide for the fair and equitable treatment of all businesses involved in public purchasing by the County, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.

The Accountant shall solicit bids and proposals for goods and services, unless otherwise provided for herein. The Accountant is responsible for 1) assisting in the purchasing of goods and services for County departments; 2) reviewing requisitions for completeness and clarity and assisting in making needed corrections; 3) conferring with departments concerning the quality, quantity, and kind of items requisitioned; and 4) issuing purchase orders. Departments under the operational jurisdiction of the Board of Commissioners are required to adhere to this policy, while departments under the operational jurisdiction of other elected officials are strongly encouraged to adhere to this policy.

8.1 Purchase Orders

A purchase order must be used for all purchases exceeding \$1,000 except recurring contractual obligations (e.g., leases, maintenance, and utilities). Funding must be budgeted before a purchase order is executed. Any purchase of goods or services of \$20,000 or more must be approved by the Board of Commissioners.

8.2 Change Orders

Any change order in excess of \$20,000 must be approved by the Board of Commissioners. The County Administrator is authorized to approve and execute all other change orders.

8.3 Purchasing Verification

Department heads must approve the payment of all invoices to verify that the product or service has been received in the quantity and quality specified. Receipts and invoices should be sent to Finance for prompt payment.

8.4 Local Buying Preference

For all purchases of \$20,000 or more, if the quality, service, price, and other factors are substantially equal, then a local vendor whose bid is within 5% of the lowest bid may be given an opportunity to match the lowest bid. This policy shall be stated in all applicable solicitations but does not apply to public works construction projects or road projects.

For purposes of this provision, a “local vendor” is one that 1) has a principal business location within the boundaries of Lamar County; 2) has a valid occupational tax certificate issued by a jurisdiction located in Lamar County, and 3) owns the property where the principal business location is located or has a lease for a term of no less than one year for the principal business location which in effect requires the local vendor to pay the ad valorem taxes on the leased property.

A “principal business location” is further defined as a permanent facility with a physical location in Lamar County where it can be demonstrated 1) that the goods or services are either made, stored, processed, sold, or rendered at the facility; and 2) that substantial administrative or management activities are performed by one or more employees, principals, representatives or agents for the purpose of transacting business.

To request the local vendor preference, a vendor must include a completed local vendor form with its submitted bid. It is the vendor's responsibility to provide clear and convincing evidence that it meets the requirements for being considered a local vendor pursuant to this provision. The determination of whether a vendor has submitted sufficient evidence to support being deemed a local vendor shall be solely within the discretion of the Board of Commissioners and shall not be subject to challenge.

8.5 Conflicts of Interest

No employee of Lamar County shall have a financial interest either directly or indirectly in the purchase of or contract for any goods or services, nor in any firm, corporation, partnership, limited liability company, or any other legal entity furnishing any goods or services to Lamar County or any of its departments. For purposes of this provision, and indirect financial interest includes, but is not necessarily limited to, the financial interest of an employee's spouse. Nor shall any employee of Lamar County accept or receive, directly or indirectly, from any person, firm, corporation, partnership, limited liability company, or any other legal entity furnishing any goods or services to Lamar County 1) any money or anything of more than nominal value; or 2) any promise, obligation, or contract for future reward or compensation. Provided, however, that nothing in Section 8.5 shall preclude employees of Lamar County from 1) attending seminars, courses, lectures, briefings, or similar functions at any manufacturer's or vendor's facility or any other place if any such seminar, course, lecture, briefing, or similar function is for the purpose of furnishing the employee with knowledge and information relative to the manufacturer's or vendor's products; 2) receiving meals from a manufacturer or vendor in connection with any such seminar, course, lecture, briefing, or similar function; or 3) receiving educational materials and business-related items of not more than nominal value from a manufacturer or vendor.

No employee of Lamar County shall personally participate either directly or indirectly in the purchasing or supervision of any goods or services furnished to Lamar County by an immediate family member of the employee or by a firm, corporation, partnership, limited liability company, or any other legal entity in which the employee's immediate family member has a direct financial interest. For purposes of this provision, "immediate family member" means the employee's child, parent, or sibling.

8.7 Small Purchases

Certain employees may make purchases without a purchase order if 1) they are granted authority by the department head to purchase items less than \$1,000 per transaction, and 2) sufficient funds are available in the department budget.

8.8 Written Quote Process

Any purchase which is at least \$1,000 but less than \$20,000 must use a purchase order after the department head or designee has obtained at least three written quotes. Each vendor must be given sufficient information to assure that the quotes are for the same product or a similar product made by another company. The information given to the vendors and their quotes are then given to the Accountant for review and approval. Specific brands and models should be listed, if possible. For purposes of satisfying this provision, quotes that are hand-delivered, mailed, faxed, emailed, or obtained from the internet shall all be considered "written quotes." Quotes should include the following information: the date, product description, price, delivery terms, and the name and

position of the company representative who prepared the quote. In the event that three quotes cannot be obtained, documentation justifying the lack of three quotes must be submitted to and approved by the Accountant.

8.9 Competitive Sealed Bid Process

- a) Threshold: Except as otherwise provided in this policy, the competitive sealed bid process must be used for any purchase that is \$25,000 or more. It also includes capital equipment where the number of units would make the price rise above \$25,000 or more (e.g., three units costing \$8,333.33 each equal a total cost of \$25,000).
- b) Public Notice: Solicitations shall be posted on the County website and the Georgia Procurement Registry a minimum of fourteen days prior to the bid opening and may be posted on other electronic or print media as determined by the Accountant. The bid advertisement must contain at a minimum the following information: 1) description of the product or service; 2) quantity; 3) where to get detailed specifications and obtain answers about them; 4) where and when to submit the bids; 5) how to address the envelope, time and place of bid opening; and 6) any special instructions or conditions, such as attendance at a mandatory or voluntary pre-bid conference. A standard clause which reserves the Board of Commissioners' right to reject any and all bids or proposals, to waive any technicalities or informalities associated with the bid or proposal, and to make the award that it deems in the best interest of the County shall be included in all sealed bids.
- c) Bid Solicitation: Department heads should forward recommended specifications to the Finance Department, who shall prepare the advertisement and the specifications. Below are the specific steps involved in this process:
 - 1) No later than one week prior to the bid opening, potential bidders shall submit to the Accountant written questions for clarification regarding any aspect of the bid document. The Accountant will post the questions and responses on the County Procurement website.
 - 2) No addendum can be issued within 72 hours of the date and time set for the bid opening unless the bid date is extended by a minimum of 72 hours beyond the date of the addendum is issued.
 - 3) Sealed bids can be delivered by hand, mail, or express carrier. Each sealed bid shall be marked on the envelope with the date and time it was received.
 - 4) Bids will be publicly opened and read aloud at the time and place designated in the solicitation. No late bids will be accepted or considered.
 - 5) When bids are opened by the Accountant, each base bid and alternate bid (additive or deductive) will be read aloud. A designated witness will write them on the Bid Tabulation Sheet. The Accountant will make clear that the County may elect to use or not use any alternate bid and will select the best bid resulting from those elections.
 - 6) The County Administrator or designee and witness will double-check the entries on the Bid Tabulation Sheet, note any errors, and sign the Bid Tabulation Sheet.
 - 7) Copies of the bid documents, bid bond, and any payment and performance bonds if required, can then be turned over to engineering, architectural, or another consultant, if applicable, for review and recommendation.
 - 8) A memorandum with the recommendation(s) of the department head and Accountant, with the bid tabulation, shall be submitted for an administrative review for inclusion on the next Board of Commissioners meeting for action.
 - 9) The award, if made, shall be made to the lowest responsive and responsible bidder, subject to any local vendor preference pursuant to Section 8.4.

8.10 Competitive Sealed Proposals Process

Except as otherwise provided in this policy, the competitive sealed proposal process may be used for goods or services when it is determined that competitive sealed bidding is not practicable or advantageous, subject to the following conditions:

- a) Proposals shall be solicited through a request for proposals.
- b) Public notice shall be given in the same manner as provided for competitive sealed bidding.
- c) Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for an award, for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements.
- d) Offerors shall be accorded fair and equal treatment concerning any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award to obtain best and final offers.
- e) In conducting discussions there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- f) The award, if made, shall be made to the responsible offeror whose proposal is determined to be the most advantageous to the county, taking into consideration price and the evaluation factors set forth in the request for proposals.

8.11 Fixed Price Agreements Process

Goods or services used by one or more departments on a regular and continuing basis may be purchased under a contract covering a specified extended period at an established price for such goods or services which shall be valid for the duration of the contract period. Purchase agreements under this provision shall be solicited through competitive sealed bids or proposals as set out above. The departments of the County can then purchase these goods or services on an as-needed basis throughout the agreed time at the accepted bid price with a valid purchase order or using the procurement card if the cost is below the assigned card's transaction limit.

Any department head wishing to use the fixed price agreement process should request its use by memorandum to the Accountant, and County Administrator. In addition, the Accountant may initiate the process as well by requesting its use from the Accountant and County Administrator. Once the Accountant and County Administrator approve its use, the Accountant shall be responsible for following the procedures for competitive sealed bids or proposals as set out above to procure the best terms and price. The Accountant shall notify all of the departments of any additions or deletions to the list of fixed price agreements currently in effect. Once the County has entered into a fixed price agreement on a particular product, all departments must use that agreement for its duration in obtaining that product.

8.12 Georgia Local Government Public Works Construction Law Process

- a) Chapter 91 of Title 36 of the Official Code of Georgia Annotated, or as subsequently amended, requires counties that engage in the building, altering, repairing, improving, or demolishing of any public structure or building or other public improvements of any kind to any public real property other than those projects covered by Article 3 of Chapter 4 of Title 32 of the OCGA (see Georgia County Road Projects below) in which the value of said work is \$100,000 or more, to use the competitive sealed bid or competitive sealed proposal processes set out in these statutory provisions unless the proposed work qualifies for one of the limited exceptions. This statute does not apply to the routine operation, repair, or maintenance of existing structures, buildings, or real property, or any energy savings performance contract, or any improvements or installations performed as part of an energy savings performance contract.

- b) The preferred construction delivery method for these projects is the competitive sealed bid method. No other method allowed by state law shall be used unless expressly approved by the Board of Commissioners. No project requiring a contract under this method shall begin the design phase without the express approval of the County Administrator or his/her designee, even if it has been included in the annual capital budget so that its methods of financing, design, advertisement, and award have been thoroughly reviewed.
- c) Notwithstanding any other provision of this policy, written quotes may be obtained in lieu of sealed bids for any public works project valued at less than \$100,000 that would otherwise be subject to the competitive bid process required by state law.

8.13 Georgia County Road Projects

- a) Road projects (construction, reconstruction, or maintenance) valued at \$200,000 or more that require a contract must use the competitive bid process set out in Article 3 of Chapter 4 of Title 32 of the Official Code of Georgia Annotated, or as subsequently amended, unless the proposed work qualifies for one of the limited exceptions.
- b) No project requiring a contract under this method shall begin the construction phase without the express approval of the County Administrator or his/her designee, even if it has been included in the annual capital budget so that its methods of financing, design, advertisement, and award have been thoroughly reviewed.
- c) Notwithstanding any other provision of this policy, written quotes may be obtained in lieu of sealed bids for any road project valued at less than \$200,000 that would otherwise be subject to the competitive bid process required by state law.

8.14 Sole Source Purchases

The County Administrator or his/her designee is authorized to designate a sole source for any item or service under \$20,000 in value which, due to special scientific, technological, or extraordinary specifications or circumstances, should be purchased from only one vendor. Any sole source purchase that is \$20,000 or more in value must be approved by the Board of Commissioners. Any department wishing to make a sole source purchase must furnish the Accountant (who will then refer it to the County Administrator) with a written request which fully explains why it is essential to do so. The County Administrator shall make the decision or schedule it for action by the Board of Commissioners, depending on the estimated cost.

8.15 Emergency Purchases

The County Administrator is authorized to waive any or all bidding requirements for the purchase of necessary goods or services whenever an emergency condition exists which presents a threat to the safety, health, or welfare of the citizens of the County and whenever such requirements would cause undue delay in the delivery of essential services under such conditions. Any emergency purchases must be reported to the Board of Commissioners at the next regular meeting of the Board of Commissioners. Any department wishing to make an emergency purchase must furnish the Accountant (who will then refer it to the County Administrator) with a written or verbal request which fully explains why it is essential to do so. In the absence of the County Administrator, the approval of the Chairman of the Board of Commissioners or the County Administrator's designee can be substituted.

8.16 Professional and Other Technical Services

Although professional services are not required to be competitively procured, when determined to be in the best interest of Lamar County, requests for proposals may be issued for professional services. Negotiated contracts for professional services can be used when a formal Bid or RFP was not completed and this exception is typically (though not exclusively) utilized when additional services are needed on an existing contract or when recurring services are needed and a relationship has been established with an existing vendor and cost associated with changing vendors may be more than savings achieved through the purchasing process. A professional service is one that typically requires a specialized degree in higher education and/or a license to practice the profession sanctioned by the state and/or a governing organization. For purposes of this policy, professional services are defined as and limited to services provided by the following professions: lawyers; certified public accountants; architects; engineers; land surveyors; physicians or other medical professionals; veterinarians; funeral directors; and consultants in specialized areas.

8.17 Real Property Acquisitions

- a) The acquisition of any interest in real property, including but not limited to easements, leases, other limited property rights, and fee simple ownership may be negotiated on behalf of the County by the County Attorney and the County Administrator, but must be approved by action of the Board of Commissioners.
- b) The Board of Commissioners is authorized to act as the agent to acquire property at any tax lien sale; and such property acquired thereby may by the action of the Board of Commissioners be conveyed, sold, transferred, assigned, or given to a duly authorized Land Bank Authority established by Lamar County or any of its municipalities pursuant to the statutory provisions of Article 4, Chapter 4 of Title 48 of the Official Code of Georgia Annotated, or as subsequently amended.
- c) Pursuant to Section 32-4-40 et. seq. of the Official Code of Georgia Annotated, or as subsequently amended, the County shall notify the Georgia Department of Transportation of any roads either added or abandoned from the county road system.

8.18 Cooperative Purchases

The County Administrator may authorize the Accountant or participating departments to enter into cooperative purchasing agreements with other units of government when it would be in the best interest of the County.

8.19 Federal and State Purchases

Whenever any goods or services are available to the County through a contract with the federal or state government, and when such items or services meet the requirements of a using department, such item or service shall be deemed to have met all the requirements of competitive bidding and may be purchased under the federal or state contract without regard to further government requirements.

8.20 Leases for Real Property and Personal Property (Equipment)

All participating departments requiring the lease of lands, buildings, or structures for office or storage space, or for operating equipment shall notify the County Administrator. The County Administrator shall be solely responsible for the selection of the space, for negotiation of lease terms and conditions except for legal terms. The County Attorney will determine insurance

requirements, preparation of the lease agreement, or review of the lessor's standard contract form. A department requiring the lease or purchase of equipment or personal property shall notify the County Administrator's office prior to entering negotiations to determine if it is in the best interest of the County.

8.21 Property Disposal: Purpose

The purpose of this section is to govern the disposition of county property and is intended to support the following purposes: 1) save the County money through centralized redistribution and disposal of unneeded property; 2) create an audit trail that verifies and validates appropriate property disposal; 3) maximize the return on investment for the disposal of County property; and 4) provide guidance while ensuring fair and equitable treatment of all persons involved in the surplus process.

8.22 Declaration of Property as Surplus Prior to Disposition

No property owned by the County shall be disposed of as surplus property until the Board of Commissioners has adopted a resolution 1) declaring such property as unserviceable in that it cannot be beneficially or advantageously used under all the circumstances for County purposes, and 2) authorizing the disposition of such property in accordance with this policy. Provided, however, that property of de minimus value may be disposed of without formal action of the Board of Commissioners.

8.23 Disposition of Personal Property

- (a) The Board of Commissioners is authorized to dispose of surplus personal property by one of the following means:
 - (1) Transfer to other local government agencies;
 - (2) Sell to the highest responsible bidder through a live or internet auction;
 - (3) Trade in surplus personal property on the purchase of new vehicles or equipment if it is in the best interest of the County;
 - (4) If the surplus personal property has no value or the cost of maintaining and selling the surplus personal property exceeds the anticipated proceeds from the sale of the surplus personal property, the property may be destroyed and disposed of or recycled and removed from County inventory; or
 - (5) Transfer to charitable institution or nonprofit corporation through a negotiated sale, provided that the Board of Commissioners determine 1) that such sale would be in the best interests of the County; and 2) the negotiated sales prices constitutes a reasonable consideration for the personal property.
- (b) No employee of the County or such employee's immediate family member shall purchase or receive any county personal property through any other method than a live or internet auction.

8.24 Disposition of Real Property

Sale or other disposition of real property shall be in accordance with state law.

Section 9 – Lines of Credit, Credit Card, and Fuel Card Policies

9.0 Purpose

The purpose of this policy is to establish policies and procedures for the issuance and use of Lines of Credit, Credit Card, and Fuel Cards by Lamar County's elected officials and employees while conducting business on behalf of Lamar County.

9.1 Definitions

Approving Official: Person having approval authority for all charges incurred by county Credit Card within that department. Usually, the Department Head but maybe his/her designee.

Card Administrator: The Finance Department designee handling the administrative function of the credit cards, and who retains authority to approve or deny specific requests.

Card Issuer: The business organization or financial institution or its duly authorized agent which issues a Credit Card and Fuel Card.

Card User: An elected official or employee who is authorized to use a Credit Card, Fuel Card in accordance with this policy. Whether the Cardholder or not, the Card User must sign and assent to the terms and conditions of the Purchasing Policy and a Card User Agreement.

Credit Card: A card issued by a Card Issuer that allows a Cardholder to borrow pre-approved funds at the point of sale in order to complete a purchase of goods or services. Whenever the term Credit Card is used in this policy, it is understood that it is a Credit Card other than a Fuel Card and is only authorized for use by Lamar County Elected Officials.

Department Head: The person who retains authority to request the issuance of or authorization to the Card Administrator for Credit Card or Fuel Card issuances and transaction limits for Cardholders and Card Users under his or her direct supervision.

Fuel Card: A specific type of Credit Card that is issued through the State of Georgia and which may only be used for the purchase of regular unleaded gasoline. Fuel Cards may only be issued to (a) employees whose job responsibilities are of a 24-hour nature; (b) employees who must travel outside Lamar County; or (c) employees when Lamar County fueling facilities are not readily available to fleet users.

Line of Credit: An agreement through which a financial institution or vendor extends credit, to a borrower that must be obtained only after approval from the Finance Department and the Board of Commissioners, and after appropriate forms have been completed, where required. All Lines of Credit shall be payable on or before December 31 of the year in which the debt is incurred.

9.2 Designation of Authorized Lamar County Elected Officials

In accordance with the requirements of O.C.G.A. § 36-80-24 and subject to the provisions of this policy, the following Lamar County elected officials are authorized to be issued or to use a Credit Card, or Fuel Card: (1) Chairman of the Board of Commissioners; (2) Commissioners; (3) Clerk of Court; (4) Coroner; (5) Magistrate Judge; (6) Probate Judge; (7) Solicitor-General; (8) Sheriff; and (9) Tax Commissioner. Provided, however, that prior to being issued or using a Credit Card or Fuel Card, an elected official must sign and accept a Card User Agreement referenced in this policy. Any purchases by an elected official using a Credit Card or Fuel Card must be solely for items or services that directly relate to such official's public duties.

9.3 Transaction Limits

Transaction limits are set forth below, in accordance with and subject to thresholds established in the General Provisions of the Purchasing Policy. If changes in the transaction limit become necessary, the specification of the higher limit and approval shall be indicated on an updated Card User Agreement with the signatures of the Cardholder, Department Head, and Card Administrator.

- a) Transaction Limit for Credit Cards: Single purchase – \$1,000.
- b) Transaction Limit for Fuel Cards: Single purchase – \$75.
- c) Transaction Limit for Lines of Credit: Single purchase - \$2,500
- d) Transaction Limit for Elected Officials: In the case of elected officials, the above transaction limits and procedures for changing the transaction limits shall apply, except that instead of the approval of a Department Head, the approval of the Chairman of the Board of Commissioners (or, if the Card User is the Chairman, the approval of the Vice-Chairman) shall be required.
- e) Purchases may not be split to avoid transaction limits. If items to be purchased from a single vendor on any given date exceed the transaction limit, the purchase order process must be used.

9.4 Authorized and Unauthorized Purchases

- a) Authorized Purchases: Authorized employees and elected officials shall only use Lines of Credit, Credit Cards (Elected Officials only), and Fuel Cards to purchase goods or services necessary for and directly related to their employment with Lamar County and that are required to maintain the continuous operation of Lamar County or the public duties of the elected official. Fuel Cards will only be used (a) when a Lamar County fueling center is not reasonably available, and (b) at self-service islands for the purchase of regular gasoline for a Lamar County vehicle. All purchases are subject to this policy, the agreement signed by the Card User, the adopted budget, and any other Lamar County policies that may impact any such purchases.
- b) Unauthorized Purchases: Lines of Credit, Credit Cards, or Fuel Cards shall not be used to avoid compliance with purchasing policies and procedures, to purchase goods or services that are not approved in Lamar County's budget, to purchase goods or services exceeding transaction limits, or to make purchases, not in compliance with the agreement signed by the Card User. Lines of Credit, Credit Cards, and/or Fuel Cards shall not be used for personal purchases of goods or services under any circumstances. Without limiting the applicability of the foregoing, the following types of purchases may not be made:
 - 1) Gasoline, fuel, or oil inside Lamar County (except for authorized use of Fuel Cards);
 - 2) Alcoholic beverages;
 - 3) Cash advances;
 - 4) Personal items and services;
 - 5) Prescription drugs and controlled substances;
 - 6) Items included in fixed price agreements or contracts;
 - 7) Any additional goods or services restricted by the Department Head, not necessary for continued operations of Lamar County, or which professional judgment would not support.
- c) Reimbursement and Disciplinary Action: Unauthorized purchases are strictly prohibited. If such purchases are made, whether personal in nature or not, the employee, Cardholder, or Card User's authorization to use a Line of Credit, Credit Card, Fuel Card is subject to immediate revocation. Additionally, the employee or Card User will be required to reimburse Lamar County for the unauthorized purchases, and will also be subject to immediate disciplinary action, up to and including termination of employment (unless the employee or Card User is an elected official).

9.5 Documentation; Review and Auditing Procedures

a) Documentation

- 1) Itemized Receipts: The Card User must obtain an itemized receipt for each purchase made with a Line of Credit, or Fuel Card.
- 2) Missing Receipts: If for some reason the employee or Card User cannot provide an itemized receipt for a particular purchase, the employee or Card User must complete a Missing Receipt Form.

b) Review and Auditing Procedures

- 1) Employees must verify each charge on his or her Credit Card form by retaining all itemized receipts, invoices, or other documentation and matching them, or the missing receipt form when applicable. When the Accountant needs to dispute a charge that is on the monthly statement, the Accountant should notify the card user to verify the purchase with the vendor. Additionally, a charge dispute form should be completed and remitted along with the statement.
- 2) The Approving Official must review each statement and detailed documentation to verify the County's need for the purchases and authorize approval before forwarding the statement to the Card Administrator or Finance Department for payment and recording of expenditures to the corresponding budget. The Approving Official must complete this review and approval within five days of receiving the statement from the employee. Additionally, the Approving Official will ensure all charges are properly coded to the appropriate budgetary line and will resolve any questions or discrepancies about the statement with the employee prior to remitting the statement to the Finance Department.
- 3) The Card Administrator and accounts payable office will review every statement, verifying compliance with all aspects of the purchasing policy before recording transactions to the correct budgetary item. He or she will also report any necessary disciplinary action to the employee's, or Card User's Department Head.

9.6 Employee Responsibilities

In addition to responsibilities regarding documentation, reviews, and audits, the following employees shall have the following responsibilities regarding Lines of Credit, Credit Cards, and/or Fuel Cards:

a) Card Users

- 1) Maintain card security.
- 2) Immediately report a lost or stolen card to the Card Administrator.
- 3) Identify Lamar County's sales tax exemption status to vendors.
- 4) Assure that cards are used only for authorized purchases.
- 5) Responsible and accountable for all transactions that occur on the card.
- 6) Turn in receipts within 10 days.

b) Department Heads

- 1) Establish any monthly limits on purchases for each employee.
- 2) Request card issuance to the designated eligible employees.
- 3) Collect cards from employees upon their termination, transfer, or employment separation and forward to the Card Administrator.
- 4) Notify the Card Administrator of cards that need to be canceled and the effective date the cards should be canceled.

c) Approving Official

- 1) Verify the legitimacy of purchases and approve them.
- 2) Ensure purchase is properly coded.

- 3) Ensure documentation exists for each transaction on the Cardholders or vendor statement.
- 4) Resolve any questions or discrepancies with the employee or Cardholder.
- 5) Forward the approved statement to the Card Administrator or Finance Department.

d) Card Administrator

- 1) Process requests for new issuances or limit changes.
- 2) Order new or replacement cards.
- 3) Collect and destroy damaged cards.
- 4) Verify compliance and coordinate policy issues.
- 5) Participate in ongoing program reviews.
- 6) Report program activity quarterly to management.
- 7) Maintain master Card User/number record.

9.7 Violations and Penalties

A Line of Credit, Fuel Card, and/or Credit Card will be suspended or revoked if the employee or Card User violates any provisions of this policy or misuses the line of credit or card in any way. In addition, the offending employee or Card User may be subject to civil and criminal penalties depending on the nature of the violation, and (unless the employee or Card User is an elected official) will be subject to disciplinary action, up to and including termination of employment. The following list of misuse or policy non-compliance is not exhaustive.

- a) Unauthorized use to purchase items for personal or non-business-related use; and refunds, and credits held on account with a vendor.
- b) Unauthorized or inappropriate purchases including gift cards, alcoholic beverages, or any substance, material, or service that violates policy, law, or regulation pertaining to the County.
- c) Knowingly allowing the use of the card or line of credit by another individual who is not a county employee; purchasing from vendors who are friends or relatives creating a conflict of interest.
- d) Splitting a purchase to circumvent the limitations of the Lamar County's Purchasing Policies; using another employee's card to circumvent the assigned purchase limit; failure to apply tax exemptions for purchases except in cases where it is infeasible or impractical.
- e) Failure to provide the Department Representative or the Finance Department with the required receipts or other proper documentation for purchases.
- f) Failure to provide, when requested, information about specific purchases.
- g) Failure to obtain approval from the Finance department to open a line of credit.

Section 10 – Grants Management Policies

10.0 General Provisions

All county departments shall confer with the County Administrator, County Clerk, and Accountant prior to application to determine if the grant application meets criteria that serve the best interest of the county or its core functions and does not conflict with any other county activity, goals, or purpose. The county will seek grant funding for activities that meet the following criteria:

- a) The funded activities will further core county functions and are in the best interest of the citizens of the county.
- b) The merits of the program will be assessed as if it were funded with local tax dollars.

- c) Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits as a budgetary increment.
- d) The funded activities are incorporated in the county's annual budget by original adoption or by resolution.
- e) No grant is to be accepted that incurs management and reporting costs greater than the grant amount unless indirect costs or administrative costs can be reimbursed.

After the County Administrator grants approval, the department may submit the grant application to the granting agency. Copies of the grant application along with the grant tracking form must also be submitted to the County Clerk and Finance Department to be placed on file.

10.1 Funding Authority and Pre-Award Procedures

The County Administrator is given the authority to make an application for and accept grants meeting the criteria above. However, the Board of Commissioners must approve by resolution, the application for and acceptance of any grants and key provisions in excess of the limits established for approval by the County Administrator according to the thresholds below.

<i>County Administrator May Approve if Grant Amount is:</i>	<i>and, the Match Requirement is:</i>
\$100,000 or < \$50,000 or <	0%
	20% or <

10.2 Post-Award Procedures

- a) The recipient department must immediately notify the County Administrator upon notice of any grant award.
- b) Prior to the receipt or expenditure of grant revenues, the County Administrator or his/her designees will be provided with the necessary information as defined in this section prior to receiving grant revenues or making purchases against the grant.
- c) Each department shall consult with the Accountant to establish appropriate reporting and accounting of all financial transactions in such form consistent with the County's Uniform Chart of Accounts.
- d) All grants shall be subject to the county's accounting and budgetary policies. Accounting and budgeting information shall be inclusive of required matching funds, both direct and in-kind.
- e) Each department is responsible for the program management of its grant funds and periodic reporting that meets the specifications of the grantor agency and the County.
- f) Each department is responsible for enforcing the terms and conditions outlined in the grant. These should be routinely reviewed by the department head or designee for compliance.
- g) The department shall follow the procurement requirements of the County unless the grantor agency's requirements are more restrictive. Should procurements result in savings that would leave unexpended funds in grant allocation, the recipient department shall negotiate with the grantor agency to expend such funds for additional allowable resources.
- h) The recipient department must immediately notify the County Administrator upon closure of any grant award.
- i) Purchase requests must contain the grant name and number to ensure that the purchase is being charged to the grant account in the accounting system.

Throughout the County's fiscal year, the grantee department should work with the Finance Department to review revenue received and expenditures incurred for each grant. Any discrepancies or inconsistencies should be reported to the Finance Department for resolution. Grants may be reviewed by the external auditors during the course of the annual audit. The areas examined could include documentation, compliance with the terms of the grant, and timeliness of reports and reimbursement requests.

The file descriptions below consist of the minimum recommended system for county awarded grants. These file descriptions will apply to most grant awards, though some may be more applicable to the construction, land acquisition, or equipment awards. The file system is consistent with items and/or areas that a grantor agency will typically review during a monitoring visit or an audit. Please note that grant files should be maintained in an area that can be secured. Such files typically must be retained for a period of three years after the grant closeout.

Section 11 – Travel

This policy is intended to establish uniform standards and regulations governing official travel and to furnish guidelines to those who incur, authorize, approve, and/or process travel expenses.

11.1 Applicability

This policy on travel applies to all employees, elected, and appointed officials. Constitutional Officers may choose to adopt this or a similar policy at their discretion; however, there must be sufficient remaining funds in his/her budget to cover the travel cost to be reimbursed. When deemed appropriate by the County Administrator, this policy shall apply to prospective employees, interviewees, guest speakers, and others invited to travel to a county worksite.

11.2 Policy Statement

The county will reimburse an individual required to travel on official county business for reasonable and necessary expenses incurred during said travel that meet the requirements of this policy.

An employee required to travel on official county business must exercise prudent judgment when making travel arrangements and must seek the most economical means to minimize travel costs. If the employee does not take advantage of early registration discounts, they will be required to pay the difference. If the employee cancels the travel, the employee will be required to reimburse the county for expenses incurred due to the cancellation.

The use of a rental car will not be authorized unless the traveler can provide written justification that its use will minimize cost. Travel is authorized only to enable participation in activities directly related to an employee's official duties or professional development. Such activities shall provide clear, value-added opportunities for the county.

Instructional materials and other documentation obtained while on official county business become the property of Lamar County and as such should be made available to county staff.

Departments do not have the discretion to be more or less restrictive than these policies. Department directors are entirely accountable for all travel performed by their staff and as such, are responsible for ensuring staff adheres to the policies and procedures outlined in this document.

The employee/traveler is responsible for the following:

- A. Submit requests for travel on a timely basis after obtaining the appropriate approval. Comply with all travel policies and procedures.
 1. Obtain all required receipts, including credit card sales slips, and keep an accurate record for each expense to be claimed.
 2. Submit Travel Expense Forms within five business days after the travel is completed.
- B. Use prudent judgment and seek to minimize cost when making travel arrangements.
 - a) Travel by the most economical means.
 - b) Ensure that travel expenses are reasonable and necessary.

11.3 Definitions

- A. The director or senior officer of a department, court, office, or board of the county government
- B. Domestic Travel – Any travel within the 48 contiguous states
- C. Emergency Travel
 1. Extradition travel by the Sheriff's office
 2. Prisoner transport by the Sheriff's Office
 3. Transport of juveniles by Juvenile Court
 4. Patient transport by the Fire Department's Emergency Medical Services
- D. Employee – All county employees, appointed and elected officials, excluding Constitutional Officers unless he/she has adopted this policy
- E. Incidental Expenses – Fees and tips given to porters, baggage carriers, bellhops, hotel maids, and transportation between places of lodging or business and places where meals are taken, if suitable meals can be obtained at the temporary duty site (See IRS Publication463)
- F. Official Travel – Travel by an employee that is considered essential to the effective operation of the county. Travel is classified as either local or non-local.
 1. Local Travel – Any travel occurring within 80 road miles of the employee's work-site
 2. Non-Local Travel – any travel beyond 80 road miles of the employee's worksite
- G. Same Day Non-Local Travel – Same day travel which exceeds 80 miles one-way from the employee's assigned work location
- H. Travel Authorization – Written approval to travel on official business. County travel is authorized based on an adequate budget and the estimated cost of travel being performed by the traveler as follows:
 1. Total cost under \$100 Immediate Supervisor Total cost over \$100 Department Director
 2. If there is insufficient budget remaining to fund the travel, it must be authorized by the Department Director and the County Administrator.
- I. Travel Expense Form – Form used to provide an itemized accounting of the actual expenses incurred by the traveler

J. Traveler – An individual traveling on official county business

11.4 Travel Planning

An employee required to travel on official county business must exercise prudent judgment when making travel arrangements and must seek the most economical means to minimize travel costs. This means that:

- A. If training is offered at multiple alternative locations, staff should attend the location that results in the least overall cost to the county.
- B. The traveler should always request the most economical lodging available (including requesting the government rate) and may not exceed the maximum amount by location shown on the GSA website unless staying at a conference hotel.
- C. If a county employee is invited by an outside entity to participate in an activity requiring travel, the traveler should inquire about the availability of travel expense reimbursement. All travel expense reimbursements shall be paid to Lamar County.
- D. The traveler should strive to take advantage of all discounts. If discounted rates are not taken due to the fault of the traveler, then the traveler may be responsible for the increased cost at the discretion of the Finance Administrator.

Fair Labor Standards Act (FLSA) eligible employees may be eligible for compensation for travel time outside regularly scheduled hours in certain situations. For information, please contact the Human Resources Department.

When two or more employees travel to the same destination, travelers should maximize the use of available group travel discounts, make joint use of taxicabs, and share the use of county-owned, rental (if approved), or privately-owned vehicles.

A County Credit Card should be used to charge allowable travel expenses such as conference fees, airfare, and lodging.

- A. Itemized receipts are required and are to be submitted with the Travel Expense Form to the Finance Department.
- B. County Credit Cards are for business use only. Employees may not incur any personal expenses on the County Credit Card. The traveler will be subject to disciplinary action if personal expenses are charged on the County Credit Card.

Vacation leave in conjunction with travel may be approved at the discretion of the department director. Additional costs incurred as a result of approved vacation leave in conjunction with official business travel are solely the responsibility of the traveler and are not reimbursable by the county.

11.5 Non-Local Travel Guidelines

All non-local travel requires prior approval by a department head for all employees below the department head level.

In no case may one traveler be substituted for another traveler nor may one destination be substituted for another. If a substitution of traveler and/or destination is required, departments must re-initiate the travel authorization process with the new traveler or destination information and cancel the prior Travel Authorization.

In cases of emergency travel, the Travel Expense Form must be submitted to the Finance Department within 5 business days of travel completion.

A. Lodging

The county will pay up to the per diem lodging rate for the specific dates of travel as prescribed in the federal government schedule as shown on the U.S. General Services Administration (GSA) website at www.gsa.gov/perdiem. If the employee is attending a conference, they will be allowed to exceed the GSA lodging rates to stay in the conference hotel.

The traveler will obtain an original itemized lodging statement/receipt, which will be submitted with the proper travel expense form when the employee returns to duty. Sales tax and hotel/motel tax exemption forms should be completed and provided to the lodging facility upon check-in.

The County will pay or the traveler will be reimbursed for daily room charges, taxes that the facility would not exempt, and hotel parking fees. Items on the hotel statement which will not be reimbursed are meals (covered by daily per diem), personal expense items such as cleaning or laundry, alcoholic beverage charges, recreation facilities use charges, movies, and personal phone calls.

Depending on travel arrangements, the county may pay or reimburse the traveler for a maximum of one-day lodging before the start of a conference, seminar, or meeting and lodging through and including the last day of the conference, seminar or meeting. Any additional lodging will be at the expense of the county employee unless documentation is presented that the additional lodging is a result of extended county business.

No payment or reimbursement shall be authorized for lodging provided by a Training Facility at no cost to the traveler.

B. Meals and Incidental Expenses (M&IE)

Travelers will be reimbursed up to the M&IE per diem rate for the specific dates of travel as prescribed in the appropriate federal government schedule, as outlined below. This daily amount is intended to cover the cost of meals including tax and tip as well as other incidental expenses, as outlined in the definitions section of this document. All M&IE rate information can be accessed directly at the website provided.

- 1) Domestic travel destinations: Follow the M&IE per diem schedule prescribed by the U.S. General Services Administration (GSA) available via website at: www.gsa.gov/perdiem
- 2) Travelers are not required to obtain receipts for meals. If an elected official requests M&IE per diem that exceeds the federal M&IE per diem rate, the official must submit receipts, or the reimbursement will be taxable according to IRS regulations.
- 3) On the travel departure and return days, 75% of the M&IE per diem will be reimbursed to the traveler.

- 4) Travelers will be required to deduct from the M&IE per diem the amount (as determined on the appropriate federal schedule) of any meal provided to the traveler without cost. Meal deduction schedules can be accessed as follows: o Domestic travel destinations: See U.S. General Services Administration (GSA) website at: www.gsa.gov/perdiem
- 5) Employees on Same Day Non-Local Travel will not receive the M&IE per diem unless the traveler was authorized to stay overnight, but chose to return the same day. In this case, the traveler saved the County funds by not staying in a hotel, and they may receive up to 75% of the per diem rate.
- 6) When domiciled at a Training Facility where meals are provided the per diem allowance will be paid in the amount of the cost of the training facility meals plus \$5 for incidental expenses.

C. Transportation Employees are required to utilize the most economical mode of transportation when traveling. If the traveler prefers a particular mode of transportation which is not the most economical, he/she will be responsible for paying the difference between his/her preferred and the most economical model.

1) Air Travel

- a) Air travel is required to be at the lowest available coach rate.
- b) The original passenger receipt is required for all trips, including pre-paid tickets.
- c) When making travel arrangements via the internet, travelers are required to print out the flight confirmation and receipt information and submit them with the expense form. If for any reason a receipt is not automatically issued for air travel, it is the traveler's responsibility to request and obtain a receipt from the airline.

2) Taxi/Shuttle Service

- a) Employees are encouraged to use any courtesy transportation available at the travel destination.
- b) Taxi and shuttle transportation services to and from the airport (including a maximum of 15% gratuity) are reimbursable. Receipts are required.
- c) Taxi and shuttle transportation services between lodging and business locations (including a maximum of 15% gratuity) are reimbursable. Receipts are required.
- d) Costs incurred for transportation between lodging or business locations and restaurants are the responsibility of the traveler. The per diem amount provided for incidental expenses may be used to cover these costs as outlined in the definitions section of this document. No additional reimbursement of these costs is authorized.

3) Car Rental

- a) Car rental may be authorized by the department director, for official business use only, provided a written justification has been supplied based on business necessity, cost-effectiveness, and/or efficiency.
- b) Car rental charges will not be reimbursed if shuttle service is available and no business necessity exists for a rental vehicle.
- c) If approved, car rentals may be made through commercial rental car companies. Travelers must select the most economical company and type of vehicle available.
- d) Individuals who are traveling and working together are expected to use the same car unless it is clearly impractical to do so.

- e) Travelers are to acquire any commercial rate or government discount available when the vehicle is rented.
- f) Employees utilizing a rental vehicle while traveling on county business are to purchase the liability endorsement offered by the rental company.
- g) The traveler must ensure that the rental vehicle is refueled before returning the vehicle to the rental contractor to avoid costly refueling charges. The county will only reimburse rental company refueling charges if fuel prices are comparable with gas stations in the area.
- h) The county will only reimburse charges for rental, liability insurance, and taxes. Optional charges for items such as satellite radio, a global positioning system (GPS), and collision insurance will not be reimbursed.
- i) The traveler must submit original gas receipts, written approval from the department director, and the original rental car receipt as documentation with the expense report.

Privately-Owned Vehicle

While employee use of a county vehicle is encouraged, an employee using a privately owned vehicle for non-local travel may request reimbursement for travel mileage. The Department Director must approve the use of a privately owned vehicle if a county-owned vehicle is available. If the employee chooses to use a privately owned vehicle even though a county vehicle is available, the employee will not be reimbursed for travel mileage.

Parking & Tolls

Parking and tolls are reimbursable expenses. Travelers should always use the most economical parking option available. Valet parking is reimbursed when this is the only available parking option. Receipts are required and must be submitted with the travel expense form.

11.6 Local Travel Guidelines

Travel within 80 miles one way of the workplace is considered local and overnight stay is not allowed unless the traveler is attending a training academy for two or more consecutive days.

1. No Overnight Stay Travelers who are required to travel for their job duties and do not stay overnight will not receive per diem for meals and incidental expenses.
2. Lunch reimbursement – Out of county lunch may be reimbursed in an amount not to exceed \$15 (including meal, tax, and tips) if receipts are submitted.
3. Mileage
 - a) An employee using a privately-owned vehicle who is required to report to a worksite other than his or her regularly assigned location or travels from the regularly assigned location to another location may request reimbursement for travel mileage.
 - b) When two or more employees share a vehicle, the reimbursable travel mileage may be claimed by only the employee who operated his or her personal vehicle.

11.7 Vehicle Insurance

1. Privately-Owned Vehicles- Any privately-owned vehicle (POV) used on county business must be insured to at least the minimum liability amounts required under the law of the state in which it is registered. If an employee traveling in a personal vehicle on county business is in an accident, his/her personal auto insurance would be considered the primary for property/liability and the county insurance would serve as excess coverage.
 - a) The county does not provide comprehensive/collision coverage for damage to an employee's POV or its contents.
2. Rental Cars- Any vehicle rented for use on county business must be insured to at least the minimum liability amounts required by the law of the state in which it is registered. Insurance to cover claims for damage to another's property and bodily injuries should be purchased as part of the rental agreement. The cost of this liability insurance is a reimbursable travel expense.
 - b) Collision damage waiver insurance (CDW) is not required by rental car companies and is not reimbursable by the county. Collision-damage to a rental vehicle attributable to the fault of an employee will be covered by the county's self-insurance program. However, any damage not clearly and directly related to the official use of a rental vehicle may not be covered by the county.
3. Additional Information- All vehicle accidents that occur while on county business must be reported according to the procedures prescribed in Section 5.1 of the Lamar County Board of Commissioners Employee Safety and Loss Control Manual.

Endnotes:

¹a) the aggregate amount of such loans may not exceed seventy five percent (75%) of the total gross income from ad valorem taxes collected in the last preceding year; b) all such loans shall be payable on or before December 31 of the calendar year in which such loan is made; and, c) no such loan may be obtained when there is a loan then obtained unpaid in any prior year; and, d) the aggregate of such loans incurred in any one calendar year for current expenses shall not exceed the total anticipated revenue for such calendar year.

² The county will limit the total of its general obligation long-term debt to 10% of the assessed value of all taxable property within the county.