
PUTNAM COUNTY FINANCIAL POLICIES

PURPOSE: To establish a financial policy for the conduct of fiscal operations by Putnam County. This policy will establish budgeting, accounting and auditing procedures, provide for the purchase of high quality goods and services, encourage competitive purchasing, assure consideration of ethical standards and provide for the quality standards that result in real value rather than price alone consideration.

Chapter 1**OPERATING BUDGET**

1. **Budget Calendar.** No later than four (4) months prior to the start of each fiscal year, the County Commission shall approve the subsequent fiscal year's budget calendar. This calendar shall include specific dates for completion of each task necessary to prepare, review, and approve the County's operating budget. The budget calendar shall establish the date to have a completed budget approved and adopted.
2. **Annual Budget.** Annual budgets are adopted for the Fiscal Year from October 1 through September 30 for all funds except capital project funds, trust funds and agency funds. (Project budgets are adopted for major capital projects, and budgets are not adopted for trust funds since budget authorization and controls are achieved alternatively through stipulations in the trust agreements).
3. **Legal Level of Budgetary Control.** The annual budget shall be adopted at the legal level of budgetary control, which is at the fund/department level. Reallocation of appropriations in any fund within the various accounts within a department shall require the approval of the County Manager or Finance Director. Any increase or decrease to the total budget of a fund or department shall require the approval of the Board of Commissioners except for allocations from the General Administration Department to allocate such items as pension benefits, COLAs, and workers compensation. Budget transfers between the Board of Commissioners per diem, travel, and education accounts made be made for each Commissioner individually, but may not be made between different Commissioner accounts without the approval of the Board of Commissioners.
4. **Unrestricted Fund Balance.** In considering annual budgets, the Board of Commissioners shall establish and maintain an "Unrestricted Fund Balance" in the General Fund for the purpose of covering expenditures caused by unforeseen emergencies, shortages resulting from unforeseen revenue declines, or to eliminate the practice of short term borrowing for cash flow purposes. The "Unrestricted Fund Balance" should be maintained in an amount equal to three months of average operational expenses. It shall be the policy of the Board of Commissioners not to use the "Unrestricted Fund Balance" to balance the annual operating budget in lieu of reducing expenditures or levying applicable taxes unless fund balance is greater than three months of average operational expenses.
5. **Pension Plan Funding.** The Board of Commissioners shall fund the employee defined benefit pension plan, which is administered by the Association County Commissioners of Georgia, at the minimum contribution level. Annually the County shall budget and make such payments to the plan that will maintain the plan's actuarial soundness in accordance with the actuary's recommendations for a minimally funded plan.

6. **Capital Asset Maintenance.** It shall be the policy of the Board of Commissioners to assure that the level of maintenance of its physical assets is adequate to protect the County's investment and minimize future unscheduled maintenance and/or replacement costs. The County shall provide for a scheduled level of maintenance and replacement for its infrastructure and rolling stock fleet. The adopted operating budget shall provide sufficient resources for the routine maintenance and repair of capital assets, and these resources will not be deferred to future years in order to balance the current year's operating budget. A five-year capital expenditure projection will be prepared for each department and updated annually during the budget process.
7. **Fees and Charges.** The Board of Commissioners will review all fees and charges over which it has discretionary control in conjunction with the annual budget process. The County Manager and/or the Finance Director will make recommendations to the Board on revising these fees and charges in order to keep pace with the costs of providing those services.
8. **Balanced Budget.** The budget must be balanced for all budgeted funds. The total anticipated annual revenues plus any "Fund Balance" must equal "total estimated expenditures" for each governmental fund type. For proprietary fund types, total anticipated revenues and unreserved retained earnings must equal estimated expenses.
9. **Lapse of Appropriations.** All unencumbered appropriation balances in the general fund lapse at the end of each operating budget year (September 30). These unappropriated balances shall automatically move to the "Fund Balance".

Chapter 2**ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

1. **Accounting, Auditing and Reporting Standards.** The County will establish and maintain a high standard of accounting, auditing and reporting practices. Accounting standards shall conform to Generally Accepted Accounting Practices (GAAP) as promulgated by the Government Accounting Standards Board (GASB).
2. **Accounting Organization.** The Board of Commissioners shall establish and maintain a Finance Department and authorize a Finance Director to act as the County's chief accountant. The Finance Director shall accept all revenues, make disbursements, and prepare the financial statements of the County on behalf of the governing authority.
3. **Capitalization Policy.** All assets of the County with a cost of \$5,000 or more and an estimated useful life of five or more years shall be considered a "capital asset". It shall be the goal of the Board of Commissioners to establish a "Capital Improvement Program" to support capital asset purchases (non-SPLOST) from the general funds of the County. The capitalization threshold for buildings and roads is \$50,000. All land will be capitalized.
4. **Fund Transfers.** Fund transfers among revenue and expenditure accounts may be made during the fiscal year by the Finance Director with the approval of the County Manager, if reallocations within a fund are determined to be needed. No transfers will be made that change the adopted budget of the fund, affect the total allocations of Constitutional Officers, or impact approved capital facility improvements without prior approval of the Board of Commissioners.
5. **Returned Checks.** Accounting for returned checks must be addressed quickly and directly. It shall be the policy of the Board of Commissioners that no returned checks will be "redeposited". All returned checks will be assessed a returned check fee of \$25 or the fee the County would incur from the financial institution (whichever is higher). Returned checks may only be redeemed for cash, postal or bank money order or cashier's check.
6. **Debt Collection.** The County will follow an aggressive policy of collecting revenues by enacting consistent collection policies so that assurances can be provided that the revenue base will materialize according to budgets and plans. All available legal means of debt collection shall be used in a timely manner in order to minimize the risk of lost revenues.
7. **Annual Audit.** An annual audit will be conducted by a properly licensed independent Certified Public Accounting (CPA) firm. All general purpose, combining and individual fund and account group statements and schedules shall be subject to a full scope audit.
 - a. Every 3 years the County may issue a request for proposal to choose the County's independent auditor. This request for proposal will normally be for three years with two one-year extension options.
 - b. The request for proposal will require two separate proposals from qualified CPA firms. The first will contain the firm's technical qualifications and the second the costs. The second proposal will not be opened until at least two qualified firms have been identified. When awarding the contract for the independent audit, not less than 60% of the decision will be based upon technical qualifications rather than cost.
 - c. The County Manager and Finance Director will recommend the CPA firm to the Board of Commissioners and monitor the independent audit process.
 - d. The agreement between the County and the independent auditor shall be in the form of a written contract approved by the Board of Commissioners. The contract shall include the request for proposal

as an appendix to the written contract and all issues addressed in the request for proposal shall be required as part of the contract.

8. **Internal Auditing.** The County will maintain a strong internal auditing function. Employee theft by any means is a serious offence, constitutes a breach of public trust, and shall be prosecuted to the fullest extent of the law.
 - a. The Finance Director shall be designated the Internal Auditor.
 - b. The Internal Auditor will use internal control procedures, reports, and internal reviews to identify weaknesses in financial practices and procedures, and identify deficiencies and/or abnormalities.
 - c. The Internal Auditor will report weaknesses in financial practices and procedures, and deficiencies and/or abnormalities to the Manager and shall from time to time recommend changes in internal controls to strengthen the County's internal audit procedures.
 - d. Any significant control deficiencies noted during external audits will be considered annually.

9. **Budgetary Reporting System.**
 - a. The County will maintain a budget control system to monitor adherence to the budget thresholds. The Finance Director shall prepare timely and accurate monthly financial reports for internal management purposes comparing actual revenues, and expenditures with the budgeted amounts. These reports will be distributed to the Commissioners, Constitutional Officers, Manager, Department Heads and others to be determined prior to the regular monthly meeting of the Board of Commissioners.
 - b. The Finance Director will distribute a summary of the financial report monthly to the Board of Commissioners.
 - c. The Finance Director will conduct quarterly budget reviews with each budgetary department to justify differences in budgeted revenues and expenditures/encumbrances.

10. **Consolidated Finance Operations.** It shall be the goal of the Putnam County Board of Commissioners to establish a centralized Finance Department responsible for all aspects of the County's financial operations. As the role of local government grows with the inevitable implementation of of new programs, increased administrative requirements and necessity of specialization, consolidation of similar functions creates opportunities for increased efficiency, short term cost avoidance and long term cost savings. The envisioned centralization would transition a financial function such as payroll, billing, accounts receivable, accounts payable, or inventory control, to a more specialized area within the Finance Department, while retaining the more generalized administrative, control and management functions with more experienced employees more adaptable to a subjective operational environment than a functional specialist. The target organization should not be time, but event, workload or administratively driven to achieve operational goals.

Chapter 3**CASH AND INVESTMENTS**

1. **Banking Services.** Periodically, based on current markets, the Finance Department may issue a request for proposals for banking services. The award of banking services will be made solely on the basis of the responses to the request for proposal and the current service needs of the County. This is to say that if the cost of changing financial institutions is greater than the gain to the County, the County reserves the right to consider this as part of the decision process. Financial institutions that cannot provide the “local conveniences” needed to satisfy the County’s service expectations may not be considered as a depository. After a depository is chosen the agreement between the County and the depository shall be in the form of a written contract approved by the Board of Commissioners, and the contract will include the request for proposal and the proposal of the winning institution. All issues addressed in the request for proposal shall be required as part of the contract.
2. **Investing Resources.**
 - a. When investing any surplus funds a competitive bid process will be used. Bids shall be solicited and responded to in writing via hard copy or facsimile or electronically via e-mail. If a specific maturity date is required, bids will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a market trend analysis will be conducted to determine which maturity date is most advantageous to the County.
 - b. The County retains the option of using the Georgia Fund when it is considered most advantageous to the County.
 - c. Investments of county funds shall be made in authorized investments as described in O.C.G.A. §36-83-4.
3. **Safekeeping.**
 - a. All banks which the County has deposits or deposit equivalents (e.g. certificates of deposit) are required to provide the County with appropriate collateral as required by Georgia law.

Chapter 4 PURCHASING

1. **Purchasing Agent.** The County Manager is designated the County Purchasing Agent. The County Manager or designated agent shall have the right to authorize budgeted purchases without prior approval by the Board of Commissioners pursuant to the purchasing approval thresholds outlined later in this chapter.
2. **Purchase of supplies by employees for personal use.** The purchase of equipment, material, or supplies for personal use is strictly prohibited. The use of County Credit Cards, purchase orders, or reimbursable cash for personal use is unlawful, and is considered tax evasion, fraud or misrepresenting the County in a business transaction. All such instances will be reported to the proper authorities.
3. **Purchase Orders.**
 - a. Purchase orders are required for all purchases, except:
 - i. Utilities (which may include, but is not limited to electricity, water, sewer, telephone).
 - ii. Employee payroll.
 - iii. Employee benefits and employee tax payments.
 - iv. Payments made pursuant to written contracts.
 - v. Postage.
 - vi. Insurance payments.
 - vii. Purchases totaling \$700 or less.
 - b. Unless excepted in section 3a., all purchases must be issued an approved purchase order prior to placing order or making purchase.
 - c. Purchase orders will be issued only for the purchase of goods and services relative to the operations of Putnam County local government.
 - d. Under normal circumstances, the Finance Department will issue checks every Thursday for all authorized invoices received by 5:00 p.m. the preceding Tuesday.
 - e. Under no circumstances should a purchase order request be split to avoid limits.
 - f. Invoices should be submitted to the Finance Department weekly so they can be paid in a timely manner. If an invoice is submitted more than 30 days after the invoice date, the department head should provide a written explanation on the invoice.
4. **Purchasing Procedure Thresholds**
 - a. Purchases greater than \$30,000 shall require a formal (advertised) competitive sealed bid. Advertisements for sealed bids will appear in the legal organ of the County for at least two weeks with seven (7) calendar days between advertisements and the bid date being at least seven (7) calendar days following the second advertisement. All formal competitive sealed bids will have a public bid opening at the date, time and place to appear in the advertisements and the bid will be recorded for the public record. In the case of unadvertised sealed bids, a minimum of three bids will be required, the bids may be opened by the Department Head purchasing the equipment, the County Manager and a third party witness/recorder, and the bid will be recorded for the public record. The County will reserve the right to reject any and all bids and waive technicalities and informalities.
 - b. Sealed bid shall not be opened without the specified witness. The witness and person opening the bid shall be documented as well as the date opened. All bids will be opened at the same time. The recorded bid sheet and bids shall be provided to the Manager for approval.
 - c. Purchases of \$5,000 to \$30,000 shall require a minimum of three quotations from prospective vendors. Quotes need not be sealed and may be submitted in hard copy, email, or via facsimile.

- d. Purchases under \$5,000 do not require a competitive purchasing process, however, all due diligence should be taken to assure that the County gets the best value for each item it purchases regardless of the amount of the purchase.
 - e. Under no circumstances should purchases be split to avoid bid limits. If there is any doubt as to which level of purchase authorization should be used, the next higher category should be used to avoid negating the bids.
5. **Purchasing Approval Thresholds.** Department Heads may approve bids up to and including \$3,000. The County Manager is authorized to award all bids over \$3,000 to \$30,000. Bids for purchases greater than \$30,000 must be approved by the County Manager and a majority of the Board of Commissioners at the next regular board meeting.
6. **Purchasing under State Contract.** Purchasing under State Contract is authorized in lieu of competitive bidding of local purchase when it is to the economic advantage of the County. The same purchasing thresholds stated in number 5 above apply to State contracts.
7. **Centralized Purchasing/Inventory Control.** Putnam County currently operates under a decentralized purchasing system and has no discernable positive inventory control. It shall be the goal of the Putnam County Board of Commissioners to establish a centralized purchasing and inventory control system within the County. Such a system is necessary to improve internal control, reduce waste and pilferage, control inventory costs, improve efficiency, provide better accounting and generate cost savings to the County. The envisioned system would incorporate “Just-In-Time” (JIT) delivery of required materials and supplies and minimize warehousing. This system must be flexible enough to handle all commodities and classes of supply. The system should be modular and capable of being implemented in phases by commodity/class and/or department. The system should be networked at all levels and provide “Point-of-Sale” type automatic inventory control and reporting.

Chapter 5**OFFICIAL TRAVEL**

1. **Travel within the County.** The Putnam County Board of Commissioners will not honor any reimbursement request for meals, expenses, mileage or other costs incurred during travel within the county, except as provided in Act 702 (HB No. 1818) of the Georgia General Assembly as approved April 1, 1996.
2. **Travel Outside the County.**
 - a. **Board Approval.** Attendance at events and functions requiring travel outside the county shall be approved annually as part of the budget process. Travel not covered under this approval must be authorized by majority vote of the Board of Commissioners, prior to the incurring of any costs associated with such travel.
 - b. **Use of Personal Vehicle.**
 - i. The Board of Commissioners has set by Resolution dated 1/15/02 the reimbursement rate for using personal vehicles when required to travel outside of Putnam County for official Putnam County business. This reimbursement rate is set to be equal to the most current optional standard mileage rate as set by the United States General Services Administration for federal employees.
 - ii. All requests for reimbursement of cost associated with the use of personal vehicles while on Official County business outside of the county must be documented on an itemized *Travel Expense Report*.
 - iii. Costs associated with the use of personal vehicles for travel within the boundaries of Putnam County are not reimbursable unless expressly authorized by contract.
 - c. **Reimbursement.**

Reimbursement for official travel by the Chairman or any other member of the Board of Commissioners is strictly limited to the following:

 - i. Educational opportunities offered by ACCG through its Lifelong Learning Academy Training Program which is comprised of three components: Core Certification, Specialty Certificates, and, for those commissioners taking office on or after Jan 1, 2013, Continuing Education Annual Requirements. Travel to any ACCG event where no ACCG Lifelong Learning Academy certification training is being provided is not eligible for reimbursement and
 - ii. Appointments to boards, authorities, committees as made by the Chairman of the Board of Commissioners, by the Board of commissioners, by legislative statute, or directly associated with the conduct of the business of Putnam County and
 - iii. Approved budgetary amounts for Per Diem, Travel, and Education, unless a Commissioner has not yet received enough credits to become a certified county commissioner. In those instances, a case-by-case approval for additional amounts beyond the budgeted amounts may be approved by the full Commission if presented prior to the expense of such overage.

d. Lodging. Lodging for official travel will normally be prepaid by County Check or County Credit Card. This lodging is tax exempt in most cases. Travelers should always obtain both a sales tax and motel/hotel tax-exempt form to be presented at the time of check-in. The County will not reimburse for taxes paid due to the failure to present exemption forms. Receipts for lodging shall accompany a properly executed *Travel Expense Report* and be submitted to the Finance Department within five (5) business days of completion of trip.

e. Daily Meal Rate. The Putnam County Board of Commissioners shall approve and/or reimburse travel expenses incurred during the performance of official duties **outside** the county subject to the following limitations and provisions.

- iv. The Daily Meal Rate shall be set at a maximum of \$36 per day for days with an overnight stay. If one or two meals are purchased for day travel, the rates on the chart below shall apply. These meal rates include tips to wait staff for meal service or room service charges. Tips will be limited to 15% of the bill. For overnight stay, the daily meal rate may be carried over and averaged within the same trip. [Example 1: A two-day trip may total \$20 for day one and \$52 for day two, but may not exceed \$72 for the two days. Example 2: A four-day/three night trip the maximum may not exceed \$144 (\$36*4). The standard meal allowance rates are as follows:

Eligible Meals	Daily Allowance
Breakfast	\$ 7.00
Lunch	\$ 9.00
Dinner	\$20.00

- v. Alcoholic beverages are not reimbursable.
- vi. Itemized receipts are required for all expenses (except for mileage) that are presented for reimbursement and shall accompany a properly executed *Travel Expense Report*. Constitutional Officers and their employees are not required to present receipts; they may claim the maximum daily meal rate. In all instances, a Travel Expense Report must be completed within five business days from completion of the trip.
- vii. Meal rate limitations apply to travel expenses presented for reimbursement as well as travel expenses paid using a County Purchasing Card.

f. Travel Advances. County Officers and employees may receive an advance for anticipated expenses while on official travel. In all cases where a Travel Advance is issued, the traveler will settle their account with the Finance Department within five working days of the completion of travel by providing receipts and/or proper documentation for incurred expenses. The traveler shall return the balance of advanced funds minus expenses detailed on an approved *Travel Expense Report* and supported by receipts. **Travel Advances are not authorized when the traveler has been issued a County Purchasing Card.** Any exceptions to this must be reviewed and approved by the County Manager.

g. Official County Travel Accompanied by Family Members or Other Guests. Expenses incurred by family members or other persons accompanying the official traveler are not reimbursable. Official travelers must make their own arrangements for individuals accompanying them, and pay for all expenses incurred personally.

- h.** Travel expenses and P Card charges by employees (below Department Head level) will be audited and approved by the Department Head, with review and approval by the County Manager prior to submission for payment by the Finance Department.
- i.** Travel expenses and P Card charges by Department Heads will be audited and approved by the County Manager prior to submission for payment by the Finance Department.
- j.** Travel expenses and P Card charges by the County Manager, Chairman, and all District Commissioners will be audited and approved, other than their own, by the first two commissioners available prior to submission for payment by the Finance Department. Any dispute will be settled by a review and vote by the Board of Commissioners.
- k.** Board of Commissioners will be paid as provided in Act 702 of the Georgia General Assembly as approved April 1, 1996.

PUTNAM COUNTY TRAVEL EXPENSE REPORT

Date of Request: _____
Employee Name: _____
Department: _____
Trip Destination: _____
Purpose of Trip: _____

Date of Departure: _____
Date of Return: _____

***Mileage Expense (record total below) = Total Miles Traveled _____ X \$(current rate)**

(If expenses for a guest were put on Pcard, please note in supporting documentation and write a check to the County for the guest expenses.)

Paid through Payroll Only: _____ **Paid through Acc. Payable:** _____

Date	Lodging	Meals	Parking or Misc.	*Mileage Expense	Per Diem (Board Members)	Total Cost	Cost to be Reimbursed
TOTAL							

Put all cost in column #2 even if put on Pcard. Only include items in column #3 that are reimbursable; do not include per diem in column #3.

1 2 3

Supporting Information: _____

Employee Signature & Date: _____
 By my signature, I certify that I have not been reimbursed from any other source for any of these expenses.

Approving Signature(s)
Dept. Head, Co. Manager, or Board of Commissioners: _____
Date Approved: _____

Please leave this area blank for Finance Dept. processing.

Notes:
 (1) All expenses other than mileage must be validated by **ITEMIZED** receipts.
 (2) Meals purchased for others must be explained.

Chapter 6
CREDIT CARDS

Putnam County Purchasing Card Program Operations and Procedures as adopted by the Board of Commissioners on September 15, 2009, are hereby incorporated by reference.

Chapter 7**TELEPHONE & CELLULAR PHONE**

1. **Official Use Only.** The telephone system and services and cellular phones paid for by the County are for Official Use Only. County telephone systems are provided for the purpose of conducting County business only, and should not to be used for personal calls or business except in bone fide emergencies. Local calls of a personal nature, while they may not result in a phone charge, cost the County in lost productivity.
2. **Reimbursements.** In rare cases it may be necessary to make or accept calls on County owned systems to avoid costly absences from work, lost work hours, or other significant indirect costs to the County. In these cases the individual shall document these calls and reimburse the County for any phone charges incurred for personal use of these County Owned Systems, regardless of how insignificant the amount.
3. **Internal Review.** Each County Officer and Department Head should review all telephone/cellular phone bills monthly to monitor telephone system usage and identify charges associated with personal use of these systems by individuals within their departments.
4. **Collect Calls.** Collect calls will not be accepted on County owned systems except for conducting emergency County business where there are no alternative means of contact, or in the case of bona fide personal emergencies, in which case the individual accepting the call shall assume full responsibility for payment of any charges incurred.
5. **Airtime.** When cellular phone are used, though not long distance or collect calls, airtime charges can be accrued for both outgoing and incoming calls; any such charges resulting from personal use of the system must be reimbursed to the County.

Chapter 8**FIXED ASSETS AND INVENTORY RECORD MAINTENANCE AND DISPOSAL**

1. **Purpose.** The primary purpose for recording fixed assets and/or inventories is to ensure stewardship of Putnam County assets. Detailed and timely records demonstrate accountability. Accurate and complete records provide a deterrent to lost or stolen assets by providing a basis for periodic inventory of those assets. Accurate fixed asset and inventory records are necessary to develop comprehensive risk management programs, provide for accurate financial statements, allow for an unqualified audit opinion, supply cost estimates and replacement needs and to properly plan for replacements and enhancements.
2. **Scope.**
 - a. All assets that meet the criteria defined above in {Chapter 2, section 3} will be recorded on the Fixed Asset Accounting System maintained by the Finance Department. The Department Head or Elected Official shall conduct physical inventories of fixed assets annually and records reconciled by the Finance Department. Missing Capital items will be reported to the Board by department. A test of physical inventory of Fixed Assets will be conducted by the external auditors for verification and accuracy and are subject to audit during this process.
 - b. Controllable asset (tools, machinery, equipment, etc.); which have an acquisition cost greater than \$500 and less than \$5,000) records will be maintained at the Departmental level. At a minimum, departmental records should contain the description, acquisition date, cost, location, serial number and model number relative to controllable assets. Physical inventories will be conducted annually by the Department Heads. A test of physical inventory of controllable assets may be conducted by the County Manager, Finance Director or external auditors for verification and accuracy and are subject to audit during this process.
 - c. Items found during annual physical inventory that meet fixed asset criteria but cannot be located on current fixed asset records, will be recorded at cost or historical cost when applicable.
 - d. Department Heads are responsible for the legal and ethical obligation of their staff to provide sufficient care and safe keeping of all assets. Custodial responsibility obligates the department to give reasonable protection against theft, vandalism, misuse and destruction of assigned fixed assets. Fixed assets are not to be removed from assigned locations without the permission of the Department Head.
3. **Donated Assets.** Gifts/Donations to Putnam County by outside agencies, companies or individuals that meet fixed asset criteria will be recorded on the fixed asset accounting system at fair market value on the date of acquisition.
4. **Renovations/Improvements.** Renovations or improvements to existing assets that meet the fixed asset criteria will be recorded on the fixed asset system. Repairs and maintenance will be recorded as operating expenses.
5. **Grant Fixed Assets.** Federal and state requirements must be followed with respect to recording grant fixed assets. Information regarding the grant title, number and granting agency shall be kept as part of the permanent fixed asset records. All grant requirements concerning acquisition, use, transfer and disposal must be followed. Upon the acquisition of a fixed asset, each department shall submit written notification to the Finance Department of the acquisition within 30 days of the acquisition of the asset. The Finance Department will then record the asset on the fixed asset accounting system, assign it an identification tag number and issue an identification tag to the department to be attached to the asset.

6. **Transfers of Assets.** Transfers are defined as any movement of an asset by virtue of change in location, either by account or department. Fixed asset transfers must be approved by both the sending and receiving departments and must be reported on the "Transfer of Asset" form to the Finance Department.
7. **Leased Assets.** The Putnam County Board of Commissioners shall approve all capital lease agreements. The Finance Director will examine all lease agreements to determine if the capital asset should be recorded on the Fixed Asset Accounting system under the criteria established by the Federal Accounting Standards Board.
8. **Control and Disposal.** All assets determined to be no longer usable by departments are transferred to surplus or obsolete assets on the record keeping system. All departments have an opportunity to examine assets declared surplus for possible use before the assets are disposed of. The purpose of maintaining surplus is to give other departments within the government an opportunity to use existing equipment and possibly eliminate unnecessary purchases. Notification will take place before the physical movement of the assets. Disposal of all surplus assets must be approved by the Putnam County Board of Commissioners prior to disposal. All disposals must be reported on the "Transfer of Asset" form to the Finance Department. All assets purchased by the Putnam County Board of Commissioners shall be disposed of by the Putnam County Board of Commissioners.
9. **Assets may be disposed of as follows:**
 - a. **Auction.** Periodically, the Finance Department in coordination with Department Heads and the County Manager will prepare a list of surplus assets to be sold for approval by the Board of Commissioners. Once approved, an auction will be organized under the direction of the County Manager. The Finance Department will accept and record all revenues from the surplus sale and allocate them to the appropriate fund.
 - b. **Donation.** Donation of assets to other persons or agencies must be coordinated with the County Manager and Finance Department, and authorized by the Board of Commissioners. Completed transactions shall be reported in writing to the Finance Department.
 - c. **Sale other than Auction.** Putnam County Board of Commissioner's approval is required prior to the individual sale of any asset. The Finance Department shall accept and record all revenues from sales of assets and allocate them to the appropriate fund.
 - d. **Dismantling.** The breakdown of fixed assets for alternate use should be approved by the Department Head prior to dismantling. Assets that cannot be restored to serviceability without excessive repairs and determined to be no longer operational may be stripped of parts for use in other areas. This must be approved by the Department Head and reported in writing to the Finance Department.
 - e. **Trade-In.** The trade-in of a fixed asset must be approved by the department head or elected official and the County Manager and reported in writing to the Finance Department.
10. **Reports.** Reports listing all fixed assets of a department will be compiled annually by the Finance Department. More frequent reports may be requested as needed by the County Manager.
11. **Missing Assets.** If an asset is determined to be missing, departments should notify the Finance Department or County Manager immediately. Fixed assets that have been removed from any location without permission of the appropriate County official and considered to be stolen should be reported to the Putnam County Sheriff's Department without delay. A copy of the incident report shall be forwarded to the Finance Department.

Chapter 9 PETTY CASH

1. **Purpose.** The purpose of the petty cash account is to provide a source of funds to purchase miscellaneous items on an emergency basis that are necessary to carry out the operations of the government. Petty cash accounts may have a maximum of \$200.00 except for Oconee Springs Park Fund which has a maximum of \$500.00, and individual petty cash purchases shall not exceed \$50.00 per purchase. An “individual petty cash purchase” includes any number of items from the same vendor (e.g. 12 items from Walmart for \$41.47 is considered an individual petty cash purchase).
2. **Petty Cash Accounts.** Departmental request to establish a petty cash account must be submitted in writing to the Finance Department and must include the designation of a staff person by the Department Head to serve as the Petty Cash Custodian. The Petty Cash Custodian shall not be the Department Head.
3. **Petty Cash Custodian.** The Petty Cash Custodian shall manage the petty cash account and disburse monies from the account. It is the responsibility of the Petty Cash Custodian to insure that the petty cash fund remains “in balance” at all times. Any discrepancies should be reported to the Department Head and Finance Director immediately upon discovery.
4. **Authorization of Disbursements.**
 - a. The Department Head shall authorize disbursements of petty cash. The Department Head may delegate this responsibility to another staff person in the department with managerial or supervisory responsibilities. This person shall not be the Petty Cash Custodian. The Petty Cash Custodian shall not “authorize or approve” disbursements of petty cash.
 - b. Only the Petty Cash Departmental Custodian shall disburse monies from the petty cash account.
5. **Vouchers.** Petty cash vouchers shall be numbered consecutively and used sequentially to document each disbursement of petty cash. A triplicate (three copy) voucher/receipt book shall be used to document each disbursement of petty cash.
6. **Documentation.** Supportive documentation (sales ticket, invoice marked paid, etc) shall be attached to the original copy of the petty cash voucher. The second copy shall remain intact in the petty cash voucher book. The third copy shall be given to purchaser.
7. **VOIDs.** There shall be an accounting made for each voucher. Void petty cash vouchers shall be accounted for by writing the word “VOID” across the face of the voucher and leaving the voucher intact in the petty cash book until it is audited.
8. **Replenishment.**
 - a. Petty cash shall be replenished by submitting the original copies of the petty cash voucher receipt and supportive documentation to the Finance Department as needed or as a minimum once a year within five (5) days of the County’s fiscal year end (September 30). All petty cash disbursements occurring prior to the fiscal year end shall be included in the September 30th request for reimbursement to petty cash.
 - b. All checks for replenishing petty cash shall be made payable to the Petty Cash Custodian.

9. **Security.** Petty cash shall be kept in a secured area (i.e. locked box, also stored in a locked area such as a safe or locked desk drawer) with access restricted to the Petty Cash Departmental Custodian.

10. **Restrictions.** Petty cash accounts may not be used for cash advances and/or loans to employees or as a cashier's fund. Employees are prohibited from cashing personal checks from petty cash. Items purchased with petty cash shall not be resold and petty cash accounts shall not receive payments of any kind due to the County. All cash receipts shall be submitted to and recorded by the Finance Department.

11. **Auditing.** Petty cash accounts shall be subject to audits, external or internal, at anytime.

Chapter 10**FIDELITY BOND**

1. The County Manager will, once a year, review the fidelity bond (i.e. insurance that covers theft of funds) for appropriateness. All persons who handle cash receipts and/or disbursements of greater than \$5,000 per year shall be covered by the fidelity bond. The coverage amounts will be commensurate with the amount of cash that the person works with; such coverage will be determined with the assistance of the County's insurance consultant.