



Fiscal Policies and Procedures Manual

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City of Indian Wells

Fiscal Policies and Procedures Manual

1. Purpose

The policies and procedures set forth in this manual shall apply to the City of Indian Wells and its component units. The Fiscal Policy and Procedures Manual (the manual) assists with the operation of the city accounting system, compliance of requirements, and administrative procedures. The manual documents the policies and procedures related to budgeting, cash receipts, expenditures and disbursements, purchasing, contracts, and financial reporting.

City funds are entrusted to the City Manager and Department Heads. The Department Head is primarily responsible for the expenditure of public monies in accordance with the Indian Wells Municipal Code. Each Department Head makes decisions and exercises authority relative to the expenditure of funds within the bounds of the department's appropriation(s) and legal function. This manual assists City Officials in complying with laws, policies, and procedures that apply to the fiscal administration of city departments.

This manual standardizes accounting and financial policies and procedures. The City Council has approved this manual in order to establish rules and regulations governing the performance of accounting and financial functions.

The manual provides guidance to elected and appointed officials on the use and expenditure of city funds and resources, as well as the standards against which those expenditures will be measured. It is the intent that this manual will fully satisfy the requirements of Government Code sections 53232.2 and 53233.3.

As used in this manual, elected and appointed officials applies to members of the City Council, Planning Commission, standing committees and all other legislative bodies as that term is defined in Government Code section 54952.

Revisions to the manual may occur from time to time. Revisions will be presented to the City Council for review and approval. The manual can be accessed from the City's website at www.cityofindianwells.org

2. Adoption of the Budget

The City Council formally adopts a biennial operating and capital budget (the "Budget"). When the City Council adopts the Budget, they appropriate the funds necessary to pay for expected city expenditures by fiscal year. An appropriation is an authorization to incur obligations on behalf of the city. This authorization allows for the expense of City

funds to pay those obligations. Authorized obligations are limited to the current operational year of the budget.

3. Expenditure of Funds

The Budget provides the basis for the classification and expenditure of funds. Once the Budget is adopted, the City Manager is authorized to incur obligations on behalf of the city and to expend city funds within the scope of the adopted Budget. Purchases include the procurement of materials, supplies, equipment and contractual services needed by the city. The total spending for a fund or a capital project will stay within the parameters established by the adopted budget. No expenditures can be authorized to an account whose deficit exceeds total available balance of the program.

4. Budget Adjustment Procedures

It is sometimes necessary to amend the Adopted Budget to provide for additional appropriations or fund transfers.

Supplemental Appropriations

Supplemental appropriations provide additional spending authority to meet unexpected costs that impact operations or capital projects. City Council approval is required for all supplemental appropriations. Council approval includes the amount of the appropriation, the funding source, and purpose. After Council approval of a supplemental appropriation request, the Finance Department will complete and sign a supplemental appropriation form, attach approved Council action support, and post the supplemental appropriation.

Budget Adjustments

Budget adjustments involve the reallocation of funds from one expenditure account to another within the same fund. Budget adjustments do not change the overall budget within the fund or capital project. Departments initiate budget adjustments by submitting a written request to the Finance Department. The Finance Director and Department Head approve budget adjustments within a fund.

5. Purchasing Procedures

Purchasing procedures provide a process for the purchase of goods and services used for the operation of city programs. These procedures establish a system of financial controls.

Departments review and manage budgets, expenditures, purchase orders, and other accounting data. The Department Head, or designee so authorized by the City Manager may purchase or contract for any materials, supplies, equipment and contractual services in accordance with the provisions of this manual.

Use of Contracts

Refer to the City's Contract Processing Guidelines for specifics on the development, review, approval, and administration of contracts. Contracts may not extend beyond a period of five (5) years from the original contract date unless exempted as described herein. Once the contract has come to term, Staff is required to obtain statements of qualifications from a minimum of three (3) qualified professional services providers prior to selection of the best-qualified firm/entity pursuant to a request for proposal (RFP) or negotiation. Existing professional services providers are eligible to re-submit a statement of qualifications and compete with other qualified firms to extend their contract. Experience and performance of such providers may be considered by the City in determining the best-qualified firm.

Upon City Manager authorization, certain specialized services as described in Government Code section 53060, including but not limited, legal, financial, accounting, etc. may be exempted from this standard procedure. For any such exempted contract, the terms and conditions of the contract approved by the City Manager shall establish the term and/or renewal of such contract.

Purchasing Categories

The City classifies purchases into seven (7) purchasing categories. These categories are based on the dollar amount and type of purchase. Each category establishes a separate purchasing limit, authorization level and procedure.

	Category	Limitation
A.	Petty Cash Purchase	\$100 or less
B.	Minor Purchases	\$5,000 or less
C.	Intermediate Purchases	\$5,001 to \$25,000
D.	Major Purchases	\$25,001 or more
E.	Minor Construction Contracts	\$25,001 to \$175,000
F.	Major Construction Contracts	\$175,001 or more
G.	Professional Services	\$1 or more

A. Petty Cash Purchases

The petty cash funds provide advances or pay reimbursement to City employees for the direct and immediate purchase of goods and services needed for City operations.

Purchases or advances are limited to \$100.00 per transaction. A petty cash request form must be completed by the employee requesting petty cash and be approved by a Department Head or designee. If there is an immediate need, the Finance Director is authorized to approve an individual petty cash transaction over \$100 to a maximum of \$750.00.

Advances from petty cash must be reconciled and returned to the Finance Department within two (2) days from the date of issuance. A receipt must support all expenditures. Receipts for food & beverages must include the names and affiliation of all participants. If no receipt is provided, the Finance Director requires a statement listing the expenditure(s) signed by the employee and Department Head.

B. Minor Purchases (\$5,000 or less)

Purchases \$5,000 or less do not require a requisition. Each department, under authorization of its Department Head, may initiate purchases for goods or services costing \$5,000 or less. All invoices for such purchases should be authorized, documented, and processed with a payment request form. Departments are required to ensure the availability of budgeted funds prior to making any approved minor purchases.

C. Intermediate Purchases (\$5,001 to \$25,000)

Each department, under authorization of its Department Head, shall initiate intermediate purchases of goods, services, or construction services by preparing a requisition.

- For intermediate purchases of goods, services or construction services over \$5,000 and up to \$25,000, departmental staff shall solicit and document price quotes in writing (via mail, email, or fax) from a minimum of three (3) vendors.
- The solicited price quotes shall be attached to the requisition as back up support. Department Heads may submit written justification as to why the transaction should be exempt from this requirement with City Manager or designee approval.
- Once three (3) documented price quotes are obtained, contracts less than \$25,000 may be performed by a negotiated contract followed with a requisition with City Manager or designee approval.

After selecting the vendor, the Department Head will submit a completed contract information/requisition package per the City's contract processing guidelines.

D. Major Purchases (over \$25,000)

Purchases of goods or services over \$25,000 shall be awarded by formal bidding or negotiation. Such purchases/procurements are memorialized by completing the City's contract information/requisition package.

E. Minor Construction Contracts (\$25,001 to \$175,000)

Construction Contracts greater than \$25,000 but less than \$175,000 (PCC22032 (b)) may be awarded by informal bidding or negotiation. Such minor construction contracts are memorialized by completing the City's contract information/requisition package.

F. Major Construction Contracts (\$175,001 or more)

Construction contracts for \$175,001 (PCC22032 (c)) or more must be awarded by formal bidding, request for proposals (RFP), or negotiation. All major construction contracts shall be memorialized using the City's standard long form construction contract documents and general conditions.

G. Professional Services

The selection of professional services is to be based on demonstrated competence and on professional qualifications for satisfactory performance. Staff will solicit and document price quotes in writing (via mail, email, or fax) for a minimum of three (3) vendors. The emphasis for selection is based upon qualifications rather than the lowest price. After a qualified firm is selected, the Department Head may negotiate a satisfactory contract, using the City's contract information/requisition package, at a price determined to be fair and reasonable.

6. Procurement Methods

Procurement methods set forth the approved procurement specifications for each purchase category. Once the purchasing category is established for the goods or services to be provided, the Department will determine the appropriate procurement method(s). The City Manager has the authority to use the alternate process as set forth in this section as the preferred procurement for any purchase category as listed above if it is determined to be in the best interest of the City.

Below are the City approved procurement methods for goods and services.

A. Request for Proposals

A request for proposal (RFP) is an invitation for selected providers of a product or service to submit pricing, qualifications, and/or other proposals for the opportunity to supply that product or service to the City or its entities. A minimum of three (3) proposals will be sought on each occasion that this option is used.

B. Negotiation

Negotiation is the process by which the City or its agents communicate with providers of products or services to reach a mutually acceptable agreement through discussion and compromise. Negotiation may be used in combination with a request for proposal (RFP) process. City Manager approval is required in the event the City uses negotiation in the absence of a request for proposal process, the staff shall contact at least three (3) different providers as part of the negotiation process.

C. Informal Bid Procedures

A notice inviting informal bids shall be mailed to selected contractors for the category of work to be bid (as shown on the Contractors List), and to construction trade journals as specified by Public Works, ten (10) calendar days before bids or proposals are due.

The Public Works Department shall maintain a list of licensed contractors (Contractors List) to utilize the informal bidding procedures. The City may notify additional contractors and/or construction trade journals at its discretion, provided however that:

- If there is no list of qualified contractors maintained by the City for the category of work to be performed, the notice inviting bids shall be sent to the construction trade journals and other resources specified by the Public Works Director.
- If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

D. Formal Bid Procedures

Notices inviting formal bids are published fourteen (14) calendar days before the bid opening. Notices are sent to construction trade journals or web sites as determined by the Department Head, postmarked thirty (30) calendar days before the bid opening.

The use of formal bid procedures does not guarantee the award of contract for goods and services, professional services, nor construction services to the lowest bidder. The formal bidding procedure is as follows:

- The Department Head responsible for the purchase will send a notice inviting bids to potential bidders (a minimum of three (3)), of which he/she has knowledge. A copy will be provided to the City Clerk.
- The bid package will adequately and accurately describe the items to be purchased and will include necessary specifications. Bidders are advised of performance bonds, insurance, contract requirements, affirmative action, minority business enterprise requirements and other requirements as applicable.
- Bidders are advised of date, time, place of bid opening, and contact information concerning the bid. All invitations will include a statement of the City's right to reject all bids.
- All bids shall be sealed and in a separate envelope marked "Sealed Bid".
- The Department Head will analyze the bids and prepare a recommendation to the City Manager for the bid awarding.

After the City Manager has awarded a contract, departmental staff shall prepare a contract information/requisition package.

E. Sole Source

Sole source acquisition of brand name, specialized, or compatible products and furnishings to assure compatibility with other City products, equipment, or offices.

F. Change Orders

A change order is a request to increase or decrease a purchase order amount. The responsible department will prepare a change order. The City Manager or designee may authorize change orders within the adopted budget.

G. Purchase Order Exemptions

The following disbursements are exempt from Purchase Order requirements.

- Disbursements for refundable deposits

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- Disbursements to Public Agencies for which the City collects fees on behalf of the Agency (i.e. TUMF fees, MSHCP fees, etc.)
 - Disbursements for payroll, payroll liabilities, and employee benefits.
 - Disbursements for refunds of City fees collected (i.e.: Building & Planning fees)
 - Payments to fiscal agents

H. Emergency Purchases

In certain situations, it may be necessary to make emergency purchases. An emergency purchase may be made when there is an immediate need to acquire goods or services. For purchasing purposes, an emergency is one in which there is an immediate threat to life or property or a substantial disruption of a vital public service.

The emergency must be of such a nature that the Department Head and the City Manager would be contacted to advise them of the situation, regardless of when they occur. Such emergency action shall be reported in full to the City Manager within 24 hours. An emergency purchase of \$25,000 or less must be pre-approved verbally by the appropriate Department Head. An emergency purchase over \$25,000 must be pre-approved verbally by the City Manager or designee.

7. Payment Requests

A payment request is required to pay all warrants and wires that the City of Indian Wells issues, except for petty cash disbursements, travel advances, and travel expense reimbursements for which alternate paperwork is required.

All invoices received by the City shall be directed to the Finance Department for processing. The Finance Department shall prepare a payment request form for each invoice received by the City. The completed payment request form shall be distributed to the Department Head or designee for review and approval. Requests more than \$5,000 will require approval by the Finance Director.

Payment request should be returned to the Finance Department by the dates set forth in the annual accounts payable schedule. Payment requests received after the deadline will be paid on the next scheduled payment date. Prompt approval of payment requests by all City departments will enable the Finance Department to process payments on a timely basis and to maintain the City's good credit standing.

The Finance Department compiles a list of warrants for payment. The warrant list is presented to the City Council as an information item at the first available regular meeting of the City Council (a Council Member may question this item).

8. State of California, Riverside County, or Public Agency Purchasing Program

The City is eligible to participate in any State of California, Riverside County, or other Public Agency negotiated/cooperative purchasing program. Participation in these purchasing programs allows the City to receive the same deep discount pricing for goods and services as the State of California, Riverside County, or other Public Agencies without requiring the expenditure of staff time and cost necessary to conduct a separate procurement process. Items purchased through these programs require specific program backup and will not require formal bidding or price quotes from multiple vendors.

9. Management Agreements

The purchasing limitation and requirements contained in this manual shall not apply to any company or person for which the City has entered into a Management Agreement. Such management companies shall conform to the fiscal procedures established by their respective companies.

10. Fire Access Maintenance District No. 1

The Indian Wells Fire Access Maintenance District No. 1 (FAMD) specific Fiscal Procedures Manual was developed to serve the FAMD Board and Management Firm.

11. City Credit Card Purchases

A. Purpose of City's Credit Card

These guidelines establish the City's basic policies and procedures for using credit cards. The City credit card may be used when traveling on City business, attending conferences, official meetings or training, and securing airline reservations and hotel accommodations.

City credit cards may also be used to purchase goods and services such as community events and activities, cultural events, advertising and marketing, technology goods, and memberships and dues.

B. Authorization and Acknowledgement of City Credit Cards by Eligible Employees

Approval to issue and revoke a City credit card is at the discretion of the City Manager. Unless otherwise authorized by the City Manager, City credit cards shall have a credit limit of \$5,000. The City Manager shall have the authority to set credit limits on a case by case basis up to \$25,000.

C. Appropriate City Credit Card Use

- City credit cards may be used for traveling on City business.
- City credit cards may be used to purchase goods and services from vendors where use of a check is not practical, such as the case with many internet purchases in which no actual storefront exists.
- City credit cards may also be used to secure reservations and locations for various City activities, attending local meetings, community events, honoree luncheons, marketing promotions, and sales missions. City credit cards may be used for all meals in conjunction with official city business such as meetings with City Council, developers, or consultants.
- Use of the City credit card is not intended to replace effective procurement planning which enables volume discounts. Credit cards should never be used to circumvent established competitive purchasing procedures. This means no purchases for goods or services should be made that would otherwise require competitive bidding.
- Employees shall not use City credit cards for personal expenses. Charging personal expenses on City cards is a misuse of City funds and a serious breach of City's ethics policy. Doing so will result in disciplinary action, up to and including termination. Employees should use care in selecting between using their business and personal credit cards.

D. Travel, Meetings, & Conferences

All credit card charges must be supported by detailed charge receipts and be submitted on a travel expense report. Prior to travel, City employees without City credit cards may complete a credit card purchase authorization form to book airline and hotel accommodations using the Department Head's credit card. The completed form is submitted to the employees Department Head for approval. The approved form should support the reconciliation of the monthly credit card statement.

E. Obtaining Goods and Services

A credit card purchase authorization form must be completed and approved by the Department Head prior to the purchase of any goods or services. A receipt/invoice is required to substantiate every purchase made using the credit card.

Authorized purchases may be made in person, via an approved internet site, or by telephone. The cardholder must require vendors to itemize the receipt/invoice. An itemized receipt/invoice consists of the following information:

- Date of purchase
- Detailed description of goods or services purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if any

Upon completing the credit card transaction, the employee shall attach the itemized receipt to the completed credit card purchase authorization form and submit the form to the Department Head.

F. Card Restrictions

Except for an emergency, credit cards shall not be used for the following:

- Cash advances, money orders, wire transfers, etc.
- Routine gasoline purchases
- Any personal items and personal services
- Movies or personal entertainment
- Long-term rentals or lease agreements
- Heavy-duty machinery

G. Monthly Reconciliation

At the end of a billing cycle, the Finance Department will provide every cardholder a statement showing all transactions made during the billing cycle. Cardholders are responsible to review and reconcile monthly credit card statements. Once reconciled, the cardholder will attach the supporting detailed charge receipts to the monthly credit card statement and turn it into the Finance Department within two (2) working days of receipt. Undocumented expenditures may not be reimbursed unless approved by the Finance Director. Falsification of receipts will subject the employee to disciplinary action, up to and including termination of employment.

H. Disputed Charges

Cardholders are responsible for ensuring vendor, the issuing bank, and the Finance Director are notified immediately of any disputed charges. Cardholders will be responsible for resolving the disputed charge directly with the credit card company.

I. Timely Payment

Based on the statement cycle date, the Finance Department will ensure timely payments. Credit card charges will be paid once reconciled by the cardholder and approved by the Finance Department.

J. Lost or Stolen Cards

Cardholders are responsible for ensuring the issuing bank and the Finance Department are notified immediately if the card is lost or stolen. Failure to do so may result in making the cardholder responsible for any fraudulent use of the card.

K. Surrender upon Request or Separation

The credit card will be immediately surrendered upon retirement, termination or upon request of the City Manager. Use of the credit card for any purpose after its surrender is prohibited.

12. Capital Assets Policy and Procedures

A. Purpose

The purpose of this policy is to ensure adequate and appropriate control of City capital assets. The procedures are intended to define capital assets and to establish guidelines for proper accounting, inventory, depreciation, and disposal in accordance with the Government Accounting Standards Board, as amended from time to time. It is the

responsibility of the Finance Department to determine the criteria for asset-type, class, depreciation, and accounting of the capital asset or inventory item. It is the responsibility of City Department Heads to ensure capital assets are controlled.

B. Capitalization Policy

In general, all capital assets and intangible assets including buildings, machinery, naming rights, and equipment with an original cost of \$5,000 or more and a life expectancy of three (3) years or greater, will be subject to capitalization. The City has made one exception with this basic rule. All computer and computer related equipment purchases will not be capitalized.

All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, professional fees, and legal claims directly attributable to asset acquisition. This capitalization threshold is applied to individual units of capital assets. For example, ten desks purchased through a single purchase order, each costing \$1,000, will not qualify for capitalization even though the total, \$10,000, exceeds the \$5,000 threshold. Repairs to existing capital assets will not be subject to capitalization unless it extends the useful life of the asset.

Capital projects will be capitalized as "construction in progress" until completed. Costs to be capitalized include direct costs, such as labor and materials, as well as ancillary costs and any construction period interest costs as required by the Governmental Accounting Standards Board (GASB) pronouncements.

C. Inventory Control

Individual departments are responsible for safeguarding the City's capital assets from theft or loss. Inventory control is applied only to movable capital assets. Capital assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control capital assets subject to capitalization.

D. Depreciation

Depreciation is calculated on all capital assets per Governmental Accounting Standards Board (GASB) Statement No. 34 standards. The inclusion of an intangible asset is based on the provision of GASB Statement No. 51. Intangible assets are amortized over their contractual useful lives.

All depreciation is booked using the straight-line method and average month conventions. The book value and depreciation life cycles are determined by using

general industry guidelines. Depreciation is charged as an expense against operations and accumulated depreciation and reported on the balance sheet. The range of lives for depreciation purposes for each capital asset class is as follows:

- Building and improvements 10-50 years
- Equipment 3-15 years
- Infrastructure 5-60 years
- Intangible assets Depreciated over contractual life

E. Surplus Property

Occasionally it becomes necessary to dispose of surplus property no longer needed by the City. The Finance Director shall be responsible for the disposal of all City surplus property. The Finance Director shall periodically submit a list of surplus property to the City Manager for review and consideration. The method of disposal may be by public auction, private sale or donation, determined by the City Manager at the time of disposal.

13. Reimbursement Policy and Procedures

It is the policy of the City of Indian Wells to reimburse expenses incurred by elected and appointed officials, officers and employees of the City when such expenses are incurred while on authorized City business. Any employee traveling on City business shall first receive approval from his/her Department Head or from the City Manager.

A. Travel Advances

A travel advance for \$90.00 per day meal allowance may be requested by completing a Travel Advance Request and submitting it to the Finance Department. Requests for travel advances shall be submitted in accordance with the Accounts Payable schedule published by the Finance Department.

B. Expense Reimbursement Procedure

A Travel Expense Report should be prepared by the employee and submitted to the Finance Department within one (1) week after incurring a travel or meeting expense. The expense report shall show the total expenses incurred for travel and meetings and a reconciliation of any travel advances granted. All receipts and supporting documentation shall be attached to the expense report to account for all travel expenditures claimed. After approval by the Department Head, the Travel Expense Report shall be submitted to the Finance Department for review and processing. Any Travel Expense Report with insufficient documentation or inappropriate claims will be returned unpaid until corrected.

If the expense reconciliation shows a travel advance exceeded actual expenses, the employee is required to reimburse the City for the excess. Conversely, if actual expenses exceeded the travel advance, the employee may claim a reimbursement. In the case of a reimbursement, the report form will be considered as a request for payment. If a reimbursement is due to the employee, the Finance Department will issue a reimbursement check in accordance with the Accounts Payable Schedule.

C. Expense Reimbursement Procedure for Elected and Appointed Officials/Reports Regarding Meeting Attended

A Travel Expense Report should be prepared by an elected or appointed official and submitted to the Finance Department within one (1) week after incurring a travel or meeting expense. The expense report shall show the total expenses incurred for travel and meetings and a reconciliation of any travel advances granted. All receipts and supporting documentation shall be attached to the expense report to account for all travel expenditures claimed. Any Travel Expense Report with insufficient documentation or inappropriate claims will be returned unpaid until corrected.

If the expense reconciliation shows a travel advance exceeded actual expenses, the elected or appointed official is required to reimburse the City for the excess. Conversely, if actual expenses exceeded the travel advance, the elected or appointed official may claim a reimbursement. In the case of a reimbursement, the report form will be considered as a request for payment. If a reimbursement is due to the elected or appointed official, the Finance Department will issue a reimbursement check in accordance with the Accounts Payable schedule.

In addition to submitting an expense report, the elected or appointed official will be required to provide a brief report on the conference or meeting attended for which the expenses were incurred at the next regular meeting of his or her respective legislative body.

D. Allowable Expenses

Mileage - Mileage is paid at the prevailing rate provided by the Internal Revenue Service. To be eligible for mileage reimbursement, an employee must be approved by management to attend an outside function or to conduct City business away from City premises. Reimbursement mileage is calculated from the City (or closest starting point) to the destination and back to the City (or closest ending point). Employees receiving a City auto allowance are subject to a seventy-five (75) mile deduction for mileage reimbursements. Incidental mileage while attending the event is reimbursed up to a maximum of ten (10) miles per day.

Parking – Employees and elected and appointed officials will be reimbursed for parking. However, depending on the length of the trip, alternative transportation services to and from the airport, such as an airport shuttle or a taxicab, should be considered if they are less expensive.

Air Travel - Air transportation will be acquired at the most economical fare available from the nearest airport. Advance purchases of tickets is encouraged and may be handled via a travel agent, internet, or directly through the individual airlines. Authorization shall be granted prior to purchasing tickets. A City credit card or check may be used to make the purchase.

Hotel Accommodations - The employee will make lodging arrangements based on value, convenience, and safety for the traveler. Individuals attending conventions and conferences are encouraged to stay at the hotel specified or local area for that convention or conference. The hotel should be a moderately priced, full or limited service hotel. Individuals will be allowed one (1) single room and should request government rates that may be provided at hotels and motels. Whenever possible, employees should attempt to obtain favorable rates from government hotel partners. For convenience of traveling, hotel accommodations are allowed up to one (1) night prior and one (1) night after conducting any official business.

Employees are strongly encouraged to pay for all ancillary lodging expenses such as gift shop and movies separately, and not charge these to the main hotel bill. If personal expenses charged to the hotel bill such as toiletries, magazines, hairdresser, barbershop, health club expenses, in-room movies, mini-bar, etc. appear, the employee must indicate them as personal on the hotel bill and deduct them from the overall reimbursable expenses. Reimbursable lodging expenses must be summarized and totaled on the hotel bill.

Hotel Accommodations for Elected and Appointed Officials – Lodging expenses will be reimbursed or paid for when travel on official City business requires an overnight stay. Lodging shall be paid at the most favorable rate, provided the lodging is actual and necessary for the conduct of City duties. Elected and Appointed Officials attending conventions and conferences are encouraged to stay at the hotel specified or local area for that convention or conference.

If such lodging is in connection with a conference or other educational activity, elected and appointed officials shall request the group rate published by the conference or event sponsor for the meeting in question, provided such rates are available at the time of booking. If the group rate is not available, elected and appointed officials shall request the government rate, if available. In the event government rates are not available at a given time, the elected or appointed official shall request the most favorable rate.

Ground Transportation - The City will reimburse taxi expenses associated with City business. Individuals traveling between the airport and hotel are encouraged to use the least expensive form of transportation. Cash paid for taxi, local bus, streetcar, subway fares, parking charges and tolls are reimbursable with a receipt.

Car Rental - Car rental associated with City business is a reimbursable expense provided the rental cost is less than the cost of travel by cab or other less expensive form of transportation. If a rental car is necessary, the traveler should use a rental car company offering the lowest available rental cost. Advance arrangements should be made by the employee if a car is required at the destination. Vehicle selection should be based upon the most cost-effective class that satisfies the requirements for the traveler, passengers, and any equipment which may need to be transported.

Supplemental auto insurance coverage offered by car rental agencies is to be declined, as liability and collision coverage is provided by the City's insurance policy. In cases of car rentals outside the continental United States, the traveler should check with the City Manager.

Meals - Meals are allowable at actual cost including reasonable tips and including room services charges not to exceed \$90.00 per day. Employees and elected and appointed officials must provide detailed receipts and any other documentation to support all expenditures.

Telephone/Fax - When employees and elected and appointed officials are away from home on business, the City will reimburse a reasonable amount for telephone calls to family, etc. Moderation is the expectation. All City-related business phone calls are reimbursable. The City will reimburse fax expenses provided such an expense is incurred in the performance of official City business.

Tipping – Employees and elected and appointed officials will be reimbursed a reasonable amount for tips to bell captains, etc. As a guideline, standard tips would include \$1 per bag and 10 percent maximum on cab fares. If special circumstances justify larger than normal tips, employees and elected and appointed officials should provide a detailed explanation on the expense report. Note: tipping on meals is included within the \$90.00 per day allocation and is not included in the section for tipping expenses.

Laundry - If the trip is extended to a period of more than five (5) overnights, the City will reimburse for reasonable cleaning and laundry expenses.

Internet - Elected and appointed officials may be reimbursed for internet access and/or usage fees away from home, if internet access is necessary for City-related business.

Office supplies - The City will reimburse for any office supply expenses, which are actual and necessary for the performance of official City duties.

Other Expenses – The City may reimburse for other expenses provided these expenses are not the type of Incidental Expenditures listed below.

Incidental Expenditures - The City will not reimburse for incidental expenses. These expenditures, if made, are the responsibility of the employee and the elected or appointed official. The following are examples of such non-reimbursable expenses while traveling:

- Alcohol
- Babysitting
- Barbers and hairdressers
- Cigarettes
- Clothing
- Dietary supplements or vitamins
- Dues for frequent guest programs (airline, hotel, restaurant, etc.)
- Excess baggage charges
- Expenses for travel companions
- Expenses related to vacation or personal days while on a business trip
- Gifts
- Golf fees
- Health club fees
- Lost baggage
- Luggage and/or brief cases
- Magazines, books, newspapers
- Movies (including in-flight and hotel in-house movies)
- "No Show" charges for hotels and/or car rentals
- Optional travel or baggage insurance
- Parking or traffic tickets
- Personal accident insurance
- Personal entertainment, including sports events
- Personal toiletries
- Pet care
- Postage costs (unless for City business)
- Rental car, airline or hotel upgrades
- Routine auto maintenance
- Sauna and massage services
- Shoeshine
- Souvenirs and/or personal gifts
- Spousal tours

Family Member Accompaniment - All costs associated with family member travel shall be at the sole expense of the Traveler.

E. Elected and Appointed Officials and Limitation on the Type of Reimbursable Occurrences

Limitations - City funds, equipment, supplies (including letterhead), and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, if the other requirements of this policy are met:

- Communicating with representatives of regional, state and national government on City adopted Policy positions;
- Attending educational seminars designed to improve officials' skill and information levels;
- Participating in regional, state and national organizations whose activities affect the City's interests;
- Recognizing service to the City (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
- Attending City events;
- Implementing a City-approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member;
- Performing activities at home or office in furtherance of official City duties

Other Occurrences - All other expenditures for occurrences not include herein require prior approval by the City Council in a regular public meeting.

14. Cash Receipts

Checks and cash received should be given to the Finance Department on the day received with a specific description and the proper account coding. City employees should not hold cash and checks overnight. The cash register maintains a \$100 change drawer. The register is closed out daily and stored in the Finance Department's vault.

Deposit of City funds shall be made by the Finance Department upon the aggregate receipt of \$25,000 in cash and checks. A deposit is required on the last day of each

month regardless of the amount of funds collected. The deposit and reconciliation of funds shall be conducted in accordance with the internal control procedures established by the Finance Department. The Finance Department will prepare the bank deposit and deliver the deposit to the bank.

15. Billing for Services

If an individual or company owes the City of Indian Wells for services rendered, an invoice shall be generated from the Finance Department. The City shall invoice individuals and companies for services rendered or for damage to City property. In cases where a permit fee or deposit is required, the payment shall be made prior to the issuance of said permit or performance of other City services. The requirement to invoice is handled by other departments in these cases.

If payment on an invoice is not received after 30 days, a delinquent notice shall be mailed requesting immediate payment. Those invoices remaining unpaid after 90 days may be referred to collections.

When payment is received, a copy of the receipt shall be attached to the invoice. The receipt and applicable backup is filed in the revenue file for the applicable vendor.

16. Refundable Deposits

Deposits or disbursements of refundable deposits shall be directed by the appropriate department requiring the deposit. Upon receipt, all refundable deposits shall be placed in the Special Deposits Fund. A "Refundable Deposit" form must be completed and submitted to the Finance Department staff responsible for receipting the deposit. The form will be validated upon receipt of monies. The Finance Department shall reconcile the Special Deposits Fund on a quarterly basis. Based upon the reconciliation, the Finance Department shall notify the appropriate department of the status and aging of the refundable deposit.