

RESOLUTION NO. 2024-021

A RESOLUTION OF THE BOARD OF ALDERMEN OF THE CITY OF NOME, TEXAS APPROVING AND ADOPTING THE FINANCIAL POLICIES AND PROCEDURES

WHEREAS, it is the responsibility of local government to ensure that public funds are managed in a prudent and financially sound manner;

WHEREAS, financial policies and procedures help provide guidelines for managing risk and assisting the City of Nome, Texas (the "City") in complying with proper public management and applicable federal, state and local laws;

WHEREAS, the Board of Aldermen of the City desires to approve and adopt the Financial Policies and Procedures attached hereto as Exhibit "A"; and

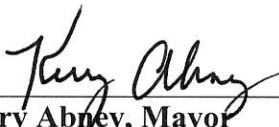
WHEREAS, the Board of Aldermen affirmatively finds that the Financial Policies and Procedures attached as Exhibit "A" are for a valid public purpose and is in the best interests of the City and its citizens.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen for the City that:

1. **Adoption of Recitals.** The City finds that the recitals set forth above are incorporated herein for all purposes and are found to be true and correct.
2. **Approval and Adoption of Financial Policies and Procedures.** The Financial Policies and Procedures attached hereto as Exhibit "A" are hereby approved and adopted by the City.
3. It is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place and purpose of said meeting was given as required by law.
4. **Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED and APPROVED this 2ND day of April, 2024.

CITY OF NOME, TEXAS



Kerry Abrey, Mayor

ATTEST:



Lisa Black, City Clerk

Exhibit "A"
Financial Policies and Procedures

City of Nome, Texas
Financial Policies and Procedures

INTRODUCTION

The purpose of financial management policies is to provide sound guidelines in planning the City's financial future. The City of Nome, Texas (the "City") considers the expenditure of funds to be an important responsibility and requires all persons involved with the purchase of goods or services to exercise good judgement in spending taxpayers' money.

SCOPE OF AUTHORITY

The Mayor is responsible for the expenditure of all City funds.

Financials

A. Bank Depository

The City maintains funds in a Bank, designated as its depository for banking services. The Board of Aldermen reviews the selection every two years unless circumstances deem otherwise.

B. Accounts Payable

Three (3) individuals are authorized to sign checks written on the bank depository account: Mayor, Mayor Pro-Tem, and City Clerk. All checks require two authorized signatures. No exceptions.

C. Accounting

The Mayor is responsible for establishing the structure for the chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position. The Mayor shall provide financial reports to the Board of Aldermen monthly.

D. Audit of Accounts

An independent audit of the City accounts is performed annually. The Independent Auditor is retained by and is accountable directly to the Board of Aldermen. The Board of Aldermen reviews the selection every five years unless circumstances deem otherwise.

PROCEDURES

1. Input invoices into Record Keeping System

What type of system is utilized for tracking invoices? Do you log them into an excel or track on a ledger?

QuickBooks

2. Review of Invoice

Who reviews invoices and recommends payment?

Board of Aldermen

3. Timeline for Payment

What is the City's standard timeframe for issuing payment?

30 days

4. Issue Payment

Who writes and signs the checks? Two signatures? Do they go through the Board of Aldermen for approval?

City Clerk writes checks and then signed by two (2) authorized signatories. For grant payments, due to the disbursement requirements, the grant payments are not authorized by the Board of Aldermen.

5. Payment Reconciliation

Who reconciles bank statements and payment?

City Clerk

PROCEDURES FOR GRANT PAYMENTS


1. Invoice is received and, if necessary, a request for payment is prepared by grant consultant and proper signatures obtained from the Mayor, Mayor Pro-Tem or City Clerk as authorized in original grant approval. The Mayor's office reviews the invoice and compares it to the grant budget.
2. Invoice must be approved by a City official in the grant implementation or the Mayor. Approval is acknowledged by initialing the original invoice or through Aldermen action.
3. Once grant funds are received and invoice approval acknowledged by signature on the original invoice, a demand check is entered into the system by the Mayor's office, then printed and disbursed by the City Clerk. At least two (2) signatures appear on the approved checks from Mayor, Mayor Pro-Tem or City Clerk. Checks are then disbursed to the appropriate vendors. The City Clerk is responsible for ensuring that checks re signed and disbursed within five (5) working days of receiving grant funds.
4. Copies of the request for payment, invoice, canceled check copy and bank statement showing receipt of grant money is retained in the grant file in the Mayor's office.

The Mayor, Mayor Pro-Tem and City Clerk authorizes payments and issues of checks. Two signatures are required on each check, from either the Mayor, Mayor Pro-Tem and City Clerk. The City Clerk is responsible for reconciling the monthly bank statements.

ADVANCE PAYMENT PROCEDURES

All advanced payments using federal grant funds will be disbursed within five (5) working days from the date of the transfer of funds in accordance with 2 CFR 200.305(b)(1), and in accordance with the provisions in the contract with the vendor. Advance payments of federal grant funds will be deposited and maintained in a separate insured account.

The Policies and Procedures are implemented through the City's administrative team of the Mayor, Mayor Pro-Tem, Board of Aldermen and City Clerk.



Kerry Abney, Mayor

4/2/2024

Date