

POLICIES & PROCEDURES COMMITTEE

Kimberly L. Murphy
County Administrator

301 N. Main St, Adrian, MI 49221
p: 517-264-4508 | f: 517-264-4512
lenawee.mi.us



MEMBERS

Nancy Jenkins-Arno, Kevon Martis, Karol "KZ" Bolton

MEETING LOCATION

Airport Committee Room
2667 Cadmus Rd - Adrian, MI

Agenda: Monday, May 1, 2023 – Immediately follows 1:30 pm Airport Commission

- I. **Approval of Minutes** – April 3, 2023
- II. **Presentation:** Sustainability Planning – Frank Baker
- III. **Old Business**
 - A. **Further Review / Recommendation:** Accounts Payable Policy
 - B. **Further Review:** Bidding Policy
 - C. **Further Review:** Bond and Annexations Policy
 - D. **Further Review:** Cash Handling Policy
 - E. **Policy Review:** Conflict of Interest Policy
- IV. **New Business**
- V. **Other Business**
- VI. **Public Comment**
- VII. **Adjournment**

Policies are available: <http://www.lenawee.mi.us/639/County-Policies-Guidelines>

To the Lenawee County Board of Commissioners

The Lenawee County Board of Commissioners adopted the “Energy Efficiency and Renewable Energy Resolution” on September 16, 2022.

The Resolution is an important step in a continuous process of improvement in protecting our environment and health. The Board is to be commended for such vision and action.

Of course, the Resolution is only the first step of the journey to the creation of an effective sustainability plan. Many of us have worked on sustainability for our entire lives and have witnessed and contributed to many positive steps on this journey. These steps when added to the efforts of millions of others have been significant but still fall far short of what is needed to avoid the worst consequences of our actions.

I encourage Lenawee County to take the next step in this journey by creating a Sustainability Plan. I would suggest that the Sustainability Plan begin with a Mission Statement and definition of specific long-term goals. Sustainability can be defined as: “The ability to meet the needs of the present without compromising the ability of future generations to meet their own needs”

Many Communities nationwide and internationally have adopted clear, detailed sustainability plans and goals. Many Communities have detailed plans that can serve to guide our efforts in creating a plan. These strategies can and should involve almost everyone in the Community. The beauty of such a Plan is that it can produce a much healthier, prosperous community in which we all can look forward to a brighter sustainable Future.

It is only appropriate that all Lenawee County communities create a Sustainability Plan. The county could provide leadership and assistance in this process by creating a model Plan template that could guide all Lenawee County communities.

Frank Baker
Lenawee County Resident

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Policy#2023-00x

Accounts Payable Policy and Procedure

Date of Adoption: January 24, 2013

Amended: 04/14, 01/15, 01/16, 06/17, 01/18; 06/18; 06/20; 3/21

This Policy Is to Create Anti-Fraud Procedures as Required by Standard Account Practice

ILLEGAL OR UNAUTHORIZED EXPENDITURES:

In order for an expenditure of public funds to be proper, the governmental body approving the expenditure must receive a benefit that fits within their scope of operations. It is not sufficient that the expenditure be well intentioned, the expenditure must serve the local governmental unit.

The Michigan Department of Treasury has identified some of the most common examples of unlawful expenditures which are listed below:

- Office refreshments (e.g., coffee, water and donuts) or picnics
- Contributions or donations – including the use of property or equipment – to churches, veterans, community or nonprofit organizations (e.g., Big Brothers/Sisters, Scouts)
- Flowers to the sick or departed
- Presents to officials and employees or retirement recognition events
- Donations to a private ambulance or EMS service not under contract with the governmental unit

To further clarify, the expenditure for office refreshments is allowable if it is considered to be for a public purpose. For example, coffee and donuts are considered to be for a public purpose if they are available to the general public (such as at an open meeting).

Amounts paid to a nonprofit organization to administer a program or activity with a public purpose are allowable, if the government enters into a legal contract with the organization.

EVERY INVOICE REQUEST MUST HAVE PROPER DOCUMENTATION:

Incomplete vouchers will be returned to the department. It is required that actual support for payment be provided and attached to all voucher requests. Expenses must have some type of support (invoice, receipt, registration form, etc.) to document an expense.

WEEKLY CHECK RUN:

Invoices must be submitted timely to **Accounts Payables** for the check to be received by the vendor before their due dates. It is the department's responsibility to obtain invoices from the vendor for timely payment processing. Lenawee County does not pay late fees. All invoices must be received in the **Accounts Payables** Department no later than Thursday, 4:30 PM to be included in the subsequent weekly check run. Please make sure all attachments needed to be mailed with checks are included and clearly labeled. Special requests or exceptions must contact **Accounts Payables** Department by Tuesday, 2:00 pm.

CHECK RETURNED TO THE DEPARTMENT:

Checks will no longer be returned by interoffice mail. Departments needing checks returned may pick them up Friday morning, 9:00 am to noon. Checks will need to be signed for their release. All checks not picked up Friday morning will be mailed out Friday afternoon.

INVOICING

- Every invoice needs an entry.
- **Invoice Numbers** Use only the invoice number available. The system will **not** allow duplicate invoice numbers for the same vendor. If there is not an invoice number, create a **meaningful** one for the entry. This number should be consistent with all invoices from that vendor. Please check vendor inquiries to verify prior invoice numbers.
- **Invoices will NOT be processed by the Accounts Payables Department without the physical invoice.**
- Please make sure that all invoices measure at a minimum 8.5x11. Please tape smaller invoices to a full sheet of paper. This allows for easier filing/scanning and prevents the invoice from getting lost.

PURCHASE ORDERS:

- **All purchases costing over \$10,000.00 must be on a Purchase Order.**

OTHER INFORMATION:

- **Lost checks or destroyed checks-** Replacement check will only be reissued after ten business days. Please contact the **Accounts Payables** department when needing a replacement check.
 - **Checks, Un-Cashed-** For checks 90 days or older – please contact the treasurer for processing directions.
 - **Returned/undeliverable checks-** Please forward all returned/undeliverable checks to the **Accounts Payables** Department
- DO NOT HOLD RETURNED CHECKS.**
- **Clothing Reimbursements-** The employee is to purchase his or her clothing to equal the allotted reimbursement amount. Sales tax is not reimbursed. Turn in the detailed receipt with the departmental invoice.
 - **Employee Reimbursements-** Employee reimbursements will be mailed to employee's home address. For convenience, please consider **Electronic Funds Transfer (EFT)** as method of Payment. Using the department address for an employee is not permitted.

CREDIT CARD PURCHASES:

- All credit card invoice submissions **MUST BE** received on or before the due date established by **Accounts Payables** each month.
- All credit card purchases must include a receipt for **Accounts Payables** to process the payment.
- All invoice entries must be completed by using the established credit card training policy provided to all departments when cards are distributed.
- No credit card purchases are to be made between December 1st - 31st of each year. It is the department head's responsibility to ensure purchases are not made.
- Please review and understand allowable purchases on county credit card. For questions, please contact the **Accounts Payables** Department.
- **Failure to comply with Accounts Payables Credit Card Policy will result in suspension of credit card privileges for the department.**

PETTY CASH:

- If a department finds it necessary to issue a handwritten receipt, a pre-numbered receipt book should be kept on hand. All numbered receipts should be verified by an individual other than the one issuing the receipts and handling the cash.
- All Petty Cash reimbursements must include receipts.

REMITTANCES:

- Remittances are normally sent for monthly invoices that have perforated slips included on the invoice.
- Please make sure documents are clearly labeled that are to be included with checks.

SALES TAX EXEMPT:

- Lenawee County is exempt from Michigan Sales Tax – deduct any sales tax added to the invoice amount from the entry. If a vendor needs a Michigan tax exempt form, indicate on the invoice and **Accounts Payables** will send one with the check.

W-9 FORMS:

All vendors must provide a W9 form before service is performed. For questions, please contact the **Accounts Payables** Department.

TRAVEL REIMBURSEMENT POLICY:

- Proper documentation is required for reimbursement.
- Reimbursements are paid through the regular **Accounts Payables** check run.
- Check will be issued no more than 90 days before the scheduled events due date, unless otherwise stated on the registration form.
- Itemized receipts are required for reimbursements.

Meals:

- ~~No~~ **ALL** meals **purchased** within Lenawee County **must be** PRE-APPROVED by the Department Head. Documentation must include persons attending and reason for the meeting. Any deviations from this please call **Accounts Payables** Department.
- The maximum reimbursement amounts are; breakfast \$15, lunch ~~\$15~~ **\$25**, and dinner ~~\$35~~ **\$40**. ~~The above maximums include tax and tip.~~
- ~~Lenawee County will reimburse tips for meal service at customary rates.~~
- **Lenawee County will reimburse up to 20% as a tip for meal service.**
- Itemized receipts must be submitted listing foods/drinks and restaurant name.
- Credit card charge slips are **NOT** acceptable.
- Meals charged to a hotel room must have an itemized receipt of all items ordered.
- Under no circumstances will Lenawee County reimburse employees for alcoholic beverages of any kind.

Hotel:

- “Check-Out” invoice must be used for reimbursement; if paid in advanced, please return a copy **to** the Accounts Payable office.
- The supporting documentation (~~ex:~~ receipt) is required within 60 days from the completion of the stay. If it is not presented to the **Accounts Payables** Department within this allotted time, the employee will be responsible to reimburse the hotel cost to the County.
- Lenawee County is only exempt from Michigan Sales Tax. Check with the hotel in advance. Most will only accept a County check with the tax-exempt form.
- Only payment for the hotel stay during the conference dates will be authorized (documentation is required). All additional days (before or after) will be the employee’s responsibility.

Room Rates/Type of Rooms:

- Lenawee County reimburses the lowest applicable rate. Reservations should be made at the standard block offering or applicable government rate. Any upgrade from the standard block offering or government rate, whichever is applicable, requires pre-approval by the County Administrator.

Mileage:

- When driving a personal vehicle, please use the current mileage rate.
- **Do not use the Mileage rate when using a county vehicle or rental vehicle.**
- Do **not use** the corporate credit card for fuel purchases on Personal vehicles.
- When using a county vehicle or rental vehicle, please use the Corporate credit card for fuel purchases.
- The authorized expense voucher must include date, number of miles and location for reimbursement.
- Lenawee County Commissioners must list separately taxable and non-taxable mileage.

Mileage Rate:

- The rate stays current with the **Internal Revenue Service (IRS)** standard. Please feel free to contact the Accounts Payable Coordinator with any questions or concerns.

PASSED BY ROLL CALL VOTE of the Lenawee County Board of Commissioners at a regular meeting held Wednesday, , 2023, in the Old County Courthouse, Adrian, Michigan.

James E. Van Doren, Chair

Roxann Holloway, County Clerk

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POL#2023-00x

Original Adoption: 7/12/2000
Amendments: 1/09, 7/11, 6/17

BIDDING POLICY

1. **Sealed Bids** – Competitive bids shall be solicited for all contracts in which the total County obligation is anticipated to be ~~\$20,000~~ **\$100,000** or more. The requirement for competitive bids shall not apply to intergovernmental contracts. All bid proposals shall be reviewed and approved by the Administrator's Office prior to distribution.
2. **Authority to award bids** - The Board of Commissioners may assign authority to award a bid to a named county official otherwise the Board reserves to itself the authority to award the bid.
3. **Bid and Performance bonds** – The Administrator's Office shall determine the necessity of a bid or performance bond for each bidding process. For construction projects in excess of \$100,000 a performance bond of 100% of the project cost shall be required. The responsible committee is authorized to require performance bonds for projects less than \$100,000 if it is deemed necessary. Performance and bid bond requirements may be waived, as necessary, at the discretion of the responsible committee.
4. **Quotes and estimates** - For goods and services anticipating to cost less than \$20,000, County departments, boards and committees are authorized to determine the best method of procurement including the bidding process, quotes and estimates. Evaluation and selection of the appropriate method is to be handled on a case by case basis.
5. **Local preference** – Local vendors are encouraged to submit proposals on bid requests to provide goods and/or services to Lenawee County government. The increase in economic activity through local jobs, tax revenues, and expenditures, resulting from contracting with local vendors is evaluated in the cost consideration. Other considerations include quality, service, and time constraints. The lowest cost proposal does not necessarily result in the award of the proposal, because of other factors also being evaluated.
6. **Use of another organization's bidding procedures** – ~~To benefit from interagency collaboration,~~ It will be an acceptable practice for any Lenawee County agency or department to utilize a third party to conduct bidding for goods and/or services upon advanced approval of the County Administrator. Documentation relating to the third party's bidding policy must be submitted with the request for approval.
7. **Ability to override** – The Board of Commissioners may waive this bidding policy by a 2/3 majority vote if such action is determined to be in the best interests of the County.

PASSED BY ROLL CALL VOTE of the Lenawee County Board of Commissioners at a regular meeting held Wednesday, _____, 2023 in the Old Courthouse, Adrian, Michigan.

James E. Van Doren, Chair

Roxann Holloway, County Clerk



Bond & Annexation Policy

Date of Adoption: September 8, 1999

POL#1999-01

Last Review 12/17

A) BOND APPROVALS:

- 1) Full faith and credit of County
 - a) Water, sewer and drainage issues must be approved by resolution of participating municipalities
 - b) **Physical Resources Committee** to review proposed water, sewer or drainage issues and participation, if any, of County Drain Commission
 - c) **Physical Resources Committee** to recommend or refer "full faith and credit" bond issues to **Personnel/Ways and Means Committee**
 - d) All other "full faith and credit" bond issues to be reviewed by **Personnel/Ways and Means Committee** prior to consideration by **County Board of Commissioners**
 - e) **Personnel/Ways and Means Committee** to recommend or refer "full faith and credit" bond issue to **County Board of Commissioners**
 - f) **County Board of Commissioners** to approve/disapprove issuance of full faith and credit bonds
- 2) Authorization without full faith and credit of County
 - a) Proposed bond issues for economic development, hospital finance, and any other project(s) that require County approval but **not** the extension of the County's full faith and credit must be reviewed by the **Personnel/Ways and Means Committee** a minimum of thirty (30) days in advance of scheduling a public hearing at a **County Board of Commissioners** meeting
 - b) **Personnel/Ways and Means Committee** to recommend scheduling a public hearing on proposed bond issue at a **County Board of Commissioners** meeting a minimum of thirty (30) days in advance
 - c) **County Board of Commissioners** conducts public hearing on proposed bond issue and approves / disapproves its issuance

B) ANNEXATIONS (Village and Township)

- 1) Resolution received from petitioning Village Council; statutory public hearing on Village annexation scheduled for regular **County Board of Commissioners** meeting
- 2) **Personnel/Ways and Means Committee** to review and recommend or refer annexation request to **County Board of Commissioners**; may request position of township(s) prior to annexation public hearing
- 3) **County Board of Commissioners** conducts statutory public hearing and approves / disapproves annexation request

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Ralph Tillotson
Chris Wittenbach

POL#2023-00x

Original Adoption: 04/2021

LENAWEE COUNTY CASH HANDLING POLICY

PURPOSE AND SCOPE

This policy governs the handling of County Cash, as directed by MCLA 48.35 et seq. empowering the County Treasurer to be responsible for County funds and MCLA 46.11 empowering the County Board of Commissioners to establish rules and regulations in reference to the management of the interest and business of the county. The term "County Cash" applies to currency, coins, checks, credit card payments, electronic payment media and other negotiable instruments payable in money to the County. All moneys which come into the hands of any County Officer or employee pursuant to this policy are public moneys and steps shall be taken to ensure its safekeeping. MCL 750.490.

AUTHORITY IN COUNTY TREASURER

The County Treasurer is authorized to promulgate rules, subject to approval by the Board of Commissioners and prior written notification to the County Clerk and Finance Officer, for establishing the following procedures:

- Receipt, handling and deposit by Elected Officials and employees of County Cash into the County Treasurer;
- Method of documentation on all such transactions;
- Regular reporting **by departments** to the County Treasurer;
- Certifying and rescinding qualification by the County Treasurer of all County employees who are authorized to receive or handle County moneys in the regular course of their employment or departmental activities;
- Inspection of departmental cash records, including overages or shortages; and
- Inspection of departmental practices and procedures in handling County Cash.

The County Treasurer may enforce these rules through on-site inspections; by rescinding qualification of any employee who fails to comply with the Rules as adopted and, in the event of noncompliance by a department or employee, requiring that payments be authorized by the County Treasurer, or deposited at his/her office.

DUTIES OF COUNTY PERSONNEL

Any County officer or employee who receives County Cash in the normal scope and course of his/her duties, shall:

- A. County cash shall be:
 - 1. Balanced daily.
 - 2. A deposit prepared daily.
 - 3. Deposit delivered daily to County Treasurer or designated courier drop-off location.
- B. County cash shall be kept separate and apart from the individual's own money and shall not be commingled with the individual's own money, nor with the money of any other person, firm or corporation, pursuant to MCL 750.490.
- C. Comply with rules promulgated by the County Board of Commissioners for handling and processing of County Cash and for documentation and dissemination of records and with departmental internal procedures.
- D. Minimize manual paper transactions and recording/reporting. Increase electronic payment mechanisms such as wire transfers, credit and debit card payments and recording/reporting.
- E. Notify the employee's supervisor, County Financial Officer, and County Treasurer of any loss or theft of County money immediately upon discovery. Written notice shall be given to them no later than twenty-four (24) hours after discovery.
- F. Be subject to disciplinary action (determined by appropriate Elected Official or Department Head) up to and including termination for failure to comply with departmental policies, adopted Board rules, collective bargaining agreements and/or duties described in this policy. Misappropriation of funds may result in criminal prosecution.

QUALIFICATION OF RECEIVERS AND CASHIERS

Only persons who are qualified shall receive and handle County Cash on a regular basis in the scope and course of their employment. Department Heads shall, in the first instance, designate and train employees in their department as to proper cash handling practices consistent with this policy. As a condition to qualification, the County Treasurer may require that the employee complete a course of instruction or training and/or pass an examination on the secure processing of money, consistent with the County Board adopted rules, procedures and applicable departmental rules.

DEPARTMENT DIRECTORS SHALL COMPLY WITH THE FOLLOWING PROCEDURES

- A. Assign the receiving of County Cash only to those persons who are qualified to perform those functions.
- B. Maintain a system of procedures, documentation and reporting on receipt handling and deposit of County funds consistent with the County Board of Commissioners' policy.
- C. Notify the County Financial Officer and County Treasurer of any continuing pattern of loss in excess of twenty dollars (\$20.00), or theft of County Cash immediately upon discovery. In the event of potential theft or other recurring type of irregularity, the County Prosecutor's Office shall be notified. Written notice shall be given no later than twenty-four hours after discovery.
- D. Allow the Treasurer or his/her designee to make on-site inspections and observe the processing of County Cash, and to make inspections of departmental collection records when it appears County policy may not be adhered to.

STARTUP CASH / PETTY CASH

Departments who take payments from the public are in need of startup cash for their cash drawers. Start up cash is cash approved by the Board of Commissioners on a case by case basis for use as start-up funds in cash drawers for making change for customers. No expenses should come out of this cash and the amount approved should always be the amount in the drawer after balancing at the end of each day. To obtain or increase start up cash, the County Treasurer must be notified, and the department must prepare a resolution and cover letter stating the need and reasons for the request. The disbursement issuing the cash is set up as an asset in the County's books and tracked. It is the responsibility of the County Treasurer to annually confirm the start up cash with the departments. The County Treasurer has the authority to do onsite audits of the startup cash at any time.

Departments may need Petty Cash to make incidental purchases. While this practice is discouraged the County realizes there are extenuating circumstances that warrant this process. Petty Cash is cash approved the Board of Commissioners on a case by case basis for use to make incidental purchases where there is an immediate need and the purchase cannot be charged at the point of service. The total of the receipts in the drawer, plus the cash in the drawer, must always equal the total authorized Petty Cash Fund. To obtain or increase Petty Cash, the department must notify the County Treasurer, and prepare a resolution and cover letter stating the need and reasons for the request. The expenditures cannot exceed the amount approved for the Petty Cash Fund. The expenditures cannot cause the budgeted line items to be exceeded. It is the responsibility of the County Treasurer to annually confirm the Petty Cash with the departments. The County Treasurer has the authority to do onsite audits of the Petty Cash at any time.

PASSED BY ROLL CALL VOTE of the Lenawee County Board of Commissioners at a regular meeting held Wednesday _____, 2023, in Adrian, Michigan.

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POL#2023-0xx

Conflict of Interest Disclosure

Lenawee County attempts to avoid situations in which an employee's business or personal interests may unduly influence a decision-making process; which may result in situations involving real or apparent conflicts of interests. Both elected and appointed officials are individually responsible for evaluating their own affiliations and interests, and those of their close relatives and professional associates, which relate to their duties to Lenawee County before they review any monetary proposals.

Scope: This policy shall apply to all departments, administrative units, and elected officials of Lenawee County Government.

Conflict of Interest is defined as: Any action by an employee which would affect, or could appear to affect, the employee's interest, or would cause the employee's impartiality in the award process to be questioned.

There are two types of conflict of interest situations:

- 1. Self-Dealing:** Where an employee has an interest or appears to have an interest in a decision.
A self-dealing situation is any transaction or decision from which a member may profit or receive a monetary benefit. It also includes situations where an employee owns 1) 35% or more of the voting stock of a corporation; 2) a partnership interest, or; 3) other substantial financial or beneficial interest in other organizations that are involved in a contract or transaction involving the County.
- 2. Conflict of Loyalty:** Where an employee, close relative, or other affiliation or loyalty may lead to or suggest influence involving the County.
An individual will be in a position of divided loyalties in any relationship, which may significantly impact or bias their decision-making ability. Relevant factors in determining a conflict of loyalty include the duration, strength and intimacy of any personal or business relationship which is relevant to a decision.

Specific situations include, but are not limited to, the following: An employee may not participate in the review or award of contract or transaction in which any of the following has an interest:

1. The employee or the employee's spouse, parent, child or partner;
2. Any organization (including a parent or subsidiary) in which the employee or the employee's spouse, parent, child, or partner serves as officer, director, trustee, partner or is otherwise similarly associated;
3. Any organization (including a parent or subsidiary) in which the employee or the employee's spouse, parent, child, or partner is negotiating for or has an arrangement concerning prospective employment or other similar association; or

- 4. Any organization (including a parent or subsidiary) in which the employee or the employee’s spouse, parent, child, or partner has an interest with respect to any pending contract or related transaction.

Failure to Disclose: Any conflict or potential conflict of interest must be disclosed to the County. Failure to do so will result in discipline, up to and including termination of non-elected employees.

Conflict of Interest Disclosure Policy Acknowledgement Form

I have read and understand the definition of conflict of interest.

I have evaluated my own affiliations and interests, and those of my close relatives and professional associates, as relating to my duties to Lenawee County.

I hereby certify that, based on the information provided to me,

- ☐ **I do not have a conflict** of interest with any current contracts or pending transactions
or
- ☐ **I have identified and listed below any potential conflict of interest**

I understand that should a situation involving a real or apparent conflict of interest arise, I will complete a Conflict of Interest Disclosure Form and submit it to the County Administrator.

Signature:

Printed Name:

Title:

Date: