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 49221

Agenda: Monday, March 6, 2023 – Immediately follows 1:30 pm Airport Commission

I. **Approval of Minutes** – February 6, 2023

II. **New Business**

  A. **Policy Review:** Accounts Payable Policy

  B. **Policy Review:** ACH Policy

III. **Old Business**

  A. **Further Review:** Depository & Investment Policy

IV. **Ready for recommendation**

V. **Other Business**

VI. **Public Comment**

VII. **Adjournment**

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

Policies Procedures

April, 2022

Reviewed	FINANCIAL POLICIES	Reviewed	Original Adoption	LAST Amended	Notes
8/21	Accounts Payable	March, 2023	Jan-13	Jun-18	POL#2021-002
8/21	Automated Clearing House (ACH)	March, 2023	Jun-03	Sep-17	POL#2017-902
8/21	Bidding Policy	Dec, 2017	Jul-00	Jun-17	
8/21	Bond and Annexations	Dec, 2017	Sep-99		
4/21	Cash Handling Policy	Mar, 2021	Apr-21		POL#2021-003
10/21	Contracts: Authority/Designate Signatory	Apr, 2018	Sep-07	Apr-18	POL#2018-004
	Credit Card Policies				
10/21	Acceptance Policy		Dec-97	Jul-05	
3/22	Issuance Policy		Jul-05	Nov-16	POL#2022-002
10/21	Federal Awards Administration	Jan, 2018	Dec-16		
10/21	Fixed Assets	Apr, 2018	Mar-06	Apr-18	POL#2018-005
10/21	Insurance Settlement	May, 2018	Apr-11	May-18	POL#2018-007
	Investment	March, 2023	Feb-03	March, 2023	POL#2022-001
11/21	Tuition Reimbursement	May, 2018	Sep-07	May-18	POL#2018-006
Reiviewed	**PERSONNEL POLICIES**	**Reviewed**	**Original Adoption**	**LAST Amended**	**Notes**
	Personnel Handbook			Apr-19	POL#2019-010
	Anti-Harassment	Feb, 2018	Feb-02	Feb-18	POL#2018-002
	Equal Employment Opportunity Resolution		Sep-76	Nov-18	POL#2018-012
	Photo ID Badges	June, 2018	Apr-14	Jun-18	POL#2018-009
Reviewed	**INFORMATION TECHNOLOGY**	**Reviewed**	**Original Adoption**	**LAST Amended**	Notes
11/21	IT & Security Policies (inclusive)			**Apr-19**	POL#2020-003
Reviewed	**GENERAL/OTHER POLICIES**	**Reviewed**	**Original Adoption**	**LAST Amended**	**Notes**
	Airport Driving Policy	43525	May-06	Mar-19	POL#2019-008
11/21	CDBG-Citizen Participation Plan		Feb-19		2019-003
11/21	CDBG-Economic Opportunities for Section 3		Feb-19		2019-004
11/21	CDBG-Grievance Procedure		Feb-19		2019-005
11/21	CDBG-Non-Discrimination based on handicap		Feb-19		2019-002
12/21	Fair Housing Policy		Aug-88	Nov-10	*To be reviewed by legal counsel*
12/21	Flag Etiquette Policy	June, 2018	Oct-86		
12/21	Freedom of Information Act (FOIA) Policy	Sept, 2018	Mar-10	Sep-18	POL#2018-011
3/22	Green Initiative Policy	March, 2019	Mar-88	Mar-19	POL#2019-009
12/21	Hiring Freeze Policy	March, 2019	Jan-89	Mar-19	POL#2019-006
n/a	Human Services Building – Building Use		Nov-89		*Removed from Policy book 8/2019*
2/22	Parking Lot Policy	Aug, 2018	Mar-88	Mar-19	POL#2019-007
2/22	Record Retention				*to be reviewed in the near future 8/19*
2/22	Vehicle Use Policy		Mar-88	Aug-	POL#2019-013

LENAWEE COUNTY BOARD OF COMMISSIONERS
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Policy#2021-002

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

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 AP 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 AP 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 AP 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 AP 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 AP 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 AP 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 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 AP each month.
- All credit card purchases must include a receipt for AP 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 AP Department.
- **Failure to comply with AP 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 AP 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 AP Department.

TRAVEL REIMBURSEMENT POLICY:

- Proper documentation is required for reimbursement.
- Reimbursements are paid through the regular AP 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 meals within Lenawee County unless PRE-APPROVED by the Department Head. Documentation must include persons attending and reason for the meeting. Any deviations from this please call AP Department.
- The maximum reimbursement amounts are; breakfast \$15, lunch \$15, and dinner \$35. The above maximums include tax and tip.
- Lenawee County will reimburse tips for meal service at customary rates.
- 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 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 AP 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 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.
- Do not use the Mileage rate when using a county vehicle or rental vehicle.
- 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 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, March 10, 2021, in the Old County Courthouse, Adrian, Michigan.

David Stimpson, Chair

Rebecca Borton
Rebecca Borton, Deputy Clerk

ACH (Automated Clearing House) Policy - Lenawee County Treasurer **POL#2017-902**
Date of Adoption: June 11, 2003
Dates of Amendment: 09/13/17

The following policy shall govern the use of electronic transactions and ACH arrangements for Lenawee County.

1. **DEFINITIONS**

"Automated Clearing House" or "ACH" means a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system.

An "ACH arrangement" means the agreement between the originator of the ACH transactions and the receiver of an ACH transaction.

An "ACH transaction" means an electronic payment, debit or credit transfer processed through an automated clearing house.

An "ACH policy" means the procedures and internal controls as determined under this written policy developed and adopted by the county treasurer.

2. **AUTHORITY TO ENTER INTO ACH ARRANGEMENTS AND ELECTRONIC TRANSFERS OF PUBLIC FUNDS**

The county treasurer may enter an ACH arrangement as provided by Public Act 738 of 2002, effective December 30, 2002.

Lenawee County shall not be a party to an ACH arrangement unless the Lenawee County Board of Commissioners has adopted a resolution to authorize electronic transactions and the Lenawee County Treasurer has presented a written ACH policy to the board.

An ACH arrangement under Public Act 738 of 2002 is not subject to the Revised Municipal Finance Act, Public Act 34 of 2002 (MCL 141.2101, et seq.), or to provisions of law or charter concerning the issuance of debt by a local unit.

3. **RESPONSIBILITY FOR ACH AGREEMENTS**

The Lenawee County Treasurer is responsible for Lenawee County's ACH agreements, including payment approval, accounting, reporting and generally for overseeing compliance with the ACH policy.

Any department wishing to make ACH transactions must present a completed ACH enrollment form at least two full weeks prior to the transaction so verification of information provided can be completed and the Clerk and the Board of Commissioners notified of the addition.

The treasurer shall submit to the county board documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by each payment of public funds made by electronic transfer. This report may be contained in the county's electronic general ledger software system or can be provided by separate report.

4. **INTERNAL ACCOUNTING CONTROLS TO MONITOR USE OF ACH TRANSACTIONS MADE BY THE COUNTY**

The following system of internal accounting controls will be used to monitor the use of ACH transaction by Lenawee County.

a) The Treasurer shall prepare a list of vendors authorized to be paid by ACH transaction and provide the list to the Clerk. This list may be modified, at any time, by mutual consent of the Treasurer and the Clerk.
b) All employees are now paid by ACH transaction and the Payroll Clerk maintains a current list.
c) An ACH enrollment form shall be on file with the Lenawee County Treasurer or an employee designated by the Treasurer for all vendors authorized to be paid by ACH transaction.
d) A separate summary schedule for claims submitted for payment by ACH transaction shall be prepared and approved by the Board of Commissioners.
e) It shall be the policy to have a party, not involved in the voucher entry system, approve invoices for ACH payment.
f) The treasurer shall retain all ACH transaction documents for audit purposes.

5. **INTERNAL ACCOUNTING CONTROLS TO MONITOR ACH TRANSACTIONS RETURNED TO THE COUNTY**

Upon notification from the Treasurer of a returned ACH transaction, appropriate measures are immediately taken to determine the cause. The ACH option for either the vendor or employee will be immediately disengaged and a paper check will be issued. Consideration is given in each situation to be certain that the appropriate general ledger entries have been posted in the accounting software and documentation is maintained accordingly.

6. **EFFECTIVE DATE**

This policy does not affect the validity of any ACH arrangement entered into by the County of Lenawee before the effective date of Public Act 738 of 2002 (December 30, 2002).

Action Request Form

LENAWEE COUNTY
MICHIGAN

To: Policies & Procedures

Date of meeting: February 6, 2023

FROM: Erin Van Dyke

DEPT: Treasurer

Investment Policy

Description of request	The Lenawee County Investment Policy is to be adopted by the Board of Commissioners on an annual basis. This investment policy applies to all financial assets of the County. These assets are accounted for in the various funds of the county and include the general funds, special revenue funds, debt service funds and capital project funds, (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the County. There have been no changes from the previous year policy. ***Request:*** *Recommend adoption of the Lenawee County Investment Policy #2023-001.*
Amount Requested:	
Account Number:	
List Attachments:	Lenawee County Investment Policy

Prepared by	EV/rdb

Upcoming agenda items shall be reported to the Administrator at least seven **(7) days prior** to the meeting.
All supporting information shall be submitted to the Administrator's Office no later than **3:30 pm the day preceding** the meeting, or by noon on the day of scheduled evening meetings.
Exceptions may only be approved by the Chairperson, or in his/her absence, the Vice Chairperson of that Committee.

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POL#2023-0xx

LENAWEE COUNTY INVESTMENT POLICY

To comply with Act 20 PA 1943, AS AMENDED

It is the policy of Lenawee County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the County and comply with all state statutes governing the investment of public funds.

This investment policy applies to all financial assets of the County. These assets are accounted for in the various funds of the county and include the general funds, special revenue funds, debt service funds and capital project funds, (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the County.

The primary objectives, in priority order, of the County's investment activities shall be:

> Safety--Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
>
> Diversification--The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
>
> Liquidity--The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
>
> Return on Investment--The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Authority to manage the investment program is derived from the following: Lenawee County Board of Commissioners' most current resolution designating depositories and M.C.L. 48.40 requiring the County Treasurer to be the custodian of the County's funds. Management responsibility for the investment program is hereby delegated to the Lenawee County Treasurer who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, cash purchase or delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral / depository agreements and banking service contracts. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Lenawee County Treasurer. The Lenawee County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate officials.

Investment Policy
Date of Original Adoption: February 12, 2003
Date of Amendments: 2/18/04 *Annually reviewed and adopted in January since 2008*

The County of Lenawee is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution meeting all criteria as a depository of public funds contained in the state law.
3. Commercial paper rated at the time of purchase within the two (2) highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
4. In United States government or federal agency obligation repurchase agreements.
5. Bankers Acceptances on United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789,15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
   a. The purchase of securities on a when-issued or delayed delivery bases.
   b. The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
   c. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
8. Investment pools organized under the surplus funds investment pool act, 1982, PA367, MCL129.11 to129.118.
9. The investment pools organized under the local government investment pool act, 1985 PA121, MCL 129.141 to 129.150.

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the County shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts as determined by the Treasurer.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

PASSED BY ROLL CALL VOTE of the Lenawee County Board of Commissioners at a regular meeting held Wednesday, March 8, 2023, in the Old County Courthouse, Adrian, Michigan.

______________________________ ______________________________

James E. Van Doren, Chair Roxann Holloway, County Clerk

INVESTMENT POLICY ADDENDUM:

PROCEDURE FOR INVESTMENT IN FINANCIAL INSTITUTION CERTIFICATES OF DEPOSIT

Investment funds can be allocated to competing Banks, Savings and Loans and Credit Unions who will put these funds to work in the county for their owners--the citizens of Lenawee County.

The primary concern is for the safety of the principal. Only depositories that meet the quality standards described in this policy shall be considered for investments. The highest yield consistent with the above standards shall be assured by following the competitive bidding procedures. No more than 10% of the county's total investments may be in a single institution above the federal deposit insurance coverage amount.

BIDDING PROCEDURES

The County Treasurer shall competitively bid all County of Lenawee Investments that are not managed by a professional management firm. He/She shall in all cases attempt to keep all County of Lenawee investments in financial institutions which are located within the County of Lenawee. The following procedures shall be followed:

A. All financial institutions wanting to be on the "Bidders" list will be notified annually, in writing, by the Lenawee County Treasurer if they qualify to bid on County of Lenawee investments.
B. Every day that investments are to be made, ~~telephone calls will be made~~ **emails are sent** by the County Treasurer or his/her representative to each financial institution qualified to bid on County of Lenawee Investments detailing the amount and maturity date for each account being invested. ~~This call is be made no later than 11:00 a.m.~~ **No later than 12:00 p.m.**
C. ~~At the time of the 11:00 a.m. call, mentioned in "b" above,~~ **E**ach financial institution will notify the County Treasurer's office whether or not they wish to submit a bid on the various amounts. In lieu of this a bank may, in writing, notify the County Treasurer that they wish to be on the bidders list for a certain period of time (monthly, all year, etc) and note any special situations a special call is needed.
D. Winning bids will be awarded by ~~12:00 a.m. by a telephone call~~ **2:00 p.m. via email** to the winning bidder. Wire transfer instructions will be processed by the County Treasurer's Office from the various accounts to transfer funds to the winning bidder by ~~2:00 p.m.~~ **4:00 p.m.**
E. Financial institutions will prepare safekeeping receipts or Certificate of Deposit for each investment made and transmit to the County of Lenawee no later than the following day as proof of purchase. (Note: bidding results by financial institutions will be available at the Treasurer's office by telephone at any time).
F. Bids will be awarded to the highest bidder, except where the bidder already holds 10% or more of county funds. Tie bids will be broken in the following order:
    1. If all parties to the tie bid agree, the total investment will be allocated as equally as possible to all bidders. (All parties must agree to "hold" the quoted interest rate bid to use this method of tie breaking.)
    2. If case (1) above does not resolve the tie bid situation, an investment will be made in an overnight investment and rebid the next day.