

# **BAY-LAKE REGIONAL PLANNING COMMISSION**

## **Financial Management Procedures Manual**

**Adopted: July 26, 2013**



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## APPENDICIES

- Appendix A: Commission Bylaws  
Appendix B: Records Retention Schedule

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## **I. BACKGROUND**

The Bay-Lake Regional Planning Commission (Commission) is a voluntary association of governments established in 1972 under the original section of the Wisconsin State Statute 66.945, which is now Section 66.0309 of the Wisconsin State Statute, for the following purposes:

1. Prepare and adopt a master plan for the physical development of the Region.
2. Assist and advise local governmental units.
3. Influence state, regional and federal plans and programs to reflect the best interest of the Bay-Lake Region.
4. Provide technical information about the Region for use by local governmental units, state and federal agencies, and public and private agencies.
5. Encourage citizen participation in the planning process.

## **II. GENERAL**

A. **Bylaws:** Pursuant to the Commission's Bylaws (*See Appendix A*), the operational and financial management of the Commission is vested with its Executive Committee, with the exception that the authority to adopt or amend a budget, remains with the Full Commission. Certain financial matters, by direction of the Bylaws or the Executive Committee, are carried out by the Commission's Clerk/Treasurer or his or her staff appointee, and/or by its Executive Director, if so designated by the Executive Committee. More specifically, the Bylaws stipulate that the:

- a. **Executive Committee:** The Executive Committee shall have the authority to act on behalf of the Full Commission when the Full Commission is not seated. This authority includes the government and management of the Commission to incur obligations to authorize payment and to generally act with the full power of the Commission.
- b. **Secretary/Treasurer:** The Secretary-Treasurer of the Commission shall direct Commission staff to keep and distribute minutes of all meetings of the Full Commission and established committees and shall be required to countersign all documents required to be executed, and shall keep and preserve all resolutions, transactions, findings and determinations of the Commission. In the absence of the Secretary-Treasurer, the Chairperson may name a deputy Secretary-Treasurer who shall perform the duties of the Secretary-Treasurer at that meeting, or until the office shall have been filled as heretofore provided. Commission staff, at the direction of the Secretary-Treasurer of the Commission, shall keep all the funds of the Commission, except those funds held by governmental agencies, in trust for the Commission, and shall deposit them in a depository authorized by the Commission, and shall keep an accurate record of all receipts and disbursements. The Office Accounts Coordinator, under direction of the Secretary-Treasurer, Full Commission and/or Executive Committee and Executive Director, shall make all disbursement as authorized. A report of such disbursements shall be made at the next meeting of the Full Commission or Executive Committee. These duties shall be performed in cooperation with the Commission's Executive Director.

- c. **Executive Director:** Oversees the day-to-day operations of all financial matters.
  - d. **Office Accounts Coordinator:** Maintains the Commission's financial and fiscal records and is responsible for keeping the financial accounts and records in accordance with standard bookkeeping and accounting practices. Work is performed under the general supervision of the Executive Director.
- B. **Directors and Officers Insurance:** The Commissioners and their alternates, Executive Director, and staff are "bonded" for an amount of coverage that is recommended by its insurance carrier or by a determined level made by the Executive Committee.
- C. **Insurance:** The Commission will ensure full and comprehensive coverage is maintained on its operation at all times. The insurances to be maintained include property, automobile, liability, directors and officers, and a general umbrella policy. The level of coverage for each type of insurance maintained by the Commission will be at the recommendation of its insurance carrier, or by coverage levels determined by the Executive Committee.
- D. **Records Retention Schedule:** *See Appendix B* for a listing of records to be retained by the Commission and for the length of time they need to be retained.

### **III. ACCOUNTING SYSTEM**

- A. **Bookkeeping:** An accrual, double-entry accounting system is utilized and is based upon a direct/indirect cost-allocation plan (see later discussion). All accounting is conducted in accordance with General Accepted Accounting Principles (GAAP) promulgated by the American Institute of Certified Public Accountants (AICPA). GAAP governs the form and content of the financial statements of an entity and provides a standard by which to measure financial presentations. This system complies with Federal and State regulations regarding the handling of public funds.

The system includes the monthly maintenance of journals, a general ledger, and subsidiary ledgers, and provides a monthly Income Statement and Balance Sheet. All receipts and disbursements for grants, contracts, and specified programs are accounted for monthly in subsidiary ledgers.

The system shall be in enough detail to substantiate individual transactions and for items comprising balances for: cash/ investment accounts, receivables, capital assets/accumulated depreciation, payables, short/long-term debt, and others as may be necessary/directed.

- B. **Chart-of-Accounts:** A Chart-of-Accounts is reviewed annually for deletions or additions by the Office Accounts Coordinator with assistance from the auditors and Executive Director.
- C. **Cost-Allocation System/Plan:** The accounting system utilizes a cost recovery system based upon direct and indirect (overhead) costs. Direct costs are those which can be specifically or readily identified with a particular grant, program, or work agreement, e.g. salary, printing, vehicle use, etc. Indirect costs are those incurred for a common or joint purpose benefiting more than one grant, program, or work agreement, e.g. insurance, rent, depreciation, etc.

The cost allocation plan is prepared annually and is based upon the adopted work-program and budget for the ensuing year. It may be adjusted periodically as circumstances warrant. Indirect costs are charged as a proportion of direct costs. Grant, contract, or project

salary/wage is derived from employee time-sheets, which are kept in one half hour increments, and by account. Thus, each project receives its fair share of expenses based on the actual time a staff person spends on that project.

#### **IV. OPERATIONAL PROCEDURES**

**A. Petty Cash:** To facilitate prompt payment of small bills and expenses, a petty cash fund of \$25.00 is maintained and monitored by the Office Accounts Coordinator.

**B. Bookkeeping:** The Office Accounts Coordinator is responsible for all the required bookkeeping functions, such as maintenance of the general journal and ledgers, bank account reconciliations, income statements, balance sheets, deposits, accounts receivable and payable, and payroll checks and payroll reports, e.g., withholdings, social security, W-4's, 1099's.

The Office Accounts Coordinator is responsible for collecting month-end financial records, including vehicle logs, staff expense sheets, postage usage, employee time-sheets, bank statements. The Executive Director completes monthly staff benefit logs, which include employee vacation, sick leave, personal days, and compensatory time earned.

**C. Accounting Services:** The Commission's Accounting service, Schenck Business Solutions, assists in the preparation of year-end staff W-2's. Staff from Schenck are also available to answer any questions that may arise throughout the year regarding forms, accounting software, or other related financial and payroll questions.

**D. Receipts of Money:** The process for receiving money is outlined as follows whether received in person or by mail:

1. All checks will be stamped "For Deposit Only" upon receipt;
2. Each check will be listed in the checking account deposit book;
3. A bank deposit slip is prepared and all funds received in cash or by check shall be deposited daily or in a timely manner; and
4. The deposit receipt shall be stapled to a copy of the deposit slip.

**E. Invoices Received:** At least once per week, the Office Accounts Coordinator will complete a purchase order or voucher for each invoice (bill) received and enter them into the accounting system. A current print-out will be maintained to ensure bills are being paid in a timely manner through either a completed and mailed check or an internal (online) transfer of funds. The Executive Director will review all payables and authorize payment of those bills based on due date and amount of funds on-hand. In a prolonged absence of the Executive Director, his or her designee is authorized to approve and pay all bills.

**F. Invoices for Project Billing:** The Office Accounts Coordinator will prepare invoices for each project based on the terms of that particular contract, which can be monthly, quarterly, or a one-time payment at the conclusion of the project.

1. Each staff member completes, signs, and submits their timesheet on a monthly basis to the Office Accounts Coordinator. The Office Accounts Coordinator reviews each timesheet for errors and omissions and prepares an "all hours" summary of the hours all staff members worked for that particular month.

2. The Executive Director reviews the “all hours” summary and makes adjustments to staff hours as necessary to make sure no contract is overspent and that each project is being completed in a timely manner.
3. The Office Accounts Coordinator prepares a monthly or quarterly invoice for each project by tabulating staff time and added indirect costs, mileage expenses, postage and supply costs, etc. to be billed to each individual project contract.
4. The Executive Director will sign the cover letter that is provided with each project invoice and copies of the letter and invoice are maintained on file. Two signatures are required for any Sheboygan MPO invoices as required by the Federal Highway Administration.
5. A monthly report is generated by the Office Accounts Coordinator indicating current contract balances and distributed to each staff member for their reference and in tracking of their individual projects.

**G. Use of Commission Credit Cards:**

1. All purchases utilizing the Commission’s primary credit card must be authorized in advance by the Executive Director, except for the gas cards that are to be specifically used for refueling of the Commission vehicles.
2. All Commission credit cards shall not be used for non-Commission purchases and shall not be used for personal uses, except for expenses related to and incurred while on Commission business.
3. The Executive Director will prepare a letter indicating a staff member is allowed to utilize the Commission’s credit card when traveling for work out of the region.
4. When the Executive Director is not available, the Office Accounts Coordinator has the authority to approve the use of Commission credit cards by other Commission staff for Commission business.

**H. Contract Approval Process:**

1. All contracts with a value of \$25,000 or greater (including grant and local match) is required to be approved by the Commission with all grant forms signed by the Commission Chairperson.
2. Any contract with a value of \$24,999 or lower (including grant and local match) can be approved by the Executive Director and all grant forms are signed by the Executive Director.
3. Upon receipt of a new contract, the staff member in charge of that project will ensure all signatures are secured as necessary and that the party in which the contract is made receives a copy of the signed contract, scope of services, and any other applicable materials.
4. The Office Accounts Coordinator assembles two contract files that contain the signed contract, scope of services, and any other applicable materials. One contract file with original contract signatures will remain on file with the Office Accounts Coordinator and one complete contract file will be provide to the staff person in charge of that project.

5. A monthly report is generated by the Office Accounts Coordinator indicating current contract balances and distributed to each staff member for their reference and in tracking of their individual projects.

**I. Expense Authorization and Purchasing:** There are three (3) levels of expense authorization/purchasing authority, as follows:

1. The Executive Committee must approve any expenditure for an item in excess of \$5,000. Where it deems it prudent, it may require a minimum of two (2) price quotes prior to approving an expense. The Executive Committee or full Commission (depending on meeting schedule) may take the quote which is in the best interests of the Commission. This may not always be the quote with the least dollar amount.
2. The Executive Director may authorize expenditures for any item up to \$5,000. Notwithstanding this limitation, the Executive Director shall also be authorized to approve disbursements of items for regular kinds of expenses, such as:
  - Payroll (15<sup>th</sup> and end of month);
  - State and Federal with-holdings;
  - Social Security/Medicare contributions;
  - Health Insurance payments;
  - Life Insurance payments;
  - Wisconsin Retirement System contributions;
  - Insurance (property, liability, directors and officers, Workers Compensation, auto, and umbrella);
  - Leases (office, postage meter, and copier);
  - Utilities (phone, internet, gas, electric, etc.);
  - Office Cleaning;
  - Repairs and Maintenance;
  - Supplies;
  - Equipment;
  - Automobile repairs; and
  - Staff expenses.
3. In the absence of the Executive Director, the Office Accounts Coordinator may authorize expenditures for any single item/supply in an amount not to exceed \$1,000.

**J. Large Purchases and Long-Term Leases:**

**K. Subcontracts:** On occasion, the Commission will need to secure expertise for specific requirements of a project that is not available on staff. In those cases, the Commission will seek to obtain those services through a competitive request for proposals process, except when different terms and conditions are stated in a state or federal grant contract:

1. All subcontracts with a total value of \$25,000 or greater require the approval of the Executive Committee or Full Commission.
2. All subcontracts, if \$24,999 or lower, require only the approval of the Executive

Director. Any such subcontracts shall be reported to the Commission or Executive Committee at the next scheduled meeting.

3. All subcontracts with a value of \$25,000 or greater, and where the vendor is not specified, shall solicit bids in writing from a minimum of three (3) vendors when suitable vendors are available. Notification that a solicitation process is underway will be posted on the Commission's website, other electronic forms of media, as well as direct mailings to entities identified as having the capacity and capability of fulfilling the obligations of the contract.
4. Subcontracts will be awarded through a competitive review and interview process as applicable. The Commission does reserve the right to select a subcontractor that did not submit the lowest bid but has demonstrated the experience and capacity to carryout those request duties in competent and timely manner.
5. Dependent on the project and type of outside expertise needed, the Commission will check the "Excluded Parties List" on the System for Award Management (SAM) for any suspended or debarred subgrantees and contractors prior to award.

**L. Disbursements:** When a voucher has been authorized for payment by the Executive Director, Executive Committee, or full Commission a check in the amount will be prepared and charged to the appropriate cost category. All blank checks and a signature stamp will be maintained by the Office Accounts Coordinator in a secure location. To expedite the signing of checks, "facsimile" signature stamps are utilized. All checks issued are numerically listed and reported monthly and shows the payee and the amount. Voided checks are also kept in their numerical order.

The Office Accounts Coordinator prepares a monthly list of Bills and Receipts for approval by the Executive Committee or full Commission. An original copy of each month's Bills and Receipts is approved and then signed by the Commission's Clerk/Treasurer and Executive Director. The original copy of each month's Bills and Receipts are placed in the appropriate Executive Committee or Full Commission file.

**M. Borrowing:** Only the full Commission or the Executive Committee may authorize the long-term borrowing of money. The Commission has been approved for a \$50,000 unsecured line-of-credit to address shortcomings in periodic cash flow. The Executive Director can utilize the line-of-credit as necessary to pay bills essential to Commission operations. The use of and any outstanding balance in line-of-credit will be reported monthly to the Commissioners for their knowledge. An outstanding line-of-credit balance will be repaid either when funds become available or annually with the receipt of levy funding.

**N. Depositories/Investments:** The Executive Committee designates and maintains both a checking and savings account at a local financial institution. Any accumulated fund balance that is not needed to pay for day-to-day operations will be deposited in an account approved by the Executive Committee or full Commission (ex. money market) for a higher interest rate. The financial status of any Commission investments will be reported monthly to the Commissioners at their next scheduled meeting.

**O. Asset Management:** The Executive Director or his/her designee maintains a complete inventory of furniture/fixtures/equipment for each individual item with a purchase value of \$500.00 or more. This inventory is the basis for the development and maintenance of a "depreciation schedule." The schedule is reviewed and modified if necessary each year by an independent auditor during the audit process. The depreciation expense is an indirect cost that is recovered through the cost recovery plan (indirect cost statement).

A physical count/check of all furniture/fixtures/equipment will be conducted annually. The disposal, loss, damage, destruction, or improper use of all furniture/fixtures/equipment will be noted. The condition of all furniture/fixtures/equipment will be noted during the annual inventory. Any furniture/fixtures/equipment that has fallen into disrepair will be reported to the Executive Director for approval to replace or dispose of those particular items. In addition, appropriate logs will be maintained to document the use of certain equipment, like the copier and Commission vehicles. These logs are important to track usage as well as to maintain appropriate ongoing maintenance.

## **V. REPORTS**

Four (4) types of financial reports are prepared by the Office Accounts Coordinator as part of the Commission's ongoing operations and financial monitoring. They are:

1. Monthly Condition Reports: Journals and ledgers are balanced monthly, and a monthly income statement and balance sheet are prepared. These statements include listings of bills paid, accounts payable, accounts receivable, and funds on-hand, and a listing of receipts and expenditures compared to budget.
2. Payroll Reports: These reports are prepared twice each month, and include earnings to-date, as well as various deductions to-date. Other state and federal reports (with-holdings, social security, and retirement system) are also prepared.
3. Grant/Contract/Project Reports: These reports are prepared monthly/quarterly per requirements of the grant, contract, or project. Narrative reports are also prepared as required by assigned Staff and submitted with the invoices as well as a copy is placed in the contract file.
4. Year-end Reports: The accountant service prepares year-end reports like the W-2's, 1099's, and annual totals for state and federal with-holdings, social security contributions, and retirement system contributions. Year-end totals for all Commissions expenses will be prepared for review by the staff and Commissioners, and serve as a basis for future budget preparations.

## **VI. AUDIT**

The Executive Committee annually authorizes a calendar-year audit of the financial affairs of the Commission. The audit is completed by a certified public accounting firm.

## **VII. BUDGET**

Wisconsin process, Wisconsin State Statutes requires that the Commission approve a levy rate prior to June 30<sup>th</sup> and to adopt an operating budget for the ensuing year by October 1st of each year. The Executive Director prepares a "preliminary" budget for review by the Executive

Committee at their July meeting. Any revisions and additions are made prior to the September full Commission meeting. The Commissioners adopt a preliminary budget for the upcoming year at their September meeting. Any final budget adjustments are made in October and November based on new projects and identified expenditures. The Commissioners approve a final budget for the subsequent year at their December meeting.

As part of the budgeting process, a letter is sent to each member county and/or individual member community in July notifying them of the adopted levy rate for the upcoming fiscal year. Once the Wisconsin Department of Revenue certifies equalized value levels in mid-August. The Commission sends each member county and/or individual member community a letter in September notifying them of their membership levy amount for the upcoming year that is based on their equalized value (minus TIF) times the Commission's adopted levy rate. A levy invoice, along with an adopted work program and budget are sent to each member county and/or member community in December.

## Appendix A - Bylaws

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## Appendix B - Records Retention Schedule

<b>Administration</b>	
<b>City Council/Village Board/Town Board</b>	
Minutes of meetings	permanent
Ordinances and resolutions	permanent
<b>Real Property Titles</b>	
Deeds and warrants	permanent
Leases	7 years after termination
<b>Licenses and Permits</b>	
Receipts	7 years
License stubs	4 years
<b>Finance</b>	
<b>Accounting</b>	
Purchase orders/invoices	7 years
Vouchers	7 years
Accounts receivable invoices	7 years
Journal entries	15 years
General journal	15 years
Accounting journals	15 years
Cash receipts and disbursements journal	15 years
Purchases and sales journal	15 years
Subsidiary ledgers	15 years
General ledgers/Audit reports	15 years
Bank deposit slips and reconciliations	7 years
Bank statements/Cancelled checks	7 years
Check and voucher register	7 years
<b>Payroll</b>	
Employee withholding & exemption certificates	5 years
Payroll tax returns	5 years
Personnel files, paychecks, W-2 forms	5 years
<b>Purchasing</b>	
Purchase orders	7 years
inventory records	retain until superseded
Successful bids	7 years after expired contract
<b>Budgets and Audits</b>	
Budget and projection worksheets	3 years
Final budget	permanent
Annual financial statements	permanent
<b>Revenue</b>	
<b>Real Property</b>	
Master property record folder	5 years
<b>Personal Property</b>	
Occupational tax returns	5 years
Personal property worksheets	5 years
<b>Special Assessments</b>	
Certified special assessment roll	7 years or until collected
<b>Tax Calculation/Collection</b>	
Statement of taxes	permanent
Personal property tax roll	15 years
<b>Receipts</b>	
Cities and Villages	7 years
Towns	15 years

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# *Bay-Lake Regional Planning Commission*

## Commission Members

### ***Brown County***

Tom Sieber

### ***Door County***

Ken Fisher

### ***Florence County***

Ed Kelley

Larry Neuens

Yvonne Van Pembrook

### ***Kewaunee County***

Robert Weidner

Bruce Heidmann

Eric Corroy

### ***Manitowoc County***

*Nomination Pending*

Chuck Hoffman

Don Markwardt

### ***Marinette County***

Alice Baumgarten

Cheryl Maxwell, Chairperson

Mary Meyer

### ***Oconto County***

Dennis Kroll

Tom Kussow

*Nomination Pending*

### ***Sheboygan County***

Mike Hotz

Ed Procek

Traci Robinson

### ***Wisconsin Economic Development Corporation***

CEO, Reed Hall

## Staff

### **Richard L. Heath**

Executive Director

### **Jeffrey C. Agee-Aguayo**

Transportation Planner III

### **Richard J. Malone**

Office Accounts Coordinator

### **Angela M. Kowalzek-Adrians**

Natural Resources Planner III

### **Brandon G. Robinson**

Community Assistance Planner III

### **Joshua W. Schedler**

GIS Coordinator