

# **TOWN OF GREENVILLE, FLORIDA**

## **Financial Controls and Authorization Policy**

### **I. PURPOSE**

The Town of Greenville is accountable to the community for the use of public dollars. Municipal resources must be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.

The purpose of this Financial Controls and Authorization Policy is to establish a framework for the prudent management of the Town of Greenville's financial resources. This policy ensures that all financial transactions are conducted with integrity, transparency, and accountability and that the Town's financial assets are protected against misuse, fraud, and unauthorized access. These policies will be developed, implemented, and maintained to enable management to ensure that the Town is financially able to meet its immediate and long-term service objectives.

The Town of Greenville, as an institution, has multiple partners, including community members, taxpayers, businesses, employees, and other government agencies. As a major institutional, economic, and service force in the region, it is important that the Town promotes strong relationships with its partners by adopting a clear and comprehensive financial policy.

### **II. SCOPE**

This policy applies to all Town employees, charter officers, and elected members of the Town Council who have any involvement in the management, authorization, or oversight of the Town's financial resources.

### **III. ACCESS TO FINANCIAL ACCOUNTS**

A. Authorized Personnel: Access to the Town's financial accounts, including bank and investment accounts, is restricted to the following personnel:

1. Town Manager
2. Town Clerk

B. Prohibition on Elected Officials' Access and Operations: Elected members of the Town Council are expressly prohibited from engaging in day-to-day operations related to the Town's finances. This includes, but is not limited to, accessing bank accounts, authorizing payments, and managing financial records except that the Mayor and Vice Mayor shall have "view only" access to all financial accounts, including but not limited to bank accounts and Bill.com. The role of the Town Council is limited to policymaking, budget approval, and oversight.

C. Account Access Security: All access to financial accounts must be secured through appropriate means, including passwords, encryption, and physical security measures. Multi-factor authentication (MFA), when available, is required for all online access to financial accounts.

#### **IV. AUTHORIZATION OF EXPENDITURES**

##### **A. Initiation and Approval Process:**

1. Town Clerk: Responsible for initiating all payments, ensuring they are within the approved budget and preparing the necessary documentation for each transaction.

2. Town Manager: Responsible for approving and paying all expenditures initiated by the Town Clerk. No payment, whether online, through a computer system, or via paper checks, may be processed without the Town Manager's approval.

a. All paper checks shall require the signatures of the Town Manager and the Town Clerk.

##### **B. Expenditure Limits:**

1. Expenditures must comply with the thresholds established in the Town's Procurement Policy. Any expenditure exceeding these limits must be reviewed and approved according to the procurement guidelines.

##### **C. Dual Authorization:**

1. For expenditures exceeding \$15,000, dual authorization is required, involving both the Town Manager and the Town Clerk.

##### **D. Emergency Expenditures:**

1. In the event of a declared emergency, the Town Manager, in consultation with the Town Clerk, may authorize emergency expenditures necessary to protect public health, safety, or welfare. All emergency expenditures must be tracked separately and reported to the Town Council as part of the monthly financial reports.

2. If an emergency expenditure is made under Article VI, Section D of the Town's Procurement Policy, the Town Manager must also consult with the Town Attorney to ensure the expenditure complies with legal requirements.

#### **V. PROMPT PAYMENT TO VENDORS**

##### **A. Policy Statement:**

1. The Town of Greenville is committed to ensuring that all payments to vendors are processed and made in a timely manner to maintain positive relationships,

avoid penalties or interest charges, and support the Town's financial integrity. All payments must comply with applicable laws, contracts, and the Town's financial procedures.

B. Payment Timeframes:

1. Unless otherwise specified in a contract or agreement, all payments to vendors shall be made within 30 days of receiving the vendor's invoice or the goods/services provided, whichever is later, in accordance with the Florida Prompt Payment Act (section 218.70 et seq., *Florida Statutes*).

2. If a dispute arises regarding an invoice, the Town Manager or designee must notify the vendor within 10 days of receiving the disputed invoice, detailing the reasons for withholding payment. The Town will work to resolve the issue promptly and make payment for any undisputed portion within the original 30-day timeframe.

C. Approval and Processing of Payments:

1. All invoices must be entered by the Town Clerk and reviewed and approved by the Town Manager before processing payment.

2. The Town Clerk is responsible for ensuring that:

a. Invoices are verified for accuracy, compliance with purchase orders or contracts, and proper documentation.

b. Payments are processed promptly upon receiving approval.

D. Late Payment Penalties:

1. Any interest or penalties incurred due to late payment, when not the result of a valid dispute, must be reported to the Town Manager. Such penalties may be subject to further review to determine if corrective measures are required to prevent future delays.

E. Monitoring and Accountability:

1. The Town Clerk shall monitor payment processing times to ensure compliance with this policy and provide regular reports to the Town Manager, identifying any delays or issues that need addressing.

2. Any consistent failure to comply with the payment timelines outlined in this policy may result in internal review and potential corrective action.

## **VI. CREDIT CARD AND PURCHASING CARD (P-CARD) PROGRAMS**

### **A. Program Overview:**

#### **1. Authorized Use:**

a. Credit cards and P-cards are issued to designated employees for official Town business only.

b. These cards are intended for the purchase of goods and services that are necessary for the Town's operations and are within the approved budget.

#### **2. Eligible Purchases:**

a. Cards may be used for small-dollar purchases, typically under \$500, including office supplies, maintenance materials, and other routine items.

b. Cards may also be used for travel-related expenses when approved in advance by the Town Manager.

i. When the Town Manager intends to use a card for travel-related expenses, the Town Clerk must approve the expenditure in advance and the expense shall be reported to the Town Council at its next meeting.

ii. The Town shall use the state rate for mileage and for other travel-related expenditures or reimbursements.

c. The use of cards for personal purchases is strictly prohibited.

#### **3. Issuance and Control:**

a. The Town Clerk is responsible for issuing, monitoring, and managing all credit cards and P-cards.

b. Each card will have a predefined credit limit based on the anticipated usage and needs of the cardholder's department.

c. Cardholders must sign an agreement acknowledging receipt of the card and their understanding of this policy which governs its use.

B. Cardholder Responsibilities:

1. Proper Use:

a. Cardholders must ensure that all purchases comply with this policy and are for legitimate Town business.

b. Receipts must be obtained for all transactions and submitted with a monthly reconciliation report to the Town Clerk.

2. Monthly Reconciliation:

a. Cardholders must review and reconcile their card statements monthly, verifying that all charges are accurate and legitimate.

b. Reconciliation reports, along with supporting documentation, must be submitted to the Town Clerk within five business days after receiving the statement.

3. Security and Safeguarding:

a. Cardholders are responsible for safeguarding their cards and must immediately report any lost, stolen, or compromised cards to the Town Clerk.

b. Unauthorized charges must be reported and investigated promptly.

C. Approval and Oversight:

1. Transaction Approval:

a. All transactions must be approved by the cardholder's immediate supervisor before being reconciled and submitted for final approval by the Town Clerk.

b. Supervisors are responsible for ensuring that purchases are necessary, within budget, and comply with Town policies.

2. Town Clerk Review:

a. The Town Clerk will review all reconciled statements for accuracy, completeness, and compliance with Town policies.

b. Any discrepancies, unauthorized transactions, or potential misuse will be investigated immediately, and corrective action will be taken as necessary.

3. Quarterly Audits:

a. The Town Clerk will conduct quarterly audits of credit card and P-card usage to ensure compliance with this policy.

b. Audit findings will be reported to the Town Manager and the Town Council, with recommendations for any necessary changes to the program.

D. Prohibited Transactions:

1. Personal Purchases:

a. Under no circumstances may credit cards or P-cards be used for personal expenses, even if the cardholder intends to reimburse the Town.

2. Cash Advances:

a. The use of credit cards or P-cards to obtain cash advances is strictly prohibited.

3. Splitting Transactions:

a. Cardholders are prohibited from splitting transactions to circumvent the established single-purchase limit.

E. Misuse and Disciplinary Action:

1. Reporting Misuse:

a. Any suspected misuse or unauthorized use of credit cards or P-cards must be reported immediately to the Town Clerk.

2. Consequences:

a. Misuse of Town credit cards or P-cards may result in disciplinary action, including revocation of card privileges, reimbursement of unauthorized charges, termination of employment, and potential legal action.

F. Program Termination:

1. Voluntary Termination:

a. Cardholders who no longer require the use of a credit card or P-card must return the card to the Town Clerk immediately, along with a final reconciliation report.

2. Involuntary Termination:

a. The Town reserves the right to terminate a cardholder's privileges at any time for non-compliance with this policy or other Town regulations or for any other reason as determined by the Town Manager.

G. Compliance and Training:

1. Cardholder Training:

a. All cardholders must undergo training on the proper use of credit cards and P-cards, including this policy, prior to being issued a card.

b. Refresher training will be provided annually or more frequently if necessary.

2. Monitoring and Compliance:

a. The Town Clerk is responsible for ongoing monitoring of the credit card and P-card programs to ensure compliance with this policy.

b. Regular written reports on card usage will be provided to the Town Manager and the Town Council.

**VII. CASH RECEIPTS**

A. Receipt of Cash:

1. Authorized Personnel: Only designated employees, as determined by the Town Manager, are authorized to receive cash on behalf of the Town.

2. Issuance of Receipts:

a. A receipt must be issued immediately for all cash received, regardless of the amount.

b. The receipt must include the date, amount received, the purpose of the payment, and the name of the payer.

c. Copies of all receipts must be retained in accordance with the Town's Public Records, Record Retention and Disposition Policy.

3. Daily Cash Count:

a. Cash received must be counted and reconciled at the end of each business day by the employee who received it, and then verified by the Town Clerk. If the cash is received by the Town Clerk, the Town Manager shall verify the count and reconciliation.

i. The person who counts and reconciles the cash receipts and the person who verifies the count and reconciliation shall both initial the cash log at the end of each day that cash is received.

b. Any discrepancies must be immediately reported to the Town Manager.

B. Recording of Cash Receipts:

1. Timely Recording:

a. All cash receipts must be recorded in the Town's financial system on the same day they are received.

b. The recorded entry must match the amount indicated on the receipt issued to the payor.

C. Depositing Cash:

1. Deposit Frequency:

a. Except as provided in paragraphs (b) and (c), all cash receipts must be deposited into the Town's designated bank account within 24 hours of receipt or by the next business day.

b. For amounts under \$500, deposits may be made weekly, provided the cash is securely stored.

c. For cash deposits made through and held by the kiosk used for Town utility payments, Town staff shall make deposits as necessary.

2. Deposit Documentation:

a. A deposit slip must be completed for each deposit, detailing the amount and source of the cash.

b. Copies of deposit slips must be retained and matched with the corresponding bank statement.

3. Segregation of Duties:

- a. The individual responsible for preparing the deposit slip should not be the same person who deposits the cash.
- b. Regular reviews of recorded receipts against actual deposits must be conducted by the Town Clerk and confirmed by the Town Manager.

4. Transport Security:

- a. Cash must be transported to the bank using secure methods, including the use of a locked bag or other secure container.

D. Reconciliation and Review:

1. Monthly Reconciliation:

- a. The Town Clerk shall reconcile all cash receipts with bank deposits and recorded entries on a monthly basis.
- b. Any discrepancies identified during reconciliation must be investigated immediately, and the findings reported to the Town Manager.

2. Internal Audit:

- a. The Town's internal controls over cash receipts are subject to regular audits. Any recommendations from the audit must be promptly implemented to improve controls and procedures.

E. Prohibited Actions:

1. Personal Use:

- a. Under no circumstances shall cash received by the Town be used for personal purposes or be kept in an employee's possession outside of the established procedures.
- b. Any unauthorized use or misappropriation of cash will result in disciplinary action, up to and including termination and legal prosecution.

2. Commingling of Funds:

- a. Cash received for Town purposes must not be commingled with any other funds, including personal funds or funds from other entities.

F. Training and Compliance:

1. Employee Training:

a. All employees authorized to handle cash receipts must undergo training on this policy and any Town procedures for cash handling.

b. Refresher training shall be conducted annually or more frequently if necessary.

2. Compliance Monitoring:

a. The Town Clerk is responsible for monitoring compliance with this policy and taking corrective action as needed.

b. Instances of non-compliance must be reported to the Town Manager.

**VIII. FINANCIAL REPORTING**

A. Monthly Reports: The Town Manager, working with the Town Clerk, shall prepare and present a comprehensive financial report to the Town Council on a monthly basis. This report shall include:

1. A summary of all expenditures and revenues for the month.
2. A comparison of actual expenditures against the approved budget.
3. Details of any emergency expenditures.
4. Updates on the status of the Town's financial accounts and investments.

B. Annual Budget, Audit, and Financial Report:

1. An independent auditor shall conduct an annual audit of the Town's financial statements, practices, and controls. The audit findings shall be presented to the Town Council and made available to the public.

2. The Town shall prepare an annual financial report for the previous fiscal year in a format prescribed by the Florida Department of Financial Services.

3. Along with two years of annual budgets, the Town shall post on its website a copy of its annual audit and a link to its annual financial report on the Florida Department of Financial Services' website.

## **IX. INTERNAL CONTROLS**

A. Segregation of Duties: The Town shall maintain appropriate segregation of duties among those responsible for financial transactions, including the initiation, approval, recording, and reconciliation of payments and receipts.

1. The Town Clerk shall be responsible for initiating all financial transactions.
2. The Town Manager shall be responsible for approving all financial transactions as well as for paying all expenditures and depositing all receipts.
3. The Town Clerk shall be responsible for recording all financial transactions as well as reconciliation all payments and receipts.

B. Regular Reconciliations: The Town Clerk shall ensure that all financial accounts are reconciled on a monthly basis. Discrepancies must be reported immediately to the Town Manager for review and corrective action.

C. Expense Tracking for Declared Emergencies: All expenses incurred during a declared emergency must be tracked separately from the general operating expenses. This includes maintaining detailed records of all emergency-related transactions and providing a summary in the monthly financial report.

## **X. ANNUAL INDEPENDENT AUDIT AND ANNUAL FINANCIAL REPORT**

A. Overview:

1. The Town of Greenville is required by section 218.39, *Florida Statutes*, to submit an annual independent audit of its financial statements. Additionally, the Town must submit its Annual Financial Report to the Florida Department of Financial Services in compliance with section 218.32, *Florida Statutes*.

2. The Town Clerk shall be responsible for ensuring that these reports are completed, submitted, and presented to the Town Council in a timely manner.

B. Independent Audit (Section 218.39, *Florida Statutes*):

3. Audit Engagement: The Town Clerk shall ensure that an independent certified public accountant (CPA) is engaged to conduct the Town's annual financial audit no later than October 1 of each fiscal year.

4. Preparation for Audit: The Town Clerk must provide all necessary financial records and documents to the auditor no later than December 1 following the end of the fiscal year.

5. Completion of Audit: The audit must be completed and submitted to the Florida Auditor General no later than June 30 following the end of the fiscal year, in accordance with section 218.39, *Florida Statutes*.

6. Presentation of Audit to the Town Council: The Town Clerk shall present the completed audit to the Town Council for review at a regularly scheduled meeting no later than July 15 following the submission to the Auditor General. This presentation must include a summary of the audit's findings, any corrective actions recommended by the auditor, and a plan for implementing such actions if applicable.

C. Annual Financial Report (Section 218.32, *Florida Statutes*):

1. Preparation of Financial Report: The Town Clerk shall prepare the Town's Annual Financial Report (AFR), detailing the financial condition of the Town for the previous fiscal year, by March 1 following the end of the fiscal year.

2. Submission of Financial Report: The Town Clerk must submit the Annual Financial Report to the Florida Department of Financial Services no later than April 30 following the end of the fiscal year, as required by section 218.32, *Florida Statutes*.

3. Presentation of Financial Report to the Town Council: The Town Clerk shall present the Annual Financial Report to the Town Council for review at a regularly scheduled meeting no later than May 15 following the report's submission. This presentation must include a detailed review of the Town's financial position, highlighting key figures and trends from the report.

D. Monitoring and Accountability:

1. Tracking Progress: The Town Clerk shall provide periodic updates to the Town Manager on the progress of both the independent audit and the Annual Financial Report preparation, with benchmarks set for:

a. November 15: Completion of initial data preparation for the audit.

b. January 31: Completion of draft Annual Financial Report.

c. March 31: Finalization of any adjustments or corrections required for both reports.

2. Addressing Delays: If any delays or issues arise that may affect the timely submission of either the independent audit or the Annual Financial Report, the Town Clerk must immediately notify the Town Manager and propose a corrective action plan to ensure compliance with statutory deadlines.

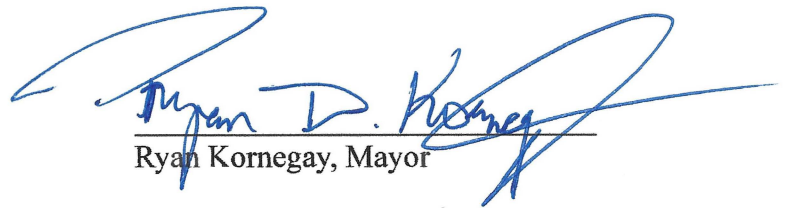
**XI. ACCOUNTABILITY AND ENFORCEMENT**

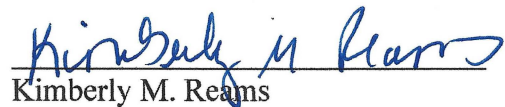
A. Compliance: All Town employees, charter officers, and elected members of the Town Council must comply with this policy. Failure to adhere to the provisions of this policy may result in disciplinary action, including termination of employment, legal action, or other measures deemed appropriate by the Town Council.

B. Review and Updates: This policy shall be reviewed annually by the Town Council and updated as necessary to reflect changes in laws, regulations, or the Town's operational needs.

**XII. EFFECTIVE DATE**

This policy shall become effective immediately upon its passage and shall remain in effect until amended or repealed.

  
 Ryan Kornegay, Mayor

  
 Kimberly M. Reams  
 Town Clerk

<b><u>ACTION</u></b>	<b><u>SECTION(S) AMENDED</u></b>	<b><u>RESOLUTION #</u></b>	<b><u>DATE</u></b>
Adoption	n/a	2024-18	09/23/2024
Amendment	III.A., IV.A., IV.C., IV.D., V.C., V.E., VI.A., VI.B., VI.C., VI.E., VI.F., VI.G., VII.A., VII.C., VII.D., VII.F., VIII.A., IX.A., X.A., X.B., X.C., and X.D.	2025-07	03/10/2025