

**WASATCH FRONT REGIONAL COUNCIL/WASATCH FRONT ECONOMIC  
DEVELOPMENT DISTRICT  
ACCOUNTING AND ADMINISTRATIVE POLICY  
10/26/2017 (revised)**

**DESIGNATION OF THE TREASURER AND CLERK**

In compliance with Utah Code 17B-1-633 (1) and Utah Code 17B-1-631 (1) the Wasatch Front Regional Council/Wasatch Front Economic Development District (WFRC) designates the Budget Committee Chair as its Treasurer and the Council's Chief Financial Officer as its Clerk.

The duties of the Treasurer include:

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- Maintain custody of all money
- Deposit and invest all money in accordance with the Utah State Money Management Act
- Receive all public funds and money payable to the Council.
- Keep an accurate, detailed account of all money received.
- Issue a receipt for money received.

The Treasurer must be bonded in an amount not less than 5% of the annual budget.

The duties of the Clerk include:

- Attend meetings and keep a record of the proceedings
- Maintain financial records
- Prepare checks after determining that the claim:
  - o Was authorized by the board or financial officer
  - o Does not over expend the budget
- Present a financial report to the Council at least quarterly

The Treasurer and the Clerk may make appropriate delegations of duties as long as the principle of separation of duties is maintained AND the Treasurer and Clerk retain overall responsibility AND provide adequate oversight of the delegated responsibilities.

**ETHICS**

WFRC Council members and staff are subject to the Utah Public Officers' and Employees' Ethics Act (Title 67, Chapter 16). This Act prohibits: improper disclosure of private, protected or controlled information; use of official position to secure special compensation, gifts (in excess of \$50) or privileges; engage in activities that would impair independent or good judgement; engage in any activity which is, or appears to be, in conflict with public duties; failure to comply with public disclosure or transparency and; destruction of public records and information.

**BUDGET**

WFRC receives its revenues from member contributions and various granting agencies that contract with WFRC for specified work programs. Each year WFRC staff prepares a budget and a Unified Planning Work Program (UPWP) for the next fiscal year that begins on July 1. The budget includes prior year actual expenditures, current year estimated expenditures and anticipated budgeted expenditures for the next fiscal

year. The budget also provides details of the sources of funds, expenditures by function and expenditures by work program. The UPWP describes the anticipated work to be accomplished. The budget and UPWP are presented to Council at their regularly scheduled meeting held the 4<sup>th</sup> Thursday of March. Once the Council has reviewed the draft it is released to the member County Councils of Government for their review and comment. The draft budget is also posted on the WFRC website.

A final draft budget and UPWP are presented to the Council for approval at their regularly scheduled meeting held on the 4<sup>th</sup> Thursday of May. No less than ten days prior to this meeting the final draft budget is made available to the public. No less than 7 days prior to the Council meeting, notice is posted in at least one issue of a newspaper of general circulation and on the Utah Public Notice Website that a public hearing will be held before a call for a vote to approve the budget.

The budget may be amended during the year to include additional funds from grants or contracts for specific projects. These budget amendments are subject to the same notification and public hearing as is required during the initial adoption. The Council staff, with prior written approval from the Council Chair and the Budget Committee Chair, may move budgeted expenses from one budgeted line item to another without a public hearing or formal budget amendment as long as the adjustment does not increase total expenditures of the fund, create on-going additional payroll expenses or impact debt service. Any such changes shall be reported to the Council in the regularly provided financial reports.

### **ACCOUNTING**

WFRC contracts with various granting agencies for specified projects. Once a project has been approved, the Chief Financial Officer (CFO) sets up the grant accounting framework and expenses can then be charged. The original signed contract is kept by the accounting department.

Each quarter the CFO prepares a report that compares year-to-date expenditures with the approved budget. This report, along with monthly check registers and balance sheets are provided to the Council prior to their regularly scheduled meetings.

All policies and procedure guidelines are designed to comply with federal and state accounting and administrative standards. The WFRC uses an outside auditing firm selected and directed by the Council for an annual audit of the Council's financial records. Copies of the annual audit are provided to the Council, Federal Clearinghouse, the Utah State Auditor's Office, and its funding agencies and to others upon request.

### **PROCUREMENT**

The procurement policies are intended to ensure fair and equitable treatment for all persons who wish to do business with WFRC and to foster effective broad-based competition within the free enterprise system to ensure that WFRC will receive the best possible service or product at the lowest possible price. WFRC shall designate a Procurement Agent who shall be responsible for:

- 1) Ensuring that all procurement complies with federal and state regulations where applicable.
- 2) Ensuring that all procurement is allowed under the Council's approved budget.
- 3) Ensuring that all procurement complies with all terms and conditions of the grant for which the purchase is being made.
- 4) Overseeing the Small Purchase procedures.
- 5) Identifying and documenting single source procurements.
- 6) Soliciting bids, quotes and proposals for goods or services and preparing contracts for Executive Director's signature when needed.

There are generally four classes of procurement: small purchase less than \$5,000; purchases over \$5,000 but under \$25,000; single source; and competitive bid (over \$25,000).

**Small Purchase** – Purchases less than \$5,000 do not require bids or quotes however effort should be made to use assorted vendors who provide comparable merchandise/service at comparable prices. Purchases may not be artificially divided so as to constitute a small purchase. All small purchases must have a properly completed and approved purchase order prior to making the purchase. The purchase order may be signed by the Procurement Agent or his designee. A copy of the completed and signed purchase order is to be given to the accounting department. When possible WFRC should use providers who have contracted with the State of Utah in order to receive best prices and terms.

**Purchases over \$5,000 and under \$25,000** – Purchases over \$5,000 and under \$25,000 will require three quotes that are to be documented. Requests for quotes shall include a description of the product or service and terms of the sale. Documentation shall include any written quotes and/or a completed quote form that includes the name of vendor, vendor contact name, vendor address and phone number, product/service description and total cost. Selection of a vendor will be made on the basis of quality of the service or product and cost. All quotes and/or quote forms shall be attached to the signed purchase order and given to the accounting department.

**Single Source** – This may be used when there is only one provider available or there is a clear advantage to WFRC for using the single source. This may also be used to resolve an emergency situation. A purchase shall be deemed an emergency purchase if it is required to maintain health and safety and/or to avoid an interruption in work activity such as a mechanical, structural, plumbing, or equipment malfunction. All single source procurement decisions must be documented by the Procurement Agent and approved by the Executive Director.

**Competitive bid/proposal** – Goods or services with an annual aggregate total price of more than \$25,000 must be procured through a competitive bid/proposal process. An invitation/request to bid/propose shall include a description of the goods or services and all terms and conditions that will apply. Public notice shall be placed in a general circulation publication not less than 15 days prior to close of bid/proposal solicitation. A committee shall be identified to make the selection based on the requirements set forth in the invitation/request to bid/propose. The sealed bids/proposals shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids/proposals. The names of the bidders/proposers, the amounts of the bids/proposals, and any other relevant information shall be recorded and available for public inspection. Bids/proposals shall be unconditionally accepted without alteration or correction. Price or cost may be considered in evaluating bids/proposals except in cases where such consideration is prohibited by Federal or State law or regulation. The bid/proposal shall be awarded to the bidder/proposal who best meets the requirements and criteria set forth in the invitation/request to bid/propose. All bid/proposal documentation shall be given to the WFRC accounting department.

In lieu of WFRC initiating a competitive bid/proposal process, the Procurement Agent may use contractors from the WFRC or UDOT Consultant Pool who have been pre-qualified and selected using a competitive bid/proposal process. If this method is used no more than \$150,000 in services per contract may be awarded to any single provider. Written explanation must be documented in writing and provided to the WFRC accounting department.

**INTERNAL CONTROL:** The Procurement Agent is separate from the accounting process and is responsible for ensuring all purchases are authorized by WFRC budget and made using the policy set forth in this section.

### **PURCHASING CARDS**

The WFRC may issue Purchasing Cards to selected employees. Those employees are responsible for ensuring that all purchases made using their card are properly pre-approved according to the Council's procurement policy (see above) or its approved travel policies contained within the WFRC Employee Handbook. The employee shall reconcile the statement for their card with receipts each month within 5 days of receiving the statement. Under no circumstances may the purchasing card be used for personal purchase. Upon termination, any purchasing card shall be surrendered immediately along with any receipts, purchase orders and other documentation.

**INTERNAL CONTROL:** The statements and documentation are given to the Procurement Agent who reviews the material and provides approval. The accounting department reviews the statements and receipts for proper pre-approval before entering the expense into the Accounts Payable system. When the statement is selected for payment the material and the Accounts Payable check is given to the Executive Director and the Council Chairperson for their review and signature.

### **ACCOUNTS PAYABLE**

Vendor invoices (accompanied by purchase orders and receiving documentation when necessary) are entered into the Accounts Payable system by the accounting department as they are received. Invoices are selected by the CFO for payment according to due date and cash availability. At no time shall checks be disbursed that create an overdraft on the bank account. Checks are printed by the accounting department and given, along with all supporting documentation, to the Executive Director or Deputy Director for review and signature. Once reviewed and signed by Executive Director or Deputy Director the checks and supporting documentation are presented to the WFRC Chairperson or WFRC Vice-Chairperson or Budget Committee Chairperson for review and signature. All checks require two of the following signatures: WFRC Chairperson, WFRC Vice Chairperson, WFRC Budget Committee Chairperson, the Executive Director or the Deputy Director. At least one signature must be an elected official. The signed checks are returned to the Administrative Assistant for mailing. The invoices and supporting documentation along with check stubs containing appropriate information are filed alphabetically by vendor and kept together by fiscal year. This alphabetical file contains a record of all A/P disbursements.

Each month the CFO prints a copy of the check register that provides a numerical record of all Accounts Payable disbursements and is used to reconcile the bank account. The bank reconciliation and bank statement are provided to the Executive Director, the Treasurer, and the WFRC Chairperson for review each month.

**INTERNAL CONTROL:** Invoices are reviewed for approval prior to generating a check. Checks are pre-numbered and accounted for (void checks are marked as such and filed with accounting working papers). The accounting software also generates a check number that must match the pre-printed check number. If the software generated numbers do not match up with the numbers on the pre-printed checks it would indicate a missing check or a check voided through the software and would trigger investigation. All checks are issued through the Accounts Payable software system (no manual checks) and require two authorized signatures. The bank statement is reconciled to the general ledger each month, and a copy of the bank statement and reconciliation is provided to the Executive Director, Treasurer and WFRC Chair for review and approval.

### **PAYROLL**

Direct deposit payroll is prepared semi-monthly by an outside payroll processing vendor. Hours worked by hourly employees are gathered by the accounting department for payroll and reconciled monthly to

timesheets that are signed by the employee and the employee's supervisor. Any salary changes are documented by a memo signed by the Executive Director and kept in the personnel files. The payroll journal is printed and reviewed by the CFO before being given to the Executive Director and the Chairperson or Vice-Chairperson for review and approval. The payroll processing vendor also generates an electronic transfer for payment of all payroll taxes and guarantees accuracy and timeliness. The payroll processing vendor also prepares and electronically files quarterly and year end payroll tax returns and W-2's, copies of which are delivered to WFRC for review.

**INTERNAL CONTROL:** Payroll is reviewed and approved by the CFO, Executive Director and the WFRC Chairperson. Salary amounts are documented and signed by the Executive Director. Hours reported for payroll are verified by timesheets signed by the employee and the employee's supervisor. A third party guarantees accuracy and timeliness of payroll tax payment (subject to WFRC's ability to meet cash requirements) and returns.

### **COST ALLOCATION**

Labor costs represent the majority of total expenditures. Each employee keeps a timesheet that records how much time is spent on each work item. All time worked is accounted for on the timesheets. These timesheets are signed by the employee and submitted to the appropriate supervisors monthly for review and signature and are then given to the accounting department for payroll cost allocation. A spreadsheet is prepared that totals gross salary and benefits and arrives at a cost per hour for each employee. Using the time sheets the accounting department allocates the cost per hour per employee to the various work programs in the general ledger.

When a cost can be determined to benefit a specific program, it is expensed directly to that program. Fixed asset costs are charged to the programs by way of depreciation. Travel expenses are reimbursed as per the personnel policy using GSA rates and guidelines based on actual expense receipts. Every effort is made to assign costs accurately and fairly to each program. Those shared expenses that benefit several or all programs are accounted for as indirect expense and allocated to each program based on hours worked each month (as per time sheets). Further detail on cost allocation is provided in WFRC's Cost Allocation Plan

**INTERNAL CONTROL:** Each fiscal year the CFO prepares a Cost Allocation Plan that is reviewed by the Executive Director and submitted to the Utah Department of Transportation's Director of Fiscal Audit (WFRC's federal cognitive agency designee). The UDOT Director of Fiscal Audit issues a letter approving the plan that is kept on file with the accounting department and made available to funding agencies upon request. The allocation of charges can be monitored using the budget to actual expense reports provided quarterly to the Council.

### **GENERAL LEDGER**

Each month the CFO transfers the entries from the Accounts Payable, Accounts Receivable, and Payroll (used for allocating payroll costs generating the payroll summary entry) software systems to the general ledger. General journal entries are made for depreciation, bank reconciliation, payroll, closing and recurring allocations. The CFO keeps a 'working papers' file by month that contains supporting documentation for entries made to the general journal. General ledger accounts are reviewed for accuracy using external documentation where available. The general ledger work should be completed no later than twenty-five days following the end of the month. Any exceptions to this are discussed with the Executive Director.

**INTERNAL CONTROL:** All entries to the general ledger are made by the CFO. Supporting documentation for general journal entries is maintained. The general ledger detail is provided monthly to the Executive Director for review. Where possible, real accounts are verified with external documentation (bank statements,

inventories, etc.). EDP files are backed up daily and hard copies are generated monthly.

### **ACCOUNTS RECEIVABLE**

Each month or on a quarterly basis (as determined by the funding agency) the CFO requests reimbursement from the funding agencies for WFRC's actual expenses for the prior month(s). Some local contributions are requested in advance and held as deferred revenue until needed for matching requirements or other approved expenditures. Requesting reimbursements should occur no later than twenty-five days following the end of the month. Any exceptions to this are discussed with the Executive Director. At no time should reimbursement requests exceed actual costs incurred. Some requests for reimbursement must be accompanied by progress reports, product samples, etc. These are prepared by individuals other than the CFO.

Checks for A/R remittances are received by the Administrative Assistant who date stamps the check (or stub), endorses them 'for deposit only', makes a photo copy of each check, and prepares a two copy bank deposit form. WFRC receives all remittances by either check or electronic deposit. Supporting documentation for electronic deposits is kept in the monthly working papers file. Any cash deposited is negligible (postage or copies paid for by employees). The original deposit form is submitted to the bank with the deposit. The copy remains in the book as a chronological record of checks received. The Administrative Assistant makes the deposit and obtains a dated receipt from the bank. Checks are deposited daily when received. The Administrative Assistant gives the bank receipt and check copies to the accounting department for posting to accounts receivable and filing.

Any funds not received within six weeks of the date of reimbursement request are followed up with a phone call or written note and any problems are noted and addressed.

**INTERNAL CONTROL:** The Administrative Assistant is responsible for the custody of the cash receipts and the CFO is responsible for the accounting function only. Any write offs of accounts receivable must be approved by the Executive Director. Exception may be made for amounts under \$10.00.

### **OTHER ASSETS**

Office equipment is purchased by the WFRC General Fund. Usage allocations for equipment costs are assigned to individual programs using straight-line depreciation. All equipment having a useful life of more than one year is included in the fixed asset group of accounts however purchases which are less than \$1,000 are expensed in the month of purchase. When fixed assets are purchased they are assigned an inventory number and placed on a fixed asset list that records original cost, accumulated depreciation, net book value and the employee in possession of the asset. At least once every two years a physical inventory is taken and compared with fixed asset list. When equipment is determined by the Equipment Committee to be beyond its useful life a list of said equipment is given to the Director of Operations who is charged with overseeing the sale or disposal of the asset by the Equipment Committee. Retired assets are disposed of on a highest bid basis.

Personnel policy prohibits the personal use of WFRC resources by employees. Employees may purchase incidental postage or copies at WFRC cost however they have been advised not to use WFRC assets or open account arrangements with WFRC vendors for personal use. WFRC will not advance money to employees other than pre-approved travel advances that must be returned and/or accounted for within one month of the travel for which the advance was given. All travel expense reports and advances must be approved by

the Executive Director or Area Coordinators.

**INTERNAL CONTROL:** The Director of Operations reviews and approves of any disposition of fixed assets and is advised of any missing assets. The purchase order process prohibits employees from charging personal purchases to WFRC open accounts with vendors. Inventory of fixed assets is maintained.

### **RECORDS MANAGEMENT AND RETENTION**

WFRC is committed to proper maintenance and retention of records and will comply with all applicable record retention laws. The Public Records Management Act (PRMA), mandates state ownership of government records and requires their effective management (Utah Code 63A-12). Additionally, WFRC is committed to following the Government Records Access and Management Act (GRAMA), the comprehensive law dealing with management of government records and access to those records (Utah Code 63G-2).

Falsifying records, deliberately concealing records, destroying records in bad faith, exploiting confidential information, or otherwise mishandling records is not acceptable. Employees must take steps to ensure potentially relevant information is not inadvertently destroyed pursuant to document retention schedules or by routine computer operations or common computer settings, such as the automated deletion of emails.

As a public agency, WFRC will also adhere to the Utah State General Records Retention Schedule. It can be found on the Utah Division of Archives and Records Services website. <https://archives.utah.gov/recordsmanagement/grs/stgrslist.html>

WFRC will, at a minimum:

- 1) establish and maintain a records management system on a continuing and active basis;
- 2) create and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions, designed to furnish information to any agency or person affected by the activities of WFRC;
- 3) identify and take adequate steps to protect confidential and vital records;
- 4) ensure that all information potentially relevant to any GRAMA request, internal or government investigation or lawsuit filed or reasonably anticipated to be filed against WFRC is preserved and provided upon request in a timely manner; and
- 5) cooperate with the Utah Division of Archives and Records Services and all other State Agencies in the conduct of agency records management requirements and requests.

### **PERSONNEL**

Personnel policies are established by the Council and made available to all employees. The Executive Director is responsible for administering the personnel policies. All changes to personnel policy require Council approval.

### **MANAGEMENT REPORTS**

Each month the WFRC CFO prepares and distributes to the Executive Director and the management team an expense/budget comparison report for each active program. This report is used to monitor the monthly and accumulated expenses charged to each program and relates this information to both time and budget completion and allows management to direct WFRC resources appropriately.

Each month the CFO reviews the outstanding accounts payable and accounts receivable and discusses any cash flow or collection problems that exist with the Executive Director and the management team. In addition, the CFO prepares a projection of cash flow and cash requirements and requests management input for future planning of cash needs.

Interim verbal and written reports regarding accounts receivable and accounts payable are made when significant changes in status occur.

### **COMPLIANCE**

WFRC will comply with all applicable state and federal laws and regulations regarding financial reporting, budget, public notice, records management and retention, and transparency.

Council members and staff are subject to the Utah Public Officers' and Employees' Ethics Act (Title 67, Chapter 16).

**INTERNAL CONTROL:** The WFRC Executive Director, in consultation with the WFRC Chair and Budget Committee Chair, will appoint a Compliance Administrator responsible for verifying compliance with applicable laws and regulations, including but not limited to: certification and filing of annual budget (Utah Code 17B-1-614), notice of public meetings (Utah Code 52-4), notice of board member contact information (Utah Code 17B-1-303), participation in Utah public finance website (Utah Code 63A-3-405.4), and financial statement reporting requirements (Utah Code 51-2a-202), and other applicable laws and regulations referenced in this policy. The Compliance Administrator will maintain such verification information and provide it as requested to the Council members and employees.