



THE TOWN OF DUTCH JOHN

Financial Policies and Procedures

Town of Dutch John
Finance
Policies and Procedures

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SECTION I – FINANCIAL POLICIES AND PROCEDURES

APPLICABILITY

The policies, procedures and practices prescribed herein apply to all elected officials, appointed officials, employees, and volunteers of the Town of Dutch John and members of the Town Council of the Town of Dutch John.

This Financial Policies and Procedures Handbook shall be reviewed at least on an annual basis in February. Elected officials, appointed officials, employees, and volunteers may submit recommended revisions through the mayor or supervising council member for consideration.

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ACKNOWLEDGMENT RECEIPT

Elected officials, appointed officials, employees, and volunteers that do or do not Prepare Any Financial Documents, Review and Sign Annually

Each elected officials, appointed officials, employees, and volunteers of the Town of Dutch John will be given a Town of Dutch John Financial Policies and Procedures Manual. It is the responsibility of the elected officials, appointed officials, employees, and volunteers to read the manual and submit the attached acknowledgement to the mayor or Town Treasurer within the first thirty (30) calendar days of employment or volunteer time or revision of the manual. If the individual is an employee, this document will become part of the employee's personnel file. If the individual is a volunteer, this document will become part of the volunteers file.

I have read, understand, and agree to abide by the policies set forth in this handbook.

Signature

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INTRODUCTION

This section puts in place basic accounting, billing, and cash control policies and procedures designed to protect and secure the Town of Dutch John and ensure the maintenance of accurate records of financial activities and compliance with governmental and private funding source reporting requirements. Where this section conflicts with specific federal or state regulations or with other Town of Dutch John policy (such as the Personnel Policies and Procedures), those regulations shall prevail.

RESPONSIBILITIES

- The Town Council formulates financial policies, delegates administration of the financial policies to the Mayor and other applicable staff and reviews operations and activities.
- The Mayor has responsibility for all operations and activities, including financial management.
- Exceptions to these policies may be made as necessary, with the approval of the Town Council.

GENERAL POLICIES

- Current job descriptions are maintained for all staff members indicating their duties and responsibilities.
- There are separations of financial duties and responsibilities so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable, or other accounting functions.
- Financial Procedures are reviewed annually by the Mayor and Town Council.
- Separate General Ledger (GL) accounts are maintained as required by local, state, and federal regulations.
- Accounting forms and timesheets are typewritten or completed in ink. Whiteout or correction tape is not to be used.
- Passwords must comply with organizational and software standards. They are to be treated confidentially and are not shared with other staff. Policies may be established requiring the expiration of passwords, where appropriate.

COMPLIANCE WITH EXTERNAL POLICIES

The Town of Dutch John's accounting policies and procedures are consistent with:

- Generally Accepted Accounting Principles (GAAP)
- 2 Code of Federal Regulations (CFR) Part 200 (Subparts A – F)

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001 FISCAL YEAR/ACCOUNTING BASIS

Effective Date:

Revision Date:

- **Fiscal Year:** The Town of Dutch John has approved a fiscal year for accounting purposes. The fiscal year shall begin on July 1 and shall end on June 30.

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002 BUDGETS

Effective Date:

Revision Date:

Budgets provide a standard by which to measure performance, encourage planning, and allocate resources in accordance with funding source requirements. Budgets should use reasonable assumptions of income and expenses. All budget assumptions should be documented to facilitate a thorough analysis and evaluation, not only of the budget, but of the actual revenue and expenditures as they relate to the budget.

- **Timing:** By June of each year the mayor, in coordination with applicable town staff, shall prepare and present the ensuing year's budget to the town council at a regularly scheduled town council meeting for approval by town council motion. A hearing to receive public comment on the budget will be held before the budget is adopted.
- **Annual Approval:** The town council shall approve the Budget, and any prior year budget amendments whenever the council finds it necessary. The mayor or other applicable staff shall promptly notify the town council at the next regularly scheduled town council meeting when line items or the sum of all line items in the approved budget have the potential to vary. Town council approval of any variance of operating expenses will be by motion and will constitute a budget amendment.
- **Reporting:** The mayor and town council shall be provided with a monthly budget to actual comparison report for the Town of Dutch John. The report shall be reviewed for budget excesses or deficiencies and appropriate management action shall be taken to ensure the most efficient utilization of funds.

It is the policy of the Town of Dutch John to review monthly each budget line-item and output against its expenditures to evaluate that the outcomes are at least in a comparable proportion to funds expended.

- **Department Budgets:** Each line-item budget is set by the mayor, with the advice and consent of the town council, given these following guidelines:
 - Salaries are to be budgeted for by using the current salary amounts for staff. Salary may also fluctuate based on the number of people working in a department, performance, or if other raises occur. Salary will not be allowed to exceed the allotted budget.
 - Contracts or grant applications requiring names of individuals instead of positions will note the names in the narrative portion of the contract. If the names of the individuals change (e.g. person quits/leaves), the person over the grant or respective funding must create a memo stating as such. The memo will

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then be reviewed by the mayor or respective town council member. After approval, the memo is sent out to the administering agency to make them aware of the change.

- **Excess Costs:** Costs in excess of the budget are not allowed unless provided by the advice and consent of the town council.

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003 BANK ACCOUNTS

Effective Date:

Revision Date:

The town council will delegate by motion the authority for the Town of Dutch John to establish bank accounts and set signatory authority. Bank accounts are established to meet the needs of the town for separation of funds and the specific requirements of funding sources. Separate accounts for specific federal or state programs which exceed the FDIC limits must be collateralized by the bank to ensure the safety of the deposit. All other accounts, where possible, are established to maximize the use and earnings of cash.

- **Account Numbers**. A complete listing of all financial institutions, accounts, and the account numbers shall be maintained by the mayor, mayor pro tempore, and other applicable staff.
- **Signatories**: The mayor shall be responsible for the authorization of all checks. The Town of Dutch John's finance personnel shall submit, based on the tiered financial requirements policy, expense documentation and authorization requests to the mayor for approval. Two designated check signers shall sign all checks. At least three (3) authorized check signatories are designated by the town council and reviewed every two (2) years or when the town council deems it appropriate. The designated check signatories shall review financial documents twice per month. Signatories must use an original signature.
- **Bank Reconciliations**: Bank Reconciliations for each account shall be prepared monthly by town finance personnel, within twenty (20) days of receipt of the bank statement. Bank reconciliations are reviewed by a town council member not affiliated with the Town of Dutch John financial operations. Copies of bank reconciliations are made available for review. Bank statements are received by town personnel and given to the mayor for review before they are processed.
- **Outstanding Checks**: Outstanding checks more than 120 days old shall be investigated and stop payments issued as required. Replacement checks shall be reissued after appropriate documentation has been collected. Any checks outstanding after 180 days will be additionally researched, if the individual can be found, the check will be voided and reissued. Vendors who have outstanding checks payable will be contacted to determine the status of the outstanding check. This may extend the 180-day period. If the check remains outstanding after this extended period, it will be sent to the State Division of Unclaimed Property. Any checks still outstanding after 12 months will either be voided and credited back to the applicable GL account or sent to the State Division of Unclaimed Property. Unclaimed Property consists of money and other personal assets that are considered lost or abandoned when an owner cannot be located after a

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specified period of time, which includes: checking accounts, certificates of deposit, overpayments, gift certificates, paid-up life insurance policies, unpaid wages commissions, unpaid checks, death benefits, dividends, insurance payments, money orders, refunds, savings accounts, stocks and contents of safe deposit boxes. Unclaimed Property does not include real estate. Generally, most property is presumed to be abandoned if no activity has been made for five years. Wages, government checks, and utility deposits become unclaimed after only one year.

- **Supervised Accounts:** Accounts that are maintained by town financial personnel for the purpose of keeping track of expenses for special projects. These accounts are integrated into the general town account and tracked separately inside of the accounting software. When/if the general bank were to ever run out of funds the balance that is owed to a client would take first priority in getting funds back. FDIC insures our general account up to \$250,000, in the event of a collapse of our financial institution. These special project accounts would get the first draw to fulfill the amount owed. After the first draw amount, these accounts will operate on a reimbursement basis. This will help alleviate the credit risk on these accounts.

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004 SEGREGATION OF DUTIES

Effective Date:

Revision Date:

Segregation Procedures: Due to the limited number of staff members at the Town of Dutch John, it is difficult to completely segregate all accounting duties. However, at a minimum the following shall apply:

- The Town Treasurer shall be responsible for recording the Accounts Payable, Accounts Receivables, and Inventory in appropriate accounting software. The Town Treasurer shall be responsible for the follow-up of overdue Receivables.
- There shall be separation of financial duties and responsibilities of town personnel in regard to opening mail, making bank deposits, approving invoices for payment, and approving timesheets for payroll.
- Since town personnel order goods, services, and reimbursements; the mayor or other designee must review, sign, and approve payables which are then reconciled to the opening and closing cash balances.

SEGREGATION OF DUTIES CHART OF ACTION

<u>DUTY</u>	<u>RESPONSIBLE PARTY</u>
<i>Receipt and documentation of checks received-</i>	
<p>At the time of receipt, the mayor, or other designated authority will initial (to verify) the funds that have been logged in by the Town Clerk.</p> <p>A detailed record of all reimbursement requests or outstanding invoices will be maintained by the Town Treasurer as a guide to which element / GL the funds should be recorded.</p> <p>At the time of receipt, the Town Treasurer will match the check to the reimbursement request or outstanding invoice and a copy of the check and reimbursement request, or outstanding invoice will be made for town records purposes. All matches will be initialed by the mayor upon approval.</p> <p>The mayor will review and initial all reimbursements and invoices in the books as well as initial and review the prepared reconciliation to the monthly financial printouts.</p>	<p>Mayor/Town Clerk/Treasurer</p>

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<u>DUTY</u>	<u>RESPONSIBLE PARTY</u>
The mayor or a designated council member, who does not have access to monies received, will review and initial documentation and records to ensure that all monies have been properly receipted, deposited, and recorded, at which time receipts will be entered into the accounting software by the Town Treasurer.	Mayor/Council Member/Town Treasurer
<i>Receipt and documentation of cash received–</i>	
Cash received will be counted and initialed by two people consisting of the mayor, Town Clerk, or at least one other council member. Each will verify by initial that the final amount is accurate.	Mayor/Council Member/Town Clerk
Cash amounts counted will be counted again, verified, and initialed by the Town Treasurer or other designee.	Council Member/Town Treasurer
<i>Wire/ACH Transfers</i>	
The Town Treasurer will initiate the electronic funds transfer and the mayor will finalize the electronic funds transfer. Copies of documentation will be kept by the Town Treasurer to initial and log in. The copies of documentation will be maintained for future reference.	Mayor/Town Treasurer
Records wire/ACH transfers in the general ledger, crediting the town using information from wire/ACH documentation. The Town Treasurer will provide a copy of the verification (bank statement or email) to the mayor with wire/ACH information for confirmation of funds received for future reference. These documents will be initialed by the mayor.	Mayor/Town Treasurer
Reconciliation of documentation provided by the Town Treasurer of the bank statement and general ledger will be conducted by the mayor.	Mayor/Town Treasurer
<i>Deposit of Money</i>	
Safeguard cash receipts and ensure monies are deposited in the bank weekly or whenever practical but not less than once per week, unless given a written variance from the State Treasurer, according to state law (UCS 51-4-1).	Assigned to a Town Council member or Town Treasurer.
<i>Bank Reconciliation</i>	
Preparation of month bank reconciliation completed within 20 days of receipt of bank statement. This also includes review and resolution of any deposit-in-transit items.	Town Treasurer
Approve monthly bank reconciliation.	Mayor/Council Member
<i>Check Preparation and Signing</i>	
Preparation of vouchers with all required documentation	All Town Personnel and Elected Officials

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<u>DUTY</u>	<u>RESPONSIBLE PARTY</u>
Review and Approve Vouchers	Mayor or Assigned Council Member
Additional review of vouchers and entering information into the accounting system.	Town Treasurer
Printing or writing of checks	Town Treasurer
Signing of checks (two signatures required)	Mayor and/or designated member(s) of the Town Council but must be someone other than the Town Treasurer

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005 RECEIPTS

Effective Date:

Revision Date:

These policies and procedures ensure that the receipt of in-coming funds is properly recorded and safeguarded through separation of duties and proper documentation. With the advice and consent of the Town Council, the Mayor designates which staff are authorized to collect in-coming funds. Cash **will** be accepted for payment of utilities, etc. Cash may be accepted from town personnel or others in payment of amounts due to the Town of Dutch John for copies, faxes, or other expenses.

- Mail shall be opened promptly and distributed by the Town Clerk. The Town Clerk will promptly log into a “Cash Receipts Log” all checks, money orders and cash in a manual ledger and then restrictively endorse the back of any checks received “For Deposit Only”. The mayor will initial that this process has been completed correctly.
- The Town Clerk shall log incoming cash into a pre-numbered duplicate Cash Receipts book. The receipt book consists of two-part, pre-numbered forms. They should be used in numerical order and filled out completely. The original is to be given to the person from whom funds have been received. The second copy shall be sent with the transmittal form and the cash by the Town Treasurer or assigned town council member for processing and deposit.

Receipt books shall be assigned by the Mayor to the Town Clerk.

1. The Town Clerk shall be responsible for safeguarding the receipt book. Receipt Books shall be kept in a secure location at all times.
 2. Receipts may be voided, but the copy of any voided receipt shall remain in the book.
 3. The receipt book shall be reviewed against either the monthly bank statement or Cash Receipts log by the Mayor to ensure all cash received was recorded and deposited.
 4. When all the receipts are used, the book shall be returned to the Mayor or other designee who will issue a new book.
- The Town Treasurer shall make a copy of each check and/or cash receipt and will then prepare the deposit summary. The mayor will be provided with the documentation for deposit and will review and initial.
 - A copy of the deposit slip shall be attached to the copies of the check and cash receipts that are included in the deposit. This copy will be recorded in the town accounting system. The deposit copy and all other supporting documentation will be filed for future reference.

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- The Town Treasurer or assigned council member shall arrange for deposit to the bank. Checks shall be deposited directly to the bank. The Town Treasurer or assigned council member will initial that this has been done correctly. Any cash and checks shall be delivered for deposit to the bank within a week of receipt. Deposit transaction receipts shall be included with the Town Treasurer's copy of the deposit.
- A printout of the cash receipts posting shall be attached to the deposit slip and check copies and then filed in the monthly cash receipts file.
- The Town Treasurer will initiate electronic transfers and the mayor will finalize them. Copies of documentation will be kept by the Town Treasurer to initial and log in. The Town Treasurer records wire/ACH transfers in the general ledger, crediting the proper account using information from wire/ACH documentation. The Town Treasurer provides a copy of the bank statement to the mayor confirming wire/ACH receipt and for an initial. The Town Treasurer provides a copy of the email confirmation provided by the Utah State Treasurer for all requested reimbursements processed.
- It shall be the responsibility of the Town Treasurer to prepare reconciliation documents of all banking accounts, with approval of reconciliation and initial approval by the Mayor. A summary of the general ledger cash receipts, bank statement will be included with each month's bank reconciliation.
- The Town of Dutch John will not maintain a petty cash "drawer" or any other form of petty cash.
- The Town Treasurer shall prepare month-end financial statements, including a balance sheet, statement of activities and budget comparison to be reviewed by the mayor and town council as requested.

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006 CHECK DISBURSEMENTS AND OBLIGATION OF FUNDS

Effective Date:

Revision Date:

The fund disbursement policies and procedures are designed to ensure that disbursements are properly made based on adequate documentation and proper authorization and that there are no missing checks or checks written to phantom vendors.

- The mayor, under the direction of the town council, will authorize the following expenditures:
 1. General Funds
 2. Indirect Funds
 3. Leases for Space or Equipment
 4. Purchases of Equipment
 5. Contracts for Services
 6. All Credit Card Expenses

- Pre-Numbered purchase orders (POs) are used for all town purchases and follow the following procedure:
 - A Purchase Order (*PO*) is to be requested by the town personnel and completed by the Town Treasurer using the town's accounting software, which maintains a record of all past and outstanding POs.
 - The PO is filled out completely giving the name and address of the vendor, the name of the staff making the purchase, date the purchase order is for, corresponding GL account or sub-account numbers, and a description of what is being purchased with an amount not to be exceeded.
 - If at the time of purchase, the amount exceeds the amount listed on the purchase order by no more than 10%, the employee may initial for the excess amount.
 - Any purchase exceeding the 10% of the approved limit requires approval from the Mayor or other designated town representative.
 - After the PO is complete, the Mayor or Town Treasurer signs the purchase order giving town personnel permission to incur the cost. (***Note: costs are not to be incurred before a purchase order is pulled, filled out, and signed.***)
 - Designated town representatives authorized to sign purchase orders **cannot** sign purchase orders for their own purchases.

- The Mayor shall be responsible for the authorization of all checks. In the absence of the Mayor, the town council and other designees shall authorize all checks.

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- Checks shall be processed at least twice per month.
- Checks may be written by hand or through the accounting software by the Town Treasurer. The Mayor shall designate staff with access to the town checkbook or to the check printing system. Except where specifically authorized by the town council, the Mayor shall not write checks.
- Checks shall be automatically numbered and printed on blank check paper.
- Checks shall not be postdated, signed blank, or made out to cash.
- Payment for supplies or services shall be made based on documented invoices.
- Requests for Payment shall be submitted with a copy of the original invoice attached. In the event that an invoice for services or supplies is lost, a memo explaining the expense and detailing the cost is submitted with a Voucher.
- Vouchers shall be submitted for payment within 3 business days of receipt of the invoice.
- No late fees will be paid by the town unless you receive prior approval from the Mayor.
- The Voucher shall be coded by the Town Treasurer or other designee, as to the GL account or sub-account to be charged. In the event the Town Treasurer prepares the voucher, the Mayor must initial the voucher to concur with the GL account or sub-account to be used, as well as the amount of payment.
- The Voucher shall be reviewed by the Mayor or designees for proper account coding, appropriateness of expenditure, and authorized signatures. It shall also be compared with the invoice. The original Voucher shall be signed by the Mayor **or designee** to indicate the review has been completed and the documentation is in order.
- Vouchers/Invoices shall be reviewed again and processed by the Town Treasurer.
- Checks shall be recorded in the Cash Disbursements log and given to the Mayor for review.
- The Cash Disbursement log shall be reviewed by the Mayor or designee to assure that the first check in each batch of checks begins with the next sequential check after the last batch processed.

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- If there are no questions to be resolved, the Disbursement log and signed checks shall be returned to the Town Treasurer as authorization to mail or release the check to the vendor.
- Checks shall be mailed to vendors by the Town Clerk.
- A copy of each check shall be attached to the Voucher/Invoice plus all corresponding documentation, such as purchase orders or shipping documents, and filed in Batch and Voucher number order. Electronic copies of all Voucher/Invoice and supporting documentation should be maintained.
- Voided or spoiled checks shall have the signature block torn off and shall then be filed in numerical order.

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007 ELECTRONIC PAYMENTS AND TRANSFERS

Effective Date:

Revision Date:

Electronic banking allows wire transfers, electronic transfers, stop payments on checks, and account balance inquiries to be initiated and completed via computer or telephone.

These procedures ensure that unauthorized transfers will not be made. Procedures may vary based on the system of the banking institution.

- Required documentation for all transfers shall be the same as for check disbursements.
- Wire transfers, electronic transfers, and stop payments shall not be set up and approved by the same person.
- Password security shall be set to allow wire transfers, electronic transfers, and stop payments by staff designated by the Mayor and Town Council.
- When a wire transfer, electronic transfer, or stop payment has been set up by the Town Treasurer, the documentation supporting the transaction shall be given to an authorized account signer or the mayor for approval.

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008 CODING

Effective Date:

Revision Date:

- All revenues and expenses will be coded into the general ledger (GL) accounts by the Town Treasurer and reviewed monthly by the Mayor and/or other designees.

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009 PAYROLL

Effective Date:

Revision Date:

These procedures are designed to ensure that payroll is based on proper authorization and required documentation, paid at the approved rate, only paid to actual employees, and is to ensure that proper and timely reporting is made to federal, state, and local taxing authorities.

- The Town of Dutch John's payroll and required payroll tax deposits and reporting shall be processed by the Town Treasurer.
- The Town of Dutch John's payroll shall be processed on a monthly or quarterly basis based on the position.
- Weekly pay period calculations shall be based on a Sunday at 12:00 AM to Saturday at 11:59 PM schedule.
- Pay dates shall be on the 15th of each month of the current month or the quarter, unless a holiday dictates otherwise.
- Time Sheets must be completed and handed in for payroll no later than noon on the first business day following the end of the month or quarter. Unless, a holiday or other circumstance dictates it to be done earlier.
- Payroll shall be based on time sheets completed by employees and approved by the direct supervising authority and/or Mayor.
- Time sheets shall reflect the use of sick, vacation, or other leave time, if applicable. Overtime/Compensatory time for Non-Exempt employees shall require the prior approval of the mayor.
- Time sheets shall be completed using the Time Sheet provided by the Mayor or Town Council. The printed time sheet shall be signed by both the employee and the employee's supervisor and/or Mayor, with applicable documentation as needed (Leave Slip, Doctor's Notes, etc.).
- New hires and salary and/or benefit changes shall be approved by the Mayor and Town Council if applicable. A Personnel Action Form authorizing the salary, wages and employee position shall be completed by the new employee's supervisor and/or Mayor and Town Council and signed by the Employee before a new employee is paid.

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- Personnel Action Forms that exhibit payroll information shall be maintained by the HR Officials of the Town of Dutch John in a confidential manner. Information regarding payroll shall not be discussed with other staff. Files shall be maintained in locked cabinets with access limited to designated personnel.
- Documents that verify tax withholding and authorize other deductions (e.g., health insurance premiums, voluntary contributions, W-4s) shall be filed in the payroll files by the HR Officials or other designated person.
- A separate file containing the I-9 forms for each current employee shall be maintained by the HR Officials.
- Payroll shall be prepared from employee time sheets which have been completed and signed by the employee and reviewed, approved, and signed by the employee's supervisor and/or mayor.
- The Town Treasurer, or other designated employee, shall check each time sheet for computational errors to ensure all supporting documentation is attached.
- The Mayor, Town Council, or other designees shall receive the payroll reports directly from the Town Treasurer to ensure that all the direct deposit statements are for actual employees or other required payments (i.e., garnishments). This information shall be reviewed for appropriateness.
- Employees shall receive payroll direct deposit stubs which detail all deductions in the event of the use of direct deposit for payroll purposes.
- The Town Treasurer, or other designees, shall prepare checks to vendors for employee deductions such as contributions to health insurance, defined contribution accounts, garnishments, and donations.
- Payroll tax deposits shall be processed by the Town Treasurer. Reports shall be reviewed by the Mayor or other designee to verify the accuracy of the deposits.
- Employee annual and sick leave balances shall be maintained by the Town Treasurer based on data submitted and checked by the Mayor or other designees.

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010 INVESTMENT POLICY

Effective Date:

Review Date:

- All non-grant funds not needed to operate the Town of Dutch John efficiently will be invested in accounts and securities of the type approved by the Utah State Treasurer.
- The Town Treasurer, Mayor, and Town Council are responsible for the timely assignment or investment of all excess funds.
- The Town Treasurer shall maintain an investment register listing the financial institution where the account or investment is located, the type, value, maturity and yield of all accounts or investments.
- Investment decisions shall be made in accordance with the prudent investor rules set forth in CRS §§ 15-1.1-101 et seq. and based upon the following criteria:
 1. The maturity must be short enough to eliminate the risk of major price fluctuations.
 2. The security must be readily marketable - liquidity must be high enough to sell the security at short notice without forcing down its price.
- The Town Treasurer shall maintain a cash budget and cash information system to determine the source, timing and availability of excess funds for investment.
- PTIF funding shall not be less than the general fund budget amount for the current fiscal year.
- All funds shall be placed in U.S. Government and/or FDIC insured institutions.
- Investments shall be made to ensure the best possible combination of return and protection of capital.
- Electronic transfers shall only be approved by the Mayor or other designee and shall only be initiated and transferred between town accounts.
- A Transfer Transaction shall be initiated by the Town Treasurer and finalized by the mayor or other designee to any transfer from or to the Investment Accounts. The Authorization shall detail the accounts and the explanation of the transfer which is set up to transfer only to designated town accounts.

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- Approved electronic transfers to and from the Investment Account shall be completed by the mayor or other designee. The Investment Account shall be established so that only transfers into valid town accounts may occur.

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011 EMPLOYEE BACKGROUND/DRUG TESTING CHECK

Effective Date:

Revision Date:

- All candidates for employment shall be required to successfully complete an employment background check. New hires will be given temporary/contractor status until the background check is completed. If any negative information is found in the background check, the employee can be terminated immediately.
- Background checks will be performed by any designated firm at the Town of Dutch John's discretion, and will include a criminal record search.
- The Town of Dutch John will check the employment references of applicants for employment.
- Drug testing is required for all new hires. All new hires will be given temporary/contractor status until the results of the drug test are completed. Any positive test results for illegal substances are cause for termination.
- Drug testing is required after any on the job accident. Refusal to submit to a drug test after an on the job accident will result in employee discipline. This will be up to the discretion of the Town Council.

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012 REAL ESTATE PURCHASES/SALES

Effective Date:

Revision Date:

- The Town Council of the Town of Dutch John must approve all purchases or sale of real estate prior to the transaction, either through an application or a majority vote. Copies of approval authorization and all original closing documents shall be maintained at the town offices.

- The Mayor shall sign all closing documents.

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013 GRANTS

Effective Date:

Revision Date:

- All applications for grants, whether State, Federal, local, or other funding, shall be approved by the Town Council. A contract summary must contain the following:
 1. The granting agency - Grant source.
 2. Clear and concise explanation of obligations of the Town of Dutch John, including:
 - a. Matching funds required, and source of funds.
 - b. Continuing maintenance.
 - c. In-kind or other matching services.
 3. Other contingencies of award.
 4. Other agencies involved in the grant, and contribution.
 5. Maximum and minimum dollar amount of grant.
 6. Date of award decision.
 7. Alternative funding source(s).
 8. Benefit to the Town of Dutch John.
- The Mayor shall sign all documents required for the acceptance of the grant. The Mayor Pro Tempore, and other designated town council members may sign all grant contracts.
- Original grant applications; awards, contracts, or other documents shall be filed and maintained at the town office by the Town Clerk. After review by the Mayor and Town Council, copies of each contract are provided to the Town Clerk for creation of a contract file. The Town Clerk is to scan a copy of the original contract and provide this digital copy to the Town Treasurer.
- All grants funded by the federal government or which include federal funds shall include the Catalog of Federal Domestic Assistance (CFDA) number.
- A record of all transactions (revenues and expenditures) shall be maintained and audited when necessary, by the auditors contracted by the Town of Dutch John.
- The Town Treasurer will assign appropriate general ledger account numbers and customer numbers for each new grant or contract. A log of all grants/contracts will be maintained by the Town Treasurer and/or Mayor detailing grant/contract numbers, effective dates, and reporting requirements.
- The Town Treasurer and Mayor shall be responsible for ensuring that all grant accounting and other requirements are met and complied with. The Mayor or other

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designee will carefully review each award to ensure that the Town of Dutch John will be in compliance with all financial provisions and that all provisions will be met.

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014 FEE SCHEDULES

Effective Date:

Revision Date:

The Town of Dutch John will maintain a current and up-to-date fee schedule in the form of a “Consolidated Fee Schedule”. This schedule will incorporate the following:

1. General Administration
2. Business Licenses
3. Building Permits
4. Records (GRAMA) Request
5. Planning and Zoning/Other Building Permits
6. Short Term Rentals
7. Subdivision
8. Planned Industrial and Planned Unit Developments
9. Other Planning and Zoning Fees
10. Cemetery
11. Fire Department
12. Impact Fees
13. Garbage
14. Etc.

This schedule will be reviewed and approved at least once (1) per fiscal year during the Town’s annual budget meeting. The schedule will be made available to the public for informational and viewing purposes when updated and as needed.

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015 AUDITS

Effective Date:

Revision Date:

Every four (4) years, or in the 3rd year of a given mayor's term, the Town of Dutch John shall have a single fiscal audit of its financial statements by an external accounting firm. In years that this audit is not required, the Town Treasurer will perform an internal audit. The requirements of the audit performed by an external accounting firm:

- The audit shall be conducted by a licensed independent public accounting firm.
- The auditing firm shall be selected through the use of an advertisement and/or a Request for Proposals (RFP).
- The Town Treasurer and Mayor shall be responsible for soliciting bids, interviewing firms and making the recommendation to the Town Council when selecting the firm to hire.
- The audit contract shall be signed by the mayor, the Mayor Pro Tempore, or other designated town council members as needed.
- Acceptance of the audit contract shall be evidenced by a signed audit engagement letter that contains the type of service to be provided, the timeframe for providing the service, the cost for the service including incidental expenses, the term of the engagement and a clause stating "if unanticipated issues arise during the course of the audit that will result in additional fees, the audit firm will notify the mayor or town council for approval prior to incurring additional costs".
- The selected firm shall be retained for a four (4) year contract period. At the discretion and approval of the town council by motion, the contract may be extended by one three-year interval. In no event shall the total period the firm is retained extend more than eight (8) years without the use of a competitive bidding process.
- At the conclusion of each audit the auditors shall prepare and present a report based upon their findings to the Town Council at one of the regular, monthly town council meetings, no later than six months (December 31), after the close of the Town of Dutch John's Fiscal Year (June 30). This report should include a review of the town's compliance with the Financial Procedures as outlined herein. Acceptance of the audit shall be by town council motion.

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016 TAXES AND REPORTING REQUIREMENTS

Effective Date:

Revision Date:

- The Town Treasurer shall prepare all applicable tax forms and annual tax forms and reconciliations. As a second review, when all applicable tax reporting is due, the Town Treasurer will present proof of the tax filing to the mayor and one other designee to ensure all filings were completed in a timely manner by the report filing due date.

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017 COMPUTER SYSTEM BACKUP

Effective Date:

Revision Date:

- To ensure that only authorized staff can access the financial, personnel, payroll, computer, and on-line records of the Town of Dutch John, the Town Treasurer and Mayor shall establish a backup procedure, to include, at a minimum:
 1. Operating system, start-up/configuration programs and files, stored off-site.
 2. Application software and customized program files, stored off-site.
 3. Update program file backup immediately upon modification.
 4. Data files: Incremental daily backup, stored on-site with full weekly backup.

- The Town of Dutch John shall have processes for computer-related issues. These shall include, at a minimum:
 1. Protection and issuance of passwords.
 2. Selection and use of virus and spam software.
 3. Administration of the Town of Dutch John Website.

- Security and access shall be determined by the Mayor and Town Council.

- Access to computer or on-line systems for accounting, personnel, payroll, and online and phone banking shall be controlled by access authorization codes. Within each system, access permission shall be set to allow the appropriate level of access depending on staff positions and job duties.

- Upon the separation of employment of a town employee, the password shall be immediately locked to prohibit any unauthorized activities or entries, and keys to any town facilities and office(s) returned.

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018 TRAVEL

Effective Date:

Revision Date:

Travel policies and procedures ensure that all travel costs are pre-authorized, documented, and are consistent with applicable regulations.

- The mileage reimbursement rate for privately owned vehicles is the rate paid by Federal agencies for the use of private vehicles, unless otherwise established by the town council, not to exceed the current GSA rates. No travel under 5 miles (one way), when a company vehicle is available, will be reimbursed.
- Mileage reimbursement forms shall be completed on the Mileage Reimbursement Request and signed by the employee or town council member and approved by the mayor and submitted to the Town Treasurer. Reimbursement for mileage expenses shall be made on a monthly basis.
- Mileage Reimbursement records shall be maintained by the Town Treasurer.
- Travel out of the Town of Dutch John service area shall be pre-approved by the mayor or other designee. Travel out of state shall be pre-approved by the mayor or town council.
- Federal per-diem guidelines shall be applied unless otherwise established by the town council, not to exceed the current Federal GSA rates. Exceptions shall be approved by the mayor and town council.
- The mayor or other designee shall approve travel requests for employees or town council. When authorized, the Town Treasurer shall process a Travel Authorization for employees or town council based on per diem rates and other anticipated travel costs. Per-diem rates shall be determined by Federal GSA rates. Exceptions shall be approved by the mayor and town council.
- Employees who receive per-diem payments and then voluntarily terminate employment with the Town of Dutch John or fail to go on the planned trip after the per-diem has been paid but before the purpose for travel has been realized must repay the per-diem or have them deducted from their final paycheck.
- Town council members of the Town of Dutch John may be paid a reimbursement for business expenses incurred in the performance of their duties. This will be based on a case-by-case basis.

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019 TOWN VEHICLE USE, MILEAGE REIMBURSEMENT, AND VOLUNTEER TRAVEL

Effective Date:

Revision Date:

- Fleet Fuel Card Personal Identification Numbers are provided to applicable town employees to allow for fueling of fleet vehicles and other equipment at authorized fueling locations.
- The Mayor is responsible for notifying the Town Treasurer of the need for a Gas Card PIN # for any new employee.
- Employees are responsible to maintain the integrity of the PIN's and not share the number with anyone.
- Employees, volunteers, or elected officials who use fleet vehicles or other equipment are responsible to return the vehicle or equipment after use with the fuel tank full. Employees, volunteers, or elected officials are also responsible for keeping the interior and exterior of the vehicle clean.
- At the end of each month, the last person to drive a fleet vehicle is responsible for submitting the mileage sheet to the Town Treasurer.
- The Town Treasurer will track a routine maintenance schedule for all fleet vehicles and other equipment. If an employee, volunteer, or elected official notices additional maintenance or that there are other repair needs, he/she should immediately notify the Town Treasurer.
- **Volunteer Travel/Vehicle or Equipment Usage** Mileage reimbursement for volunteers will not be paid. Volunteer time and volunteer owned vehicles and other equipment used on a voluntary basis will be considered a donation to the town for the time that is volunteered or that the vehicle or equipment is utilized. The Mayor and Town Council may approve reimbursement on a case-by-case basis and as needed.

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020 BANK/CREDIT CARDS

Effective Date:

Revision Date:

The purpose of the use of bank/credit cards is to provide an efficient and convenient method to purchase items from appropriate vendors.

- After review by the mayor, a date will be written on the credit card statement providing the deadline which a town employee has to prepare and submit a voucher for payment of a credit card expense to the credit card company. The voucher should include the payment coupon and the cardholder's name highlighted in the voucher description. The employee or elected official using the card is responsible for preparation and submission of the voucher, however the card holder is responsible to ensure follow-through.
- When a credit card statement is received it will be date stamped. Employees or elected officials will have exactly 3 working days to provide a voucher for payment. If a payment is not due (it is only the statement) a reconciliation of the statement shall be completed. Late fees and finance charges are not allowable expenses. If a late fee or finance charge is incurred the following action(s) will be taken:

Warning #1. The Town of Dutch John will pay the first late fee;

Warning #2. The responsible individual will **personally** pay the late fee;

Warning #3. The card will be permanently pulled from the individual.

- Bank/Credit Card statements are to be reconciled no later than 3 days after receipt of the statement. A voucher with all supporting documentation shall be completed and returned to the Town Treasurer no more than 5 days after receipt of the statement. Credit card payment amounts will be in the same amount as is billed on the credit card statement.
- In the event the original employee issued a credit card is unable to prepare the payment voucher, the Town Treasurer will prepare the credit card voucher in their place. This is to only occur on rare occasions.

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021 GENERAL JOURNAL

Effective Date:

Revision Date:

- General Journal corrections and adjustments are to be made quarterly or as needed by the town and reviewed by the mayor by the 20th of each following month. General Journal corrections and adjustments are made by completing a “General Journal” form and attaching ALL supporting documentation.

Updated monthly financials will be provided to the mayor and town council as general journal items are entered and affect the town’s financial documents.

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022 ALLOCATION OF COSTS

Effective Date:

Revision Date:

The purpose of the cost allocation policy is to ensure that all departments are charged their fair share of the costs whose benefits are not readily identifiable with a specific department or funding source but are necessary to the general operation of the organization.

- Indirect costs (common costs) are those costs not attributable to a specific department and which generally benefit the organization as a whole, such as salaries, benefits, and other costs relating to the mayor and other town employees.
- Where applicable, the Town of Dutch John shall follow 2 Code of Federal Regulations (CFR) Part 200 (Subparts A – F) established federal requirements for determination of allowable and unallowable direct and indirect costs and the preparation of cost allocation proposals.
- Where applicable, the Town of Dutch John shall submit a Cost Allocation Plan proposal to the organization’s cognizant agency for approval as required by 2 Code of Federal Regulations (CFR) Part 200 (Subparts A – F).

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023 PROPERTY, INVENTORY, AND CONTROL

Effective Date:

Revision Date:

The Town of Dutch John's property inventory procedures provide for management control of town owned property and documentation of property for potential insurance losses.

Any property inventory with items acquired with Federal funds will follow Federal inventory control guidelines.

- All property in excess of \$1,000 in value but less than the established capitalization threshold at the time of original purchase shall be included in inventory list and subject to an annual physical inventory count.

- The following process must be completed when acquiring items in excess of \$1,000:
 - Acquire from the Town Treasurer and record an "Equipment" Purchase Order;
 - Complete the purchase order and submit it to the mayor and town council for approval;
 - At the time the employee or elected official receives the invoice and inventory item, the Town Treasurer, who reviews the invoice and item, will then issue town inventory tag(s);
 - The Town Treasurer is to then make a copy of invoice and complete the Inventory Addition/Deletion Form and provide the invoice and form to the Mayor. The Mayor then reviews and provides final approval of any inventory purchase;
 - A copy of the purchase order, Inventory Addition/Deletion Form, and invoice is required with the voucher for payment to be processed;
 - The Town Treasurer is to make a copy of the voucher and ALL documentation INCLUDING the Inventory Addition sheet and have them reviewed by the Mayor;
 - The Town Treasurer should mark at the bottom of the voucher that a check copy needs to go to the mayor and before the town council;
 - Copies of the voucher and supporting documentation are used by the Town Treasurer for inventory implementation and control;
 - Inventory will be updated quarterly with copies of voucher, invoice, inventory form and check, being retained in the town offices to ensure the availability and security of the information;
 - Inventory shall be tracked and accounted for in the following way:
 - Inventory valued at \$5,000 or more shall be tracked separately for audit purposes;
 - Inventory with a value between \$1,000 and \$4,999.99 will be tracked

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internally for asset control purposes.

- Any tools (power tools, hand tools, etc.) will be tracked internally for asset control purposes.
 - Any assets outside of the town's office (530 South Boulevard), will be tracked for asset control purposes.
- The following process must be completed when an item is deleted from inventory:
 - Complete inventory deletion sheet;
 - Include Reason for deletion - (broken, outdated, or if federal or state authorities, mayor and town council have given approval attach letter or minutes);
 - Remove tags and attach to sheet;
 - Signatures of employee who is deleting inventory must sign form AND the mayor and town council must approve of the deletion.

Disposal of Vehicles

Authorization to sell, trade, donate or otherwise dispose of a vehicle must be received in writing from the mayor and town council before the actual disposal takes place. Prior to disposing of a vehicle, the mayor needs the following information:

- (1) Vehicle description and identification;
- (2) Date and cost of initial purchase;
- (3) Approximate current market value;
- (4) The reason for disposing of the vehicle;
- (5) The intended use of any proceeds resulting from the disposal.

If applicable, disposition of vehicles must meet all local, state, or federal guidelines as set for by the granting agency that originally authorized and provided funding for the vehicle purchase.

Disposal of Tools, Equipment, Materials, etc.

Anytime tools, equipment, materials, or other assets obtained through Federal or State funding (except vehicles which are discussed above) are to be sold, traded, donated or otherwise disposed of, a document explaining the disposition and justification for the disposal will be submitted. A detailed description of the items and their condition, proceeds received, value, recipient, and any other pertinent or essential information must be documented. Any proceeds must be credited to the department from which the item(s) was originally purchased. All inventory items will be used through the useful life expectancy according to Federal and State Regulations, so that most items will have minimal value. If the cumulative value of the item(s) being disposed of exceeds \$5,000, the mayor and town

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council must be notified prior to disposal. If the items are to be sold, they should be offered competitively and follow local, state and/or federal policies and regulations.

- The Town of Dutch John shall maintain property records to reflect equipment purchased, including tagging of these items, and the location, changes, deletions, etc.
- Every year a physical inventory of all equipment shall be completed prior to year-end. Any discrepancies shall be brought to the attention of the mayor and town council for appropriate action.
- Equipment to be retired shall be documented with an explanation for release. The listing of equipment to be retired shall be authorized by the mayor and town council. Any salvage value received shall be noted on the records.
- The Town of Dutch John shall establish a capitalization threshold of \$1,000 for property expected to benefit the operations of the organization for multiple years and will be considered a fixed asset.
- Capital Assets shall include buildings and improvements.
- Property purchased meeting the fixed asset definition shall be tagged with a pre-numbered asset tag noting the Town of Dutch John and added to the list of assets maintained by the Town Treasurer. This list shall be categorized by type of fixed asset, i.e. buildings, equipment, plant assets, etc. and includes the asset number, date of purchase, shipping and installation fees, if applicable. A copy of the invoice(s) shall be maintained with these asset records until the asset is sold or deleted.

Equipment Depreciation

- The purpose of depreciation is to recognize the decreased value of the property over time (useful life) and to quantify this 'usage' as an expense to the department deriving benefit from its use.
- A fixed asset, as previously defined, shall be depreciated according to the Town of Dutch John's Depreciation Schedule.
- The Depreciation Schedule shall set the useful life of property (town owned building, copier, fleet vehicles, etc.) which may differ from traditional depreciation methods (eg. income taxes schedules).
- Depreciation Schedules shall be prepared utilizing guidance from the auditing firm retained at the time of original purchase.

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- A separate schedule shall be made for each applicable item. The schedule shall be maintained by the Town Treasurer. As depreciable property is purchased, it shall be added to the Depreciation Schedule in the month following purchase/installation.

- A recurring journal entry shall be set up for posting each quarter, charging the depreciation expense to the appropriate department(s).

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024 INFORMATION TECHNOLOGY & SECURITY

Effective Date:

Revision Date:

The Town of Dutch John strives to keep the NIST standards which include metrics and standards in order to protect private information. By doing so, the town strives to follow all state and federal privacy laws which include but are not limited to: NIST, FISMA, FIPS, GRAMA, and HIPPA.

- National Institute of Standards and Technology (NIST)**
- Federal Information Security Modernization Act (FISMA)**
- Federal Information Processing Standards (FIPS)**
- Government Records Access and Management Act (GRAMA)**
- Health Insurance Portability and Accountability Act (HIPAA)**

The Town of Dutch John ensures regular security updates on all devices controlled by our server including: desktops, laptops, tablets, and any other related devices. Part of this server control and maintenance includes a regular scheduled data backup on both an internal cloud and additional secondary server storage.

Town staff will receive annual training on cyber security including password protection, internet safety, and ethical behavior. Training also extends to the awareness of newly enacted and revised federal and state privacy laws.

The Town of Dutch John identifies specific roles within the organization that are responsible for various aspects of IT security and compartmentalization.

<u>DUTY</u>	<u>RESPONSIBLE PARTY</u>
<i>Organizational Roles & Responsibilities</i>	
<ul style="list-style-type: none"> - Inventory control and records for all Town devices. - Password control of all tablets. 	Town Treasurer
<ul style="list-style-type: none"> Staff assigned devices with passwords given ONLY to department heads 	Department Heads
<ul style="list-style-type: none"> Control network access (<i>Folders staff can use as designated by department heads</i>). - User setup - Password reset - Download / delete access 	Town Admins
<ul style="list-style-type: none"> - Physical server access - Digital server access - Server backup access - Computer installation with user restrictions 	Town IT Professional

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<u>DUTY</u>	<u>RESPONSIBLE PARTY</u>
<ul style="list-style-type: none">- Password access for ALL DEVICES- Overriding authority regarding all IT, admin, finance, and department discretionary decisions	Mayor/Town Designee

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025 CLIENT INFORMATION AND FILE SECURITY

Effective Date:

Revision Date:

The Town of Dutch John is committed to the community that it serves. With this commitment comes a high level of trust regarding personal information. Town employees and elected officials will maintain the highest level of trust through this, and other policies designed to protect the privacy and dignity of our citizens.

- Citizen and vendor files will be secured within the town office or other designated facilities. Citizen or vendor files will not be transported physically or transmitted electronically without signature release from the appropriate mayor or town council approval. All citizen or vendor files that are transported or transmitted will be tracked by destination, purpose, requesting agency, and release authorization. Requesting agencies are required to follow their organization's governing policies regarding client and information confidentiality.

- The Town of Dutch John will maintain all files for the duration of their required need. At the end of that required need, all files will be disposed of appropriately and the information destroyed. This includes paper and electronic copies of all citizen and vendor information. The Town of Dutch John requests the cooperation of all oversight agencies to ensure the destruction of unneeded or outdated information through assurances and written communication.

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026 VENDOR W-9 and WORKERS COMPENSATION REQUIREMENTS

Effective Date:

Revision Date:

- All vendors must submit an IRS Form W-9 Request for Taxpayer Identification and Certification or equivalent to the Town of Dutch John, prior to payment. A determination is made by the Town Treasurer and mayor on the need to file an annual IRS Form 1099-Misc. on payments made to vendors. Form W-9's should be mailed to all current vendors each year prior to Form 1099 preparation to assure information is current.

- If the contractor has two (2) or more paid employees: a copy of their Workers Compensation Certificate of Insurance is required.

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027 RECORDS RETENTION

Effective Date:

Revision Date:

The Town of Dutch John sets guidelines on the retention of records which will meet the requirements of all federal and state agencies, as well as those of other funding sources.

- The Town of Dutch John shall comply with Utah Code – Title 63A – Chapter 12 – *Public Records Management Act*.
- Financial records, supporting documents, statistical records, and all other records pertinent to an agreement shall be retained for a period of three years with the following qualifications:
 1. If any litigation, claim or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.
 - a. Records for nonexpendable property acquired with Federal funds shall be retained for 7 years after its final disposition.
 - b. When records are transferred to or maintained by the Federal sponsoring agency, the three-year retention requirement is not applicable to the recipient.
- The retention period shall start from the date of the submission of the final expenditure report or, for grants and other agreements that are renewed annually, from the date of the submission of the annual financial status report.
- Records Retention Schedule

Type of Record	Years
Detail Ledger	7
Trace Reports	7
Time Sheets/Travel Vouchers	7
Accounts Payable	7
W-2, Quarterly Reports, etc.	7
Payroll Records	7
Bank Statements, Canceled Checks	8
Check registers	7
Deposit Data Entries, Journal Entries	8
Partnership Records	Indefinitely
Contracts	Indefinitely

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Type of Record	Years
Tax Returns	Indefinitely

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028 TOWN WEBSITE/SOCIAL MEDIA

Effective Date:

Revision Date:

The Town of Dutch John's website will need to be updated each time there is new information or if something has become out of date. In order to update the website or post something to social media, each item must meet these criteria first:

- Privacy – This information is going to be public, so no private information should ever be posted to our website.
- Professional Grammar – Ensure that there are no misspellings, and that no major grammar errors have occurred. To help with this step, it is advised to have someone else read through it. If slang is necessary for the item, please keep it to a minimum. Keep in mind not everyone will understand the slang.
- Relevant – Make sure the item is posted/uploaded in a timely fashion.
- Mayor/Town Council signoff – Before anything gets posted, each item will need the authorization of the mayor or other designee to post/send it to be uploaded.

All additions to the town website will be approved by the mayor and/or town council and processed by the town website administrator. This will ensure that each post meets all of the criteria listed above.

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SECTION II - PROCUREMENT

POLICY OBJECTIVE

The objective of this policy is to provide the Town of Dutch John with the best value for products and services acquired.

The Town of Dutch John does not have a central purchasing department; therefore the mayor and other designees shall manage the procurement of goods and services that have been approved through adoption of the budget or by the town council.

Purchases shall not be made on a piece-meal basis to circumvent the Town of Dutch John's *competitive* bid requirements.

All procurement of equipment, materials, and non-personal services shall be documented including rationale for the method of procurement, contractor selection or rejection, and the basis for the contract price and shall follow the town procurement policy.

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101 CODE OF CONDUCT FOR ELECTED OFFICIALS, APPOINTED OFFICIALS, EMPLOYEES AND VOLUNTEERS

Effective Date:

Revision Date:

- No elected official, appointed official, employee, or volunteer shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Town of Dutch John.
- Noelected official, appointed official, employee, or volunteer shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- No elected official, appointed official, employee, or volunteer will willingly misrepresent facts to the Town of Dutch John for the sole purpose of advancing a personal cause or influencing the council or employees to place pressure on the council to advance a council member's personal cause.
- No elected official, appointed official, employee, or volunteer will seek to have a contract implemented that has not been duly approved by the council.
- No elected official, appointed official, employee, or volunteer will interfere with a contractor implementing a contract in progress. All communications with contractors will go through the mayor with the advice and consent of the town council, or as directed by the mayor, to others, or be in accordance with this policy.
- No elected official, appointed official, employee, or volunteer will interfere with the system of management established by the town council and the mayor.
- No elected official, appointed official, employee, or volunteer will unreasonably or inappropriately interfere with the duties of any staff member of the Town of Dutch John.
- No elected official, appointed official, employee, or volunteer will harass, threaten, or attempt through any means to control or instill fear in an individual mentioned above of the Town of Dutch John.
- Any elected official, appointed official, employee, or volunteer who violates this Code of Conduct agrees that the Town of Dutch John may seek injunctive relief against him/her and agrees to pay the attorney's fees incurred by the Town of Dutch John in that enforcement effort. The council member also agrees that the Town of Dutch John shall be relieved of posting bond as a condition of its injunctive remedy.

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102 ETHICS IN CONTRACTING

Effective Date:

Revision Date:

- **Equal procurement and contracting opportunity:** The Town of Dutch John is committed to providing equal procurement and contracting opportunity for all qualified persons and entities regardless of race, color, religion, sex, age, national origin, disability, veteran status or political affiliation. Equal procurement and contracting opportunity extends to all aspects of the procurement and contracting process.

- **Gratuities and Kickbacks:**
 1. It is unethical for any person to offer, give or agree to give any town employee or elected official a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.

 2. It is unethical for any payment of any form, cash or otherwise, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

- **Prohibition Against Contingent Fees:** It is unethical for a person to be retained, or to retain a person, to solicit or secure a Town of Dutch John contract upon agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business, providing that full disclosure of all cost and pricing data, as well as such commission percentage, brokerage or contingent fee, is made when requested.

- **Contemporaneous Employment Prohibited:** It is unethical for any town employee or elected official who is participating directly or indirectly in the procurement process to become or to be, while such a town employee or elected official, the employee of any person contracting with the governmental body by whom the employee is employed. The Town of Dutch John may grant a waiver from this prohibition provided that:
 1. The contemporaneous employment or financial interest of the town employee or

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elected official has been publicly disclosed.

2. The subject contract is awarded in accordance with this Handbook.
- **Interest In Contracts:** The Town of Dutch John elected officials or employees shall not have an interest in any contract made by them in their official capacity or by any body, agency, or board of which they are members or employees. A former employee may not, within six (6) months following the termination of his/her employment, contract or be employed by an employer who contracts with the Town of Dutch John involving matters with which he was directly involved during his/her employment or term of service. For purposes of this section, "contract" does not include:
 1. Contracts awarded to the lowest responsible bidder based on competitive bidding procedures.
 2. Merchandise sold to the highest bidder at public auctions.
 3. Investments in deposits or financial institutions that are in the business of loaning or receiving monies. See C.R.S. § 24-18-201.
 - **Use of Confidential Information:** It is unethical for any public employee or elected official to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.
 - **Sanctions:** To the extent that violations of the ethical standards of conduct set forth in this article constitute violations of the State of Utah Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to any civil sanctions set forth in this Handbook. Criminal, civil, and administrative sanctions against employees or non-employees which are in existence on the effective date of this Handbook shall not be impaired and shall be applicable as follows:
 1. The Town of Dutch John may impose any one or more of the following sanctions on a town employee for violations of the ethical standards in this section or violations of this Handbook:
 - a. Oral or written warnings or reprimands.
 - b. Suspension with or without pay for specified periods of time.
 - c. Termination of employment.
 2. The Town of Dutch John may impose any one or more of the following sanctions on elected officials or non-employees for violations of the ethical standards:
 - a. Written warnings or reprimands.
 - b. Termination of contracts.
 - c. Debarment or Suspension.

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- **Recovery of value transferred or received, breach of ethical standards:**
 1. The value of anything transferred or received in breach of the ethical standards of this code by a town employee, elected official or a non-employee may be recovered from the town employee, elected official or non-employee.
 2. Upon a showing that a subcontractor made a kickback to a prime contractor or a higher tier subcontractor in connection with the award of a subcontract or order there under, it shall be conclusively presumed that the amount thereof was included in the price of the subcontract or order and ultimately borne by the Town of Dutch John and will be recoverable hereunder from the recipient. In addition, that amount may also be recovered from the subcontractor making such kickbacks. Recovery from one offending party shall not preclude recovery from other offending parties.