

FINANCIAL POLICIES

Effective October 14, 2013

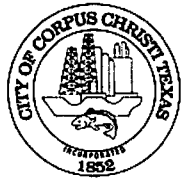
Approved:

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Ron L. Olson, City Manager

15 Oct 2013

Date



CITY OF CORPUS CHRISTI FINANCIAL POLICIES

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CITY OF CORPUS CHRISTI FINANCIAL POLICIES

1.0 FINANCIAL POLICY CHANGES

Policy changes relating to any financial matter within the City, by any department, must be approved by the Director of Financial Services and the City Manager prior to implementation.

2.0 CASH MANAGEMENT

The purpose of this policy is to ensure the safety of the City of Corpus Christi's funds against risk of loss and to provide adequate liquidity to meet all financial obligations. This is accomplished through controlling spending in the aggregate, implementing the budget efficiently, minimizing the cost of government borrowing, and maximizing the opportunity cost of resources which yield interest.

Strong fiscal leadership assures citizens of the City's fiscal integrity and provides timely support to fiscal policy making. Payments for City services should be collected, deposited, and disbursed so that investment earnings are maximized.

Cash management for the City involves depositing funds in the bank on a timely basis and investing the deposits once they clear the bank.

The City must be able to fund its expenditures in a timely manner and meet its obligations as they become due. In order to accomplish this, the City has developed the following objectives for efficient cash management. They are: 1) keeping to a minimum the volume of idle balances held in the bank and the extra costs associated with that, 2) reducing operational risk, credit risk and market risk; 3) adding flexibility to the ways in which the timing of the City's cash inflows and outflows can be matched, and 4) supporting other financial policies of the City.

Efficient cash handling and control systems increase certainty that payments are made properly by the due date; and that receipts are passed without delay to the responsible agencies or sectors. They also reduce operational risk and the scope for mismanagement or fraud.

By minimizing the volumes of idle cash held by the City and reducing payment authorizations and checks in transit or awaiting clearance, there is a direct savings to the City in the form of borrowing that is no longer needed to finance that cash.

A. INVESTMENTS

A wide range of financing instruments: Treasuries, Government Agency Securities, local government investment pools, money market accounts and bank certificates of deposits (CDs) gives the City greater flexibility in how best to manage its financial needs; thus, avoiding the risk of high borrowing costs associated with less flexible arrangements.



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All investments must conform to the established Investment Policy as approved annually by the City Council and must conform to the guidelines approved by the Investment Committee. The selection of investments is accomplished through competitive procedures implemented and adopted by the Investment Committee. The current investment policy and guidelines are maintained in the Cash Management Division of the Financial Services Department.

3.0 DEPOSITING, DISBURSING, AND CHECK CASHING

It is the responsibility of all City departments to accurately collect and account for all payments made to the City. Depositing funds needs to be accomplished daily. Personal, two-party, or government checks should not be cashed by any City cashier or City department. It is the City's objective to aggressively pursue the collection and processing of all payments made to the City. Actions to encourage expedient payment to the City may include credits for early payment, check verification, enhancing payment ease, and prompt follow-up on delinquent payments.

A. Critical features in processing include:

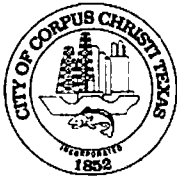
1. Mail time between customer mailing or delivering payment and the City processing payment;
2. Internal recording and processing time needed to prepare receipts for deposit; ("Internal recording" for this policy means recording into the cash receipts system or an Excel spreadsheet that has an interface with the general ledger.); and
3. Each deposit should be prepared by dual control (prepared by one person and verified by another with each person initialing and dating all receipts).

B. Receipt of Payment by Central Cashiering

An automated receipt is generated for all payments made to the City, and a receipt is given to the payer if paid in person or placed on file if paid by mail. An automated report attached to the bank deposit ticket is signed, dated by the preparer, and forwarded to Central Cashiering each day funds have been deposited. Central Cashiering processes all deposits received, performs a "global update" by 7:00 p.m., each evening on all utility payments and accounts receivable payments, and runs all automated transaction reports the same evening. Then the next business day, the deposit tickets and automated transaction reports are forwarded to Cash Management.

C. DEPOSITING

Depositing funds the same day as received is critical to maximizing interest income. Every attempt to deposit funds the same day as received should be made. All funds not deposited on the current day *must* be kept in a vault or safe in a secure area on the premises as approved by the Director of Financial Services. If extraordinary



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circumstances prevent depositing daily, the department director needs to request in writing an exception from the policy from the Director of Financial Services.

1. **Depositing by City Departments**

All City departments having collection centers must deposit funds to the bank depository. In addition, they are to ensure that the deposit slips containing cash and/or checks **must** balance to the Cash Receipts Report.

2. **Depositing by Central Cashiering**

Central Cashiering deposits directly at the bank to assure same day deposit of funds. For deposits of cash, a four-part deposit ticket must be prepared and two parts are to be included with the deposit to the bank. One copy of the deposit ticket is attached to the daily transaction report and sent to Cash Management. One part of the deposit ticket is attached to a copy of the daily transaction report and remains in Central Cashiering.

D. **DISBURSING**

All invoices need to be paid when due, but not before, to ensure maximizing interest income and avoiding penalties on late payments. Any discounts are taken when applicable. Complete documentation, including proper authorization, is required for all disbursements.

Payments through electronic transfers allow the City to plan its cash flow more accurately, expedite payments, and simplify administrative and accounting procedures.

E. **CHECK CASHING**

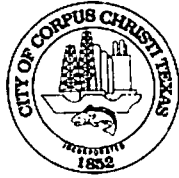
1. **Customer Checks-**

The City accepts checks that are made payable to the City of Corpus Christi and preprinted with the party's name and address. Temporary checks cannot be accepted. The driver's license number or other picture identification card number, if not printed on the check, will be written on the upper portion of the check. The applicable City account number and department will be written on the bottom portion of the check. The City departments that have CheckRite scanners must scan the checks at the time the payment is accepted.

It is imperative that all checks presented to the City for payment of services will be endorsed on the back of the check with the City of Corpus Christi and the City's bank account number.

2. **City Disbursement Checks**

The following employee reimbursement checks may be cashed if funds are available at Central Cashiering, after endorsement by the employee. If funds are not available, the employee will be asked to return at the beginning of the next business day.

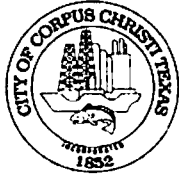


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- a. City insurance refunds or City flexible benefits checks;
- b. Travel/petty cash reimbursement checks;
- c. Any other City refund check issued from a City bank account;
- d. Mileage reimbursement checks; and,
- e. Checks for recognition awards issued by the Payroll Division of the Department of Financial Services.

3. Returned Checks – Nonsufficient Funds (NSF)

- a. When the City receives checks, the checks are sent to the City's bank for collection. At any point when checks are returned to the City for any reason, they are sent directly to CheckRite. Departments that make deposits will be notified by Central Cashiering and should take appropriate steps to discontinue services (i.e., Latchkey, Municipal Court, etc.). All returned check fees are to be paid by the customer at CheckRite and not at City Hall.
- b. After the City is notified by CheckRite that a check or bank draft in payment of utilities is returned as insufficient, the City will charge the amount of the check, a cut-off fee for utility accounts, and applicable bank fees back to the customer's account.
- c. If after 90 days, the funds are not collected by CheckRite, CheckRite will return the check to the City.
- d. Central Cashiering will contact the City department that originally accepted the check for assistance in collection of the "NSF" check. If the maker of the insufficient check does not pay CheckRite the amount of the check and applicable fees, CheckRite will send a list to the City regarding the "NSF" check. Central Cashiering will at that point, contact the department that originally accepted the payment so that the action of termination of services can occur.
- e. After the above measures are taken and collection of the check is unsuccessful for more than 120 days, the check amount, returned check charge (as approved by City Ordinance), and bank fees will be charged to the City department that originally accepted the check.
- f. Until the check is made good, the customer will not be allowed to pay for any City services by check.



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4.0 PETTY CASH FUNDS

Petty cash funds were established for convenience and effectiveness in conducting City business. Occasionally, a purchase needs to be made from a vendor who does not accept City purchase orders, procurement cards, or the amount is so small that it is more efficient to pay cash than to write a check. Petty cash funds are located throughout the City.

The responsibility for petty cash funds lies with the custodian who is responsible for making sure that the money plus receipts for disbursements equal the amount recorded on the general ledger. A petty cash fund can be established by issuing an Accounts Payable check with department director approval. All requests for setting up petty cash funds must be approved by the Director of Financial Services and the department director.

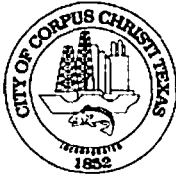
5.0 CASH OVER/SHORT

The purpose of this policy is to provide guidelines to uniformly handle differences of cash by a cashier or other employees. Levels of standards are herein established to measure accuracy and to help identify areas where assistance or training may be helpful. It is acknowledged that special circumstances may occur which are not covered within this policy and may be handled differently than outlined in the sections to follow. Significant differences, for example, may result in accelerated action up to and including termination. In each of these special cases, at least two of the following three individuals; the supervisor, the department director, and the Human Resources Director or designee, must jointly agree on the appropriate action.

Each month a Cash Over/Short Report will be reviewed, and the supervisor will address the employee's balancing record.

A. DIFFERENCES

1. All differences regardless of the amount will be recorded on the cashier's over/short record. Cashier differences of \$20.00 or more also require a "Cashier Difference Report" to be completed. This report must be signed by the supervisor and employee within 2 business days.
2. Any differences of \$50.00 or more must be reported the same day to the supervisor.
3. Any differences of \$100.00 or more must be reported the same day to the supervisor and the City Treasurer.



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B. BALANCING STANDARDS

During any 30-day period, a cashier is presumed to be working below acceptable standards when any one of the following occurs:

1. He/she has five (5) or more outages in any 30-day period regardless of the amount;
2. He/she has three (3) or more outages of \$5.00 or more in any 30-day period; or
3. He/she has cumulative outages of \$75.00 or more in any 30-day period.

C. OBSERVATION PERIOD

In the period following a cashier's balancing performance that is below the acceptable standard, a warning will be issued, and there will be an "observation period" of 30 days. During this period, the supervisor will provide training and/or assistance that may be helpful in improving the cashier's performance.

Throughout the "observation period", the supervisor must document the cashier's performance and make a recommendation to the City Treasurer regarding the cashier's progress. A cashier will be removed from the "observation period" if his/her balancing record has returned to an acceptable standard, no other policy violations have occurred, and no other problems have surfaced.

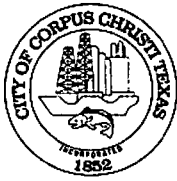
If problems still exist, the supervisor can elect to extend the "observation period"; place the cashier on probation; or, upon consulting with the City Treasurer, invoke other disciplinary action up to and including termination.

D. PROBATION

If a cashier's performance is below the acceptable standard for two (2) consecutive months or any three (3) months in a six-month period, or if additional violations occurred during an "observation period", he/she will be placed on probation for a minimum of two (2) months.

During the probationary period, the supervisor shall assign specific re-training responsibilities for the cashier on probation and shall document this additional training. Immediately following the probation period, the supervisor must complete a probationary evaluation recording the cashier's progress and submit a recommendation to the City Treasurer regarding:

- a.) Return to normal status;
- b.) Continuance of probation; or
- c.) Termination.



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Throughout any probation period, any promotions and/or salary reviews will be suspended until the cashier is no longer on probation and returns to a normal status.

6.0 POINT-OF-SALE CREDIT CARD PAYMENTS

The Director of Financial Services approves the departments that can accept payment by credit card. Responsibility for processing credit card payments correctly lies with the cashier who is responsible for accepting payment.

7.0 LEASE LINE OF CREDIT

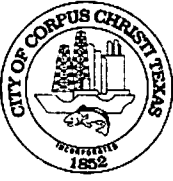
Through the budget process, equipment will be identified that must be lease purchased due to lack of funding for outright purchase. The equipment must be essential to perform services and the life of the equipment equal to or greater than the recommended financing term. Depending upon useful life, the equipment may be financed for terms of two to ten years.

8.0 PAYROLL CHECK RELEASE

- A. Unless authorized by the Director of Financial Services or the City Manager (or his designee), the City will distribute payroll checks on the regularly scheduled pay date only beginning at 8 a.m. on payday.
- B. A list of employees who can pick up payroll checks for each department is maintained by the Financial Services Department. Checks will be distributed only to the individuals listed or to the Department Director, and the employee picking up payroll checks must sign for the checks.
- C. Each department should submit updated listings prior to the first pay period of the fiscal year or as the persons authorized to pick up payroll checks change, if such changes occur during the year.

9.0 PAYROLL DIRECT DEPOSIT

- A. Direct deposit is a method of payment that uses the Automated Clearing House Association to make deposits into one account at a financial institution electronically. This replaces the issuance of paper checks.
- B. Direct deposit of payroll checks is a mandatory, free benefit offered to all employees. The process takes at least two pay periods to initiate. Employees may initiate direct deposit at any time by completing a form available in the Payroll Division of Financial Services or in the City's shared network directory under the "Payroll" folder.



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- C. The funds are transmitted to the employee's financial institution the day before checks are scheduled to be released and are available on payday.
- D. Employees should contact their financial institution to see if there will be any costs for direct deposit from their financial institution.
- E. Direct deposit may not be used for final checks on termination, pay while on workers' compensation, extra paychecks to correct time card errors, and certain other special handle payroll checks.
- F. If an employee changes banks, they must complete another authorization form and return it to the Payroll Division of Financial Services. The employee will then receive the next one or two pay amounts by check and then will resume receiving payment by direct deposit at the new financial institution. Deposits will continue to go to the old financial institution until the City is instructed to stop direct deposit at the old financial institution.

10.0 ADMINISTRATIVE FEE FOR GARNISHMENTS

- A. A fee of \$2.31 per pay period will be withheld from the paychecks of employees whose wages are being garnished for child support payments.

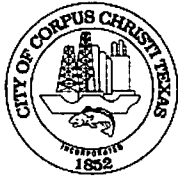
11.0 REPORTING REQUESTS FOR LEAVE

The City recognizes the hard work performed by its employees. It understands that employees may need to be absent because of occasional illness or scheduled vacation. The City wishes to ensure that the correct amount of sick leave or vacation taken is reported because public organizations (like the City of Corpus Christi) are funded by citizens, and the citizens have the right and expectation that public organizations are fiscally responsible with their tax dollars.

Absence due to illness, vacation, or other permissible reason is charged to accumulated sick leave, vacation leave, personal leave or bereavement leave and reported each pay period. At the department's discretion, absences of less than one day will be charged in increments of not less than one quarter hour.

The form reporting scheduled leave is Request for Leave Form, and it is signed by an employee's immediate supervisor. All leave is documented on the Request for Leave Form. The Request for Leave Form is to be sent to the department's Payroll Technician as soon as the forms are received by the employee's supervisor. Request for Leave Form is available at Stationary Stores or on the City shared drive under the Payroll folder.

All leave is documented on the Kronos (timekeeping) system and will require a signed leave slip. If the employee does not have a signed slip by the last day of the pay period, then the



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time is considered unauthorized, and the employee will be docked and will be subject to disciplinary action up to and including termination.

12.0 EMPLOYER PROVIDED VEHICLES

A. EMPLOYEES:

All City employees who operate City-owned vehicles must comply with all State and local laws and with City policy R 8.0 "Operation of City & Personal Vehicles: Driving Rules and Regulations with the requirements of the Internal Revenue Service (IRS) as it pertains to employer provided vehicles (take home vehicles).

B. DEPARTMENTS:

Department directors are responsible for designating those vehicles which can be taken home by employees. No employee who resides outside the city limits shall be allowed to take a City vehicle home. An exception may be made if the employee's residence and place of work is within a reasonable limit of their assigned work location (e.g., employees living in Mathis whose assigned work station is the Wesley Seale Dam).

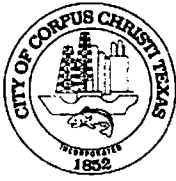
The department should evaluate the justification for assigning a vehicle to be taken home to ensure the assignment truly meets an after hour emergency response requirement to ensure the delivery of critical services and safety of the citizens. Authorization for take home vehicles must be based on job related requirements, e.g., on call. This designation must be in writing in the form of a memo from the Department Director to his/her Assistant City Manager authorizing the employee to take a City vehicle home and outlining the specific need or justification for doing so. Once approved by the Assistant City Manager, this memo will be placed in the employee's personnel file maintained in Human Resources.

The use of take home vehicles for personal use, other than commuting to and from the work site is not allowed. The Director of Financial Services should be notified whenever an employee is authorized to take a vehicle home, or when an employee stops taking a vehicle home.

1. Eligibility Requirements-

- a. The eligibility requirements exclude Police and Fire personnel covered by collective bargaining agreements.
- b. In determining whether an employee is eligible for a take home vehicle, the Department Director should consider the following:

- 1) The best financial interest of the City.



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- 2) Whether the employee is on-call. Only employees on-call will be eligible to take home a City vehicle.
 - 3) The frequency that an employee who is on-call responds to after-hour calls.
 - 4) If a specialized City vehicle is needed. If an employee is on-call, it must be necessary for them to use a specialized City vehicle that is equipped with tools and supplies.
- c. Employees who do not take City vehicles home but respond to after-hour calls will be subject to reimbursement under the In-town Mileage Reimbursement policy.

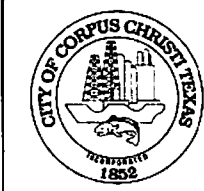
2. IRS Requirements

- a. **Commuting Value is Taxable** - Effective January 1, 1985, the value of personal use of an employer provided vehicle is considered taxable income. Personal use includes commuting. With the exception of the exempt vehicles listed in Appendix A and *de minimis* use, defined as using a vehicle only once a month for commuting or stopping to do an errand on the way home, state and local employer provided vehicles are subject to taxation.
- b. **Reporting Requirements** - The City is required to establish a value on the employee's personal use of City vehicles for commuting purposes, and to add this value to the employee's gross pay recorded on the W-2 form. This is done at the end of each calendar year by the City. The City has elected not to withhold Federal Income Tax on this value. As allowed by Internal Revenue Service, the City has established a value of \$3.00 per day for employee use of a City vehicle for commuting purposes.

At the end of each calendar year, each Department Director should complete the "Vehicle Take Home Record" form (available from Financial Services) for any current employee driving a City car home or any such employee who terminated or retired during the year.

From this information, Financial Services will compute the commuting value which is \$3.00 for each day the vehicle is used and add this amount to the gross wages on the employee's W-2 form.

- c. **Record-keeping Requirements** - Employees are required to keep a log including beginning and ending odometer readings and the purpose of the trip. These logs will be turned into their supervisor on a monthly basis. These logs will be submitted to Department Directors at the end of the



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calendar year. The Department Directors will review these logs on an annual basis in order to determine future eligibility.

13.0 TRAVEL POLICY

The City of Corpus Christi (the "City") recognizes the need for travel in carrying out City business and for development and training of the City's workforce. Operating procedures for travel reimbursement are provided to ensure reasonable cost constraints are applied to all expenditures incurred in directly related business travel.

This policy applies to all City employees, including City Council members, City Board members, and Police and Fire personnel who travel on City business, except where collective bargaining agreements take precedence over this policy. City temporary employees and individuals hired through third party temporary employee services do not qualify for reimbursement under this policy unless specifically authorized by the City Manager or designee. Reimbursement for individuals that have contracts with the City must comply with this policy unless otherwise noted in their contract.

City of Corpus Christi travelers who travel on the behalf of the City are expected to spend funds prudently and plan appropriately so costs do not exceed budgets. Directly related business travel expenses will be paid by the City when expenses are reasonable, appropriately documented and within the procedures outlined below. Any costs paid on behalf of traveler by an outside entity should not be included in the travel report.

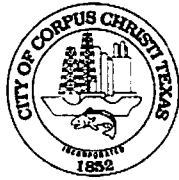
Staff is encouraged to attend conferences related to their professional development. The number of conferences a traveler can attend will be determined by the Department Director or designee based on, among other things, budget constraints. It is the responsibility of the traveler and his/her Department Director or designee to ensure that the training opportunities are the most relevant and practical available.

14.0 IN-TOWN MILEAGE REIMBURSEMENT

This policy sets forth the policy for mileage reimbursement for employees who operate their personal vehicle on City business for travel within the City's limits, the surrounding area (within a 50-mile radius), and/or to City operating locations.

Employees who do not receive a car allowance will be reimbursed for mileage incurred in the performance of the employee's job duties.

This policy excludes those employees who receive a car allowance as covered in HR 4.0 AP8 "Car Allowance – Executives", Police and Fire personnel covered by collective bargaining agreements, and employees who are assigned a City vehicle. Temporary employees hired through a temporary agency and individuals who have contracts with the City are not allowed to drive on City-business and are not eligible for reimbursement under this policy unless written authorization is obtained from the City Manager or designee. Reimbursement will occur at the standard rate adopted by the Internal Revenue Service in



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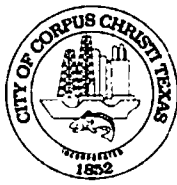
effect at the time the miles were driven. The most direct route from the place of employment to the business destination will be reimbursed. During budget shortfalls, the Financial Services Department may reduce the rate. The Financial Services Department may be contacted regarding questions concerning the standard rate.

A. Reimbursement will:

1. Occur for miles incurred traveling to and from work on a non-regularly-scheduled workday as required by the employee's supervisor (any day not part of the employee's normal scheduled work week) and as pre-approved by the employee's supervisor.
2. Occur for travel to and from work for emergency or call out before or after the regular work schedule; so long as this travel does not occur in conjunction with travel to/from the worksite for the regular schedule.
3. Occur for travel to and from business meals, meetings, and local training when excess miles exceed the employee's normal work commute from home to work.
4. Not occur if the destination is in route to or from the employees' residence to their place of employment and occurs on a scheduled workday.
5. Occur on a monthly basis as per the mileage calendar provided by Financial Services. No reimbursement for miles incurred for a period extending beyond one month will be made unless approved by the respective department director and Director of Financial Services.

B. General Requirements - Employees who operate their personal vehicle on City business must:

1. Have a valid Texas Driver's License for the class of vehicle drive;
2. Maintain current City Driver's Authorization Card (obtained through Risk Management Division); and, employees must attach copy of City Driver's card to the mileage reimbursement form;
3. Complete the Defensive Driving Course provided by the City, and required refresher training as per the City's requirement, and must attach a copy of the course completion certificate to the mileage reimbursement form;
4. Maintain current proof of minimum liability insurance coverage as required by the State of Texas; and, employees must attach proof to liability insurance coverage to the mileage reimbursement form;



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5. Maintain the vehicle in compliance with applicable state laws, including a current Texas Vehicle Safety Inspection Sticker and a valid Vehicle License Registration Sticker; and
6. Must comply with City Policies HR 3.0, Employment, HR 15.0 Alcohol and Drug Abuse, HR 40.0 Operation of City and Personal Vehicles Driving Rules & Regulations, and HR 47.0 Vehicle Accident Review Board (VARB).

15.0 CAPITAL ASSETS

The City complies with the Governmental Accounting Standards Board (GASB) definition of capital assets. The term "capital assets" includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives at least three fiscal years.

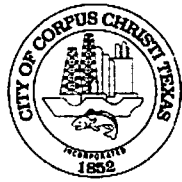
- A. The thresholds for capitalization are as follows:
 1. The asset must have a useful life of three years or more.
 2. All acquisitions of land and land improvements will be capitalized regardless of cost.
 3. For capital assets other than land, the unit cost must be \$5,000 or more.
- B. An addition or improvement to an existing asset that increases capacity, improves functionality, or extends the useful life of the asset beyond the original useful life will be capitalized if it meets the capitalization threshold.
- C. Assets purchased with Federal, State or local grant funds are subject to the capitalization policies of the grantor agency.

16.0 DONATIONS

All donations should be deposited in the "Contributions and Donations" revenue account within the appropriate fund. At the time that donations are received, if the donation is not budgeted but will be expended during the fiscal year, then the receiving department should prepare an agenda item for the City Council to appropriate those funds.

17.0 RECORD KEEPING DURING DISASTERS

Accurate and complete accounting and recordkeeping for use during and after disasters is paramount in order to justify all costs of a disaster that are to be reimbursed by the Federal Emergency Management Agency (FEMA). The successful review, validation, approval, funding and audit of a project relating to a disaster depend upon the availability, completeness and accuracy of files relating to a disaster or emergency.



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18.0 DIRECT ORDER PAYMENT REQUESTS

A. Direct Order payment requests may be issued for:

- travel per diem and/or travel expense reimbursements
- payments to vendors requiring advance payment
- reimbursements to the petty cash fund
- non-travel employee reimbursements not reimbursable by petty cash
- refunds
- payments to jurors
- bond-related expenses
- memberships
- utilities
- subscriptions, magazines, books (does not include inventory for Library)
- postage
- deed recording fees
- purchase of property or easement

B. All other payment requests for purchases are processed using a purchase order.

19.0 ACCOUNTS RECEIVABLES

A. All miscellaneous billings for amounts due to the City of Corpus Christi are to be made through the Accounts Receivable Division of the Financial Services Department.

B. Department Directors must notify Financial Services in writing:

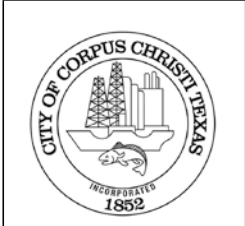
- a. who to bill,
- b. the billing address,
- c. the amount due,
- d. an explanation of charges, and
- e. the account to which the revenue should be booked when received.

C. Financial Services shall enter the information into the accounts receivable billing system. A statement will then be generated and mailed.

D. Any delinquent accounts receivable account 120 days or greater will be written off.

20.0 CUSTOMER REFUNDS

Customers will be issued refunds by check or by credit to the customer's credit card account within 30 days after the date of deposit. No cash refunds shall be processed. Overpayments shall not be returned to the customer until such determination is made as to the status of the payment received whether additional money is due to the City by the customer.



CITY OF CORPUS CHRISTI FINANCIAL POLICIES

21.0 PAYMENT PLANS

Payment plans may be accepted for payment of outstanding accounts receivable balances. For utility customers, the Utility Accounts Manager, or his/her designee, is authorized to issue payment plans with terms not exceeding six (6) months. For miscellaneous accounts receivable customers, the Accounts Receivable Supervising Accountant, or his/her designee, is authorized to issue payment plans with terms not exceeding six (6) months. Any terms beyond six months and up to twelve months must be authorized by the Director of Financial Services, or designee. Any terms beyond twelve months must be authorized by an Assistant City Manager, or designee. The customer whose name is on the account must sign the payment plan in person.

The City's software system should be set up in such a way for payment plans that the customer service representative would only have to enter the amount owed. The system would then generate the monthly payments, up to six months. Anything beyond six months would need the authorizations noted above.

Any utility customer, who is set up with a payment plan and defaults, will have to pay the entire balance in-full before service is restored. Additionally, these customers will not be eligible for payment plans in the future, unless they have shown a consistent payment history for an extended period of time of at least one year. The decision to grant a second payment plan to a customer can only be made by the Utility Account Manager or his/her designee.