

**TITLE II POLICY AND ADMINISTRATION**  
**CHAPTER 5 CITY FINANCE AND RECORDS**

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**2-5-1 BUDGET ADOPTION.** Annually, the city shall prepare and adopt a budget and shall certify taxes as follows:

1. A budget shall be prepared for at least the following fiscal year. When required by rules of the state city finance committee, a tentative budget shall be prepared for one or two ensuing years. The proposed budget shall show estimates of the following:
  - a. Expenditures for each program.
  - b. Income from sources other than property taxation.
  - c. Amount to be raised by property taxation, and the property tax rate expressed in dollars per one thousand dollars valuation.

The budget shall show comparisons between the estimated expenditures in each program in the following year and the actual expenditures in each program during the two preceding years. Wherever practicable, as provided in rules of the state finance committee, a budget shall show comparisons between the levels of service provided by each program as estimated for the following year and actual levels of service provided by each program during the two preceding years.

2. Not less than twenty days before the date that the budget must be certified to the county auditor, the clerk shall provide a sufficient number of copies of the budget to meet reasonable demands of taxpayers and have them available for distribution at the offices of the mayor and clerk and at the city library.
3. The council shall set a time and place for public hearing on the budget before the final certification date and shall publish notice before the hearing as provided by Iowa law. Proof of publication shall be filed with the county auditor.
4. At the hearing, any resident or taxpayer of the city may present to the council objections to any part of the budget for the following fiscal year or arguments in favor of any part of the budget.

5. After the hearing, the council shall adopt a budget for at least the following fiscal year and the clerk shall certify the necessary tax levy for the following year to the county auditor and the county board of supervisors. The tax levy for the following year to the county auditor and the county board of supervisors. The tax levy certified may be less than but not more than the amount estimated in the proposed budget, unless an additional tax levy is approved at a city election. Two copies of the complete budget as adopted shall be transmitted to the county auditor.

**2-5-2 BUDGET AMENDMENT.** The city budget as finally adopted for the following fiscal year becomes effective July first and constitutes the city appropriation for each program and purpose specified therein until amended. The city budget for the current fiscal year may be amended for any of the following purposes:

1. To permit the appropriation and expenditures of unexpended, unencumbered cash balances on hand at the end of the preceding fiscal year which had not been anticipated in the budget.
2. To permit the appropriation and expenditure of amounts anticipated to be available from sources other than property taxation and which had not been anticipated in the budget.
3. To permit transfers from the debt service fund, the capital improvements reserve fund, the emergency fund or other funds established by state law, to any other city fund, unless specifically prohibited by state law.
4. To permit transfers between programs within the general fund.

The budget amendment shall be prepared and adopted in the same manner as the original budget and is subject to protest as provided in section 2-5-3 of this chapter, except that the committee may by rule provide that amendments of certain types or up to certain amounts may be made without public hearing and without being subject to protest.

**2-5-3 BUDGET PROTEST.** Within a period of ten days after the final date that the budget or amended budget may be certified to the county auditor, persons affected by the budget may file a written protest with the county auditor, specifying their objection to the budget or any part of it. A protest must be signed by qualified voters equal in number to one-fourth of one percent of the votes cast for governor in the last preceding general election in the city, but not less than ten persons.

**2-5-4 ACCOUNTS AND PROGRAMS.** The city shall keep separate accounts corresponding to the programs and items in its adopted or amended budget, as recommended by the state city finance committee.

The city shall keep accounts which show and accurate and detailed statement of all public funds collected, received or expended for any city purpose, by any city officer, employee or other person, and

which show the receipt, use and disposition of all city property. Public monies may not be expended or encumbered except under an annual or continuing appropriation.

- 2-5-5 ANNUAL REPORT.** Not later than December first of each year, the city shall publish an annual report containing a summary for the preceding fiscal year of all collections and receipts, all accounts due the city and all expenditures, the current public debt of the city and the legal debt limit of the city for the current fiscal year. A copy of this report shall be furnished to the auditor of state.
- 2-5-6 COUNCIL TRANSFERS.** When the city clerk determines that one or more appropriation accounts need added authorizations to meet required expenditures therein the city clerk shall inform the council or if the council upon its own investigation so determines, and another account within the same programs has an appropriation in excess of foreseeable needs, or, in the case of a clear emergency or unforeseeable need, the contingency account has an unexpended appropriation which alone or with the other accounts can provide the needed appropriations, the council shall set forth by resolution the reductions and increases in the appropriations and the reason for such transfers. Upon the passage of the resolution and approval by the mayor, as provided by law for resolutions, the city clerk shall cause the transfers to be set out in full in the minutes and be included in the published proceedings of the council. Thereupon the clerk, and where applicable, the city treasurer, shall cause the appropriation to be revised upon the appropriation expenditure ledgers of the city, but in no case shall the total of the appropriation of a program be increased except for the transfers from the contingency account nor shall the total appropriation for all purposes be increased except by a budget amendment made after notice and hearing as required by law for such amendments.
- 2-5-7 ADMINISTRATIVE TRANSFERS.** The city clerk shall have power to make transfers within a single activity between objects of expenditures within activities without prior council approval. The city clerk shall have the power to make transfers between activities or between sub-programs without prior council approval to meet expenditures which exceed estimates or are unforeseen but necessary to carry out council directives or to maintain a necessary service and provide the required appropriation balance. Such transfers shall not exceed 5% at any one time of the activity's annual appropriation which is increased or decreased. However, when a given transfer, considering all previous transfers to or from any activity to exceed by ten percent greater or ten percent less than the original appropriation, it shall be presented to the council as a resolution including all such administrative transfers to date in the fiscal year for consideration and passage as presented, or as by amended by council.
- 2-5-8 BUDGET OFFICER.** The city clerk shall be the city budget officer and is responsible for preparing the budget data in cooperation with the council or mayor. The city clerk shall be responsible for carrying out the authorizations and plans in the budget as set forth in the budget, subject to council control and the limitations set out in this ordinance.
- 2-5-9 FEES.** All fees collected for any purpose by any municipal officer shall be deposited with the city treasury through the office of the city clerk. If any said fees are due to an officer, they shall

be paid to him by warrant/checks drawn by the clerk, and approved by council only upon such officer making adequate reports relating thereto as required by law, ordinances, or council.

**2-5-10 RECORDS, RETENTION.** The clerk shall, upon order of council, destroy all records and papers other than the minutes of the council proceedings, ordinances and instruments having to do with real estate or bond issues, when such records are more than ten (10) years old, in accordance with the law. Time-keeping records may be destroyed after two (2) years, and election records as provided by state law. The clerk shall prepare a resolution for council action each year listing the records to be destroyed.

**2-5-11 PETTY CASH FUND.** The clerk shall be custodian of a petty cash fund not to exceed \$25.00 for payment of small claims for minor purchases, collect-on-delivery transportation charges, and small fees customarily paid at the time of rendering a service for which payments the clerk shall obtain some form of receipt or bill acknowledged as paid by the vendor of this agent. At such time as the petty cash fund is approaching depletion, the clerk shall draw a warrant/check for replenishment in the amount of the accumulated expenditures and said warrant and supporting detail shall be submitted to the council as a claim in the usual manner for claims and charged to the proper funds and accounts. It shall not be used for salary payments or other personal services or personal expenses.

**2-5-12 CHANGE FUND.** The clerk is authorized to draw a warrant on the utilities fund for establishing a change fund in the amount of \$50.00 for the purpose of making change without commingling other funds to meet the requirements of the office. Said change fund shall be in the custody of the officer or employee responsible for the collection of utility bills for water, sewer rents, electricity, and gas, and shall maintain the integrity of the fund.

**2-5-13 PURCHASING – BIDDING.** All purchases over \$200.00 shall be made after bidding. Bids shall be taken from at least two (2), and if possible, three (3) bidders. If an item is a proprietary product, this provision shall be waived, but every effort shall be made to avoid specifications with proprietary items exclusively. Once a bid is taken on an item, unless in a fluid market, no new bids need to be sought for re-orders unless more than one year has elapsed since the last quotations were received from the several possible bidders. Major supply contracts such as for gasoline, fuel oil, etc., shall be reviewed annually. Department heads shall be guided by this regulation on requisitions submitted with quotations.

The city will take the appropriate steps to verify that the contractor/vendor is not suspended or disbarred from federally funded projects when a grant has been awarded to the city. In addition, when soliciting bids from contractor/vendor the city will document that it has made every effort to solicit from small/minority businesses and women's business enterprises.

**2-5-14 BIDDING – MAJOR CONTRACTS.** Contracts for consulting services, for such services as water main, sewer and sanitary work, street and utility construction by contract and large equipment shall be placed before council if the amount is for \$500.00 or more. Major items involving any department from budgetary provisions, or items not otherwise authorized by council, shall likewise be put before the council for policy decision and letting where required.

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**2-5-15 PURCHASING – ORDERS.** All purchases of service, supplies, and equipment shall be made only after issuance of a purchase order and no invoice shall be accepted unless authorized by such an order. Purchases not exceeding \$100.00 may be made by those officials authorized by the clerk, but only on issuance of a spot purchase order in writing signed by the authorized officer. A copy of such spot purchase order must be delivered to the clerk within 24 hours, weekends and holidays excepted. All other purchases shall be valid only if a purchase order has been given in writing and signed by the clerk. Purchases from petty cash shall be excepted and continuing purchases from vendors awarded extended contracts by bid award.

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**2-5-16 AUTHORIZATIONS TO EXPEND.** All purchase orders other than those excepted herein shall be authorized by the city budget officer after determining whether the purchase, if a major item, has been authorized by the budget or other council approval. The clerk shall then determine whether a purchase order may be issued by checking the availability of an appropriation sufficient to pay for such a purchase. A purchase order may be issued only if there is an appropriation sufficient for the purchase and for other anticipated or budgeted purposes. If no adequate appropriation is available for the expenditure contemplated, the clerk shall not issue a purchase order until a budget amendment to transfer of appropriation is made in accordance with power delegated by council and within the limits set by law and the council. The clerk shall draw a warrant/check only upon an invoice received, or progress billing for a public improvement, supported by a purchase order and signed receipt or other certification indicating the materials have been delivered of the quality and in the quantities indicated or the services have been performed satisfactorily to the extent invoiced.

**2-5-17 ACCOUNTING.** The clerk shall set up and maintain books of original entry to provide a chronological record of cash received and disbursed through all receipts given and warrants written, which receipts and warrants shall be prenumbered, in accordance with modern, accepted methods, and the requirement of the state. The clerk shall keep a general ledger controlling all cash transactions, budget accounts and recording unappropriated surpluses. Warrants/checks shall be signed by the city clerk and the mayor.

**2-5-18 BUDGET ACCOUNTS.** The clerk shall set up such individual accounts to record receipts by source and expenditures by program and purposes as will provide adequate information and control for budgetary purposes as planned and approved by council. Each individual account shall be maintained within its proper fund as required by council order or state law and shall be so kept that receipts can be immediately and directly compared with specific estimates and expenditures can be related to the appropriation which authorized it. No expenditure shall be

posted except to the appropriation for the function and purpose for which the expense was incurred.

**2-5-19 CONTINGENCY ACCOUNTS.** Whenever the council shall have budgeted for a contingency account the clerk shall set up in the accounting records but the clerk shall not charge any claim to a contingency account. Said contingency accounts may be drawn upon only by council resolution directing a transfer to a specific purpose account with its fund and then only upon compelling evidence of an unexpected and unforeseeable need or emergency.

All administrative transfers shall be reported in writing at the next regular meeting of council after being made and the fact set out in the minutes for the information of the mayor and council.

The city will take the appropriate steps to verify that the contractor/vendor is not suspended or disbarred from federally-funded projects when a grant has been awarded to the city. In addition, when soliciting bids from contractor/vendor the city will document that it has made every effort to solicit from small/minority businesses and women's business enterprises.