

# **Alleghany County Water District (ACWD) Policies & Procedures**

## **Policy #100 District Finances**

ACWD shall deposit all funds in an FDIC insured banking institution. The bookkeeper shall maintain a schedule per attachment A of this policy (unless there are extenuating circumstances).

### **Procedure 100.1 Check-writing & bill payment procedures**

The annual budget adoption by the Board of Directors provides the authorization for management to pay all routine bills.

The district bookkeeper is responsible for paying the bills in a timely manner but shall not be a signor on any of the district's bank accounts. A minimum of two district directors and the General Manager shall be signors on the bank accounts.

The General Manager shall verify that all expenditures are within the scope of the adopted budget and shall oversee the bill payment process. All bill payments will be ratified on a monthly basis with board approval of the monthly treasurer's report per Procedure 1.3.

Checks written over the amount of \$1,000 shall require two signatures.

All bill payments must be matched to an invoice or hand-written receipt. The bookkeeper shall write the check number and date of payment on each invoice at the time of payment or staple the check stub to the invoice.

### **Procedure 100.2 Accounts Receivable**

The bookkeeper shall follow the instructions in the bookkeeping manual and Customer Service Policy #4 regarding customer billings and collections. The bookkeeper must work closely with the meter reader to make sure that the meter readings are entered in the billing program as soon as possible each month. It is the bookkeeper's responsibility to notify the meter reader if any readings need to be re-checked. This also needs to be done as soon as possible.

### **Procedure 100.3 Treasurer's Report & Claims**

A treasurer's report which shows beginning and ending balances as well as all deposits and expenditures for each bank account shall be prepared for board approval at the regular meeting. All check numbers must be accounted for. A break-down ~~on~~ of the historical church/park account shall be included showing how much money is allocated to the Historical Church and how much is allocated to the Park. This report must also include a summary of the contingency fund balance per Policy #5. The report shall be prepared on a monthly basis to coincide with the bank statements **and must be provided to the Secretary a minimum of 72 hours prior the next board meeting.**

### **Procedure 100.4 Bank reconciliation**

All bank accounts shall be reconciled against a statement from the bank by the bookkeeper on a monthly basis. Copies of the bank reconciliation shall be kept in the district's accounting files with a copy of the corresponding treasurer's report attached and initialed by the General Manager. Copies of images of all checks shall be obtained from the bank and kept with the bank reconciliations.

### Procedure 100.5 Documentation

All financial back-up documents shall be filed by month. Documents include: invoices for each check written, deposit copies, monthly billing reports and bank reconciliations. All files must be retained per Generally Accepted Accounting Procedures.

### Procedure 100.6 Purchasing

Purchases within the scope of the district's adopted budget and for the purpose of maintaining operations may be made by either the General Manager, Chief Water Operator, Bookkeeper or authorized designee.

Expenditures utilizing contract labor AND/OR that are for construction projects shall conform with Policy #600 "Construction Works".

### Procedure 100.7 Emergency expenditures

An emergency is defined as any unexpected situation that either interrupts or threatens to interfere with ACWD's ability to provide water if not addressed immediately.

Unexpected purchases and/or labor that are necessary to keep the water system operational AND that cause a specific expense category to exceed the adopted budget should be approved by the General Manager or in the absence of the General Manager by the Chief Water Operator or designee. The expense shall be brought before the Board at the next regular meeting for ratification as-well-as, identification of how the expense shall be covered (for example: budget re-allocation or the use of existing funds).

### Procedure 100.8 Checking Account Minimum Balance

If the main checking account balance is expected to fall below \$2,500 due to the payment of operating expenses, an item shall be placed on the next regular board meeting agenda to authorize a transfer from the reserve account to the checking account.

If the timing is not right, and the bookkeeper must pay a bill that will cause the checking account balance to fall below \$2,500 before the next board meeting, the bookkeeper is authorized to transfer sufficient funds from the reserve fund savings account, to keep the checking balance above \$2,500.

If possible, the bookkeeper shall return the funds to the reserve account before the end of the calendar month. If the bookkeeper is not able to restore the reserve fund prior to month's end, or anticipates not being able to do so in the following month, an item shall be placed on the next regular board meeting agenda to ratify the transfer from the reserve fund savings account to the checking account to cover operating expenses.

Once a transfer is ratified by the board, it is no longer the bookkeeper's duty to try to return the funds from the checking account to the reserve fund savings account.