

## **CHAPTER V**

### **FINANCIAL MATTERS**

#### **' 5100 GENERAL**

##### **' 5101 Fiscal Year**

The Fiscal Year of the District shall begin January 1 of each year and end on December 31 of the following year.

UCA ' 17A-1-405.

##### **' 5102 Accounting System**

The General Manager shall prescribe the method of establishing, maintaining and reporting the accounts and funds of the District, its officers and employees, and financial statements prepared from those records, in conformance with generally accepted accounting principles and the Uniform Accounting Manual for Special Districts prepared and maintained by the State auditor. UCA " 17A-1-405, -407.

##### **' 5103 District Clerk**

The Board hereby designates the controller as the District Clerk. The District Clerk, or other appointed person, shall attend the meetings and keep a record of the proceedings of the Board.

The District Clerk shall maintain a properly indexed record of all contracts made on behalf of the District.

The District Clerk shall maintain the financial records for each fund of the district and all related subsidiary records, including a list of the outstanding bonds, their purpose, amount, terms, date, and place payable.

The District Clerk shall keep accounts with all receiving and disbursing officers of the district, shall pre-audit all claims and demands against the district before they are allowed, and shall prepare the necessary checks in payment. The District Clerk shall certify on the voucher or check copy, as appropriate that:

- (a) The claim has been pre-audited and documented:
- (b) The claim has been approved in one of the following ways:

- (i) Purchase order directly approved by the Board or its delegate.
  - (ii) Claim directly approved by the Board.
  - (iii) Claim approved by the financial officers.
  - (c) The claim does not exceed the appropriate departmental budget established by the Board.
- UCA ' 17A-1-408(1).

#### **' 5104 Secretary-Treasurer**

The Board hereby designates the General Manager as Secretary-Treasurer. The District Clerk may not also be the Secretary-Treasurer.

The Secretary-Treasurer is custodian of all money, bonds, or other securities of the district.

The Secretary-Treasurer shall:

- (a) Determine the cash requirements of the district and provide for the deposit and investment of all monies by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act.
- (b) Receive all public funds and money payable to the district within three business days after collection, including all taxes, licenses, fines and intergovernmental revenue.
- (c) Keep an accurate detailed account of all monies received under subsection (2)(b) in the manner provided in this part and as directed by the Board of the district by resolution.
- (d) Collect all special taxes and assessments as provided by law and ordinance.

UCA ' 17A-1-437.

#### **' 5105 Financial Reports**

The District Clerk or other delegated person shall prepare and present to the Board, detailed monthly financial reports showing the financial position and operations of the District for that month and the year-to-date status.

UCA ' 17A-1-442.

## **' 5125 ESTABLISHMENT OF FUNDS**

The Board may establish such funds as required by law and deemed appropriate by the Board including, but not limited to, General Fund, Debt Service Fund, Capital Project Fund and Reserve Fund.

## **' 5150 LIMITATIONS ON ACCUMULATED FUND BALANCES**

Retained earnings or fund balances may accumulate in any fund with the following restrictions.

### **' 5151 General Fund**

(a) An accumulated fund balance in the general fund is restricted to the following purposes:

(i) To provide working capital to finance expenditures from the beginning of the budget year until general property taxes or other applicable revenues are collected, thus reducing the amount that the District must borrow during the period, but this subsection does not permit the appropriation of any fund balance for budgeting purposes except as provided in Section 5151(d);  
UCA ' 17A-1-415(1)(a).

(ii) To provide a resource to meet emergency expenditures under Section 5409; and  
UCA ' 17A-1-426(1)(b).

(iii) To cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues. This provision does not permit the appropriation of any fund balance to avoid an operating deficit during any budget year except as provided under Section 5151(d), or for emergency purposes under Section 5409.  
UCA ' 17A-1-415(1)(c).

(b) The accumulation of a fund balance in the general fund may not exceed the greater of:

(i) One hundred percent (100%) of the current year's property tax revenues;  
or

(ii) Fifty percent (50%) of the total general fund revenues for the District.

UCA " 17A-1-415(2)(a), (b).

(c) If the fund balance at the close of any fiscal year exceeds the amount permitted under Section 5151(b), the excess shall be appropriated in the manner of Sections 5406.01 and 5402.01(b).

UCA ' 17A-1-415(3).

(d) Any fund balance in excess of 5% of the total revenues of the general fund may be utilized for budget purposes.

UCA ' 17A-1-415(4).

#### **' 5152 Debt Service Fund**

(a) An accumulated fund balance in the debt service fund may be used for the following purposes:

(i) The following year's block notice payment.

(ii) Payment on the following year's bond payments as authorized by bond covenants or other contractual agreements.

(iii) Board authorized reserves for future long-term debt payments.

#### **' 5153 Capital Project Fund**

(a) Within a capital projects fund the Board may, in any budget year, appropriate from estimated revenue or fund balances to a reserve for capital projects for the purpose of financing future specific capital projects, under a formal long-range capital plan adopted by the Board.

(b) The reserves may accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) Disbursements from these reserves shall be made only by a budget appropriation adopted in the manner provided by this chapter.

(d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this chapter relating to execution and control of budgets.

UCA ' 17A-1-415(5).

(e) The accumulation of a fund balance in the capital projects fund shall not exceed the sum of the current year's budgeted capital projects plus the total amount being accumulated for identified projects.

UCA " 17A-1-408(2), -415(2).

## **' 5175 RECEIPT OF FUNDS**

**5175.01** All funds of the District shall be received by the Secretary-Treasurer and deposited in qualified depositories designated by the Board and approved by the Utah Money Management Council.

UCA ' 17A-1-441.

**5175.02** As checks are received, a secretary in the headquarters office will individually add each check to a "cash received" list. The list will describe the payer, the date received, and the amount of the check. A restrictive endorsement is stamped on the back of each check. The checks and supporting information are daily delivered to the District Clerk. The "cash received" list is given to the Secretary-Treasurer on a monthly basis to ensure that all checks received are actually deposited. The District Clerk prepares a bank deposit slip in duplicate. One copy of the deposit slip is given to the bank with the deposit. The other copy, along with supporting information and the bank's receipt, is given to the District Clerk. The District Clerk deposits these cash receipts in the District's bank account at least every other day and/or Friday. The District Clerk enters the cash receipts into the computer system and credits the appropriate customer or general ledger account.

**5175.03** The Secretary-Treasurer shall give or cause to be given to every person paying money to the District treasury, a receipt or other evidence of payment, specifying, as appropriate, the date of payment and upon which account paid and shall file the duplicate of the receipt.

UCA ' 17A-1-438.

**5175.04** It shall be unlawful for any person to commingle District funds with the person's own money. If it appears that the Secretary-Treasurer or any other officer is making a profit out of public money or is using public money for any purpose not authorized, the Secretary-Treasurer or officer shall be suspended from office.

UCA ' 17A-1-441.

## **' 5200 INVESTMENT OF DISTRICT FUNDS**

### **' 5201 General**

The policy of the District shall be to invest public funds in a manner that will provide, in the following priority, for (1) safety of principal or capital, (2) liquidity, and (3) rate of return. It shall also be the policy of the District that all invested funds shall be made in accordance with applicable State and local statutes, specifically the Money Management Act of the State of Utah the provisions of which are hereby incorporated as a part of this policy.

This investment policy shall apply to all financial assets of the District including all component units. These funds and component units are accounted for in the District's General Purpose Financial Statement.

### **' 5202 Delegation to Secretary-Treasurer**

The responsibility for conducting investment transactions is hereby delegated to the Secretary-Treasurer who shall establish procedures for the operation of the investment program consistent with this investment policy.

### **' 5203 Prudence**

Investments shall be made with that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

UCA ' 51-7-14.

### **' 5204 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper executions of the investment program, or which could impair their ability to make impartial investment decisions. It shall be the responsibility of the employees and investment officials to report to the Secretary/Treasurer any conflicts of interest as stated in this section of the investment policy.

#### **' 5205 Authorized Investments**

Investments shall be made in compliance with the Utah State Money Management Act, Section 51-7-11. By Board direction, investments are restricted to time certificates of deposit, U.S. Government or agency securities, or repurchase agreements. In the event that the District chooses to invest in repurchase agreements, a master repurchase agreement will be used. Purchases of securities will be made on the basis of delivery vs. payment (DVP).

#### **' 5208 Reporting**

The Secretary/Treasurer will report the status of investments on a monthly basis to the Board of Directors.

### **' 5300 EXPENDITURE OF PUBLIC FUNDS**

#### **' 5301 General**

The District shall not make or incur expenditures or encumbrances in excess of total appropriations in the budget as adopted or as subsequently amended. Any such obligation contracted by any officer is not enforceable against the District. No check or warrant to cover any claim against any appropriation may be drawn until the claim has been processed as provided by this part.

It is the District's policy to expend public funds only for bona fide public purposes. The General Manager may expend public funds for food, refreshments, gifts, flowers, floral arrangements, planters, or other emoluments for a District officer, employee, public official, or their family members when the General Manager determines that such expenditure meets a measurable and discernible public policy objective.

UCA ' 17A-1-421.

#### **' 5302 Requisitions for Services and Supplies**

The District does not use Requisitions.

#### **' 5303 Purchase Orders**

The District does not use Purchase Orders.

#### **' 5304 Receipt of Shipments**

All deliveries of supplies are counted and inspected by appropriate receiving personnel. After supplies are counted and receiving documents are agreed to, supervisory personnel will approve invoices for payment. By initialing or signing the invoice, these individuals signify their approval to pay the invoice.

#### **' 5305 Processing of Invoices**

Payments are made only from original invoices.

#### **' 5306 Authorization to Sign Checks**

Disbursements of the District shall be made by checks hand-signed by the Secretary-Treasurer and countersigned by the Chairman of the Board, 1<sup>st</sup> Vice Chairman of the Board or 2<sup>nd</sup> Vice Chairman of the Board.

UCA ' 17A-1-439.

Any state or national bank designated by the Board as an official depository for funds of the District and approved by the Utah Money Management Council may be requested, authorized, and directed to honor checks, drafts or other orders for the payment of money drawn in the District's name on its accounts when bearing the signatures as specified in the above paragraph.

#### **' 5308 Computer Checks**

##### **' 5308.01 Preparation**

Computer checks are printed every other Friday, or as needed, for purchases of supplies or services, to maximize vendor or service provider discounts, and to meet due dates on individual invoices. The District Clerk will produce checks on the computer on pre-printed and pre-numbered forms.



## **' 5308.02 Processing**

Following the preparation and final review of computer checks, the District Clerk mails the checks.

## **' 5308.03 Reconciliation Procedures**

### **' 5308.04 Outstanding Check List**

Initially, the Secretary-Treasurer receives monthly bank statements and authorizes the District Clerk to enter all cleared checks into the computer system and generates a listing of all canceled checks and an outstanding checklist for use in performing the actual cash reconciliation.

### **' 5308.05 District Clerk Performs Reconciliation**

The District Clerk receives the monthly bank statements and reconciles each bank account on a timely basis. Any adjustments found through the reconciliation process are immediately made directly into the computer system. The General Manager reviews the bank reconciliation to ensure accuracy and completeness in a timely manner.

### **' 5308.06 Documentation Filing**

To avoid duplication of payments and provide for proper record retention, when a check is issued, a check stub is immediately attached to the check payment package and is then filed alphabetically by vendor.

## **' 5309 Payroll Checks**

### **' 5309.01 Origination**

Time cards are completed and signed by the individual employees and approved by their immediate supervisors. The Secretary-Treasurer approves the time cards as a secondary control to ensure payroll hours are within an appropriate range and that payroll is paid only to valid employees. Approved time cards are given to the District Clerk.

### **' 5309.02 Processing and Payment**

Payroll is paid out of the District office. The financial assistant inputs the payroll hours from the time cards received. A manual tape of all hours from the time cards is compared to the total hours per the computer check register to ensure input accuracy. The check register, manual tape of total hours, and time cards for the payroll run are reviewed for accuracy and completeness. The District Clerk prints paychecks on the computer on preprinted, pre-numbered forms. The checks are then signed, as authorized by '5306, and mailed (or hand delivered at the District office) by the financial assistant.

#### **' 5310 Hand Checks**

##### **' 5310.01 Preparation and Processing**

The District does not use Hand Checks.

##### **' 5310.02 Emergency Checks**

The District does not use Emergency Checks.

#### **' 5311 Blank Checks**

##### **' 5311.01 Signing**

The District does not issue any blank, signed checks.

##### **' 5311.02 Security**

Blank checks used for cash disbursements and payroll are stored and controlled in a secure area. A secure vault is utilized for all checks that are received and maintained on the premises. Blank checks for daily use are kept in a locked filing cabinet while unattended.

#### **' 5400 ANNUAL BUDGET**

##### **' 5401 Laws and Regulations**

The District shall comply with all State laws regarding the preparation and oversight of the yearly budget. Copies of the approved budget are sent to the Utah State Auditor's office within 30 days of adoption pursuant to UCA ' 17A-1-417.

## **' 5402 Tentative Budget**

### **' 5402.01 Contents**

#### **(a) General**

The tentative budget for each governmental fund and capital fund, and an operating and capital budget for each proprietary and other required special fund for which a budget is required, shall be accompanied by a description of specific work programs and other supporting data required by law or requested by the Board and shall also provide in tabular form:

(i) Actual revenues and expenditures (budgeted and actual) for the last completed fiscal year;

(ii) Year to date and total estimated revenues and expenditures for the current fiscal year; and

(iii) Estimates of revenues and expenditures for the budget year, including the amount of revenue available to serve the needs of each fund and estimates of the portion to be derived from general property taxes and all sources other than general property taxes.

UCA ' 17A-1-410(1).

The total of anticipated revenues shall equal or exceed the total of appropriated expenditures.

UCA ' 17A-1-409.

## **' 5404 Adoption by the Board**

At or before the first regularly scheduled meeting of the Board in November, the General Manager shall file with the Board, a tentative budget for each governmental fund and capital fund, and an operating and capital budget for each proprietary and other required special fund for which a budget is required.

UCA ' 17A-1-410(1).

### **' 5404.02 Review and Amendment**

The Board shall review, consider, amend, revise or tentatively adopt the budgets in any regular or special meeting called for that purpose prior to the public hearing, but no appropriation required for debt retirement and interest or reduction of any existing deficits required by law may be reduced below the minimums so required.

UCA ' 17A-1-410(3).

### **' 5404.03 Adoption**

The Board shall tentatively adopt the budgets and establish the time and place of a public hearing to consider its final adoption of the budgets.  
UCA ' 17A-1-410(3).

### **' 5404.04 Available to Public**

The tentative budgets adopted by the Board and all supporting schedules and data are a public record, and shall be available for public inspection for a period of at least seven days prior to the adoption of the final budgets.  
UCA ' 17A-1-411.

## **' 5405 Adoption of Final Budget**

### **' 5405.01 Notice of Hearing**

Final approval of the Board's proposed budget is subject to a public hearing. Therefore, following the Board's November meeting, District staff advertises at least seven days prior to the hearing in at least one major newspaper of general circulation throughout the District that a public hearing will be held to accept the District's proposed budget for the upcoming year. If no newspaper is published, the notice may be posted in three public places with the District. The District's press release will outline the date, time, and place of the public meeting, inviting the public to attend and make oral and/or written comments about the proposed budget.  
UCA ' 17A-1-412.

The District shall mail a copy of its *tentative budget* to constituent entities and customer agencies and will begin operating on the tentative budget January 1.

(a) Prior to the final hearing, the District will schedule informal meetings, if requested to do so, to discuss any issues or answer questions from any constituent entity or customer agency.

(b) At the final hearing, the Board shall explain any questions and seek to resolve any objection by a constituent entity, customer agency or other person attending the meeting.

(c) The District may approve and implement the budget over any or all objections or concerns of the constituent entities or customer agencies.  
UCA ' 17A-1-502.

#### **' 5405.02 Public Comment at Hearing**

At the time and place advertised or any time or any place to which the public hearing may be adjourned, the Board shall hold a public hearing on the budgets tentatively adopted. All interested persons in attendance shall be given an opportunity to be heard on the estimates of revenues and expenditures or any item in the tentative budget of any fund.

UCA ' 17A-1-413.

#### **' 5405.03 Continuing Authority**

After the conclusion of the public hearing, the Board may continue to review the tentative budgets and may insert any new items, or may increase or decrease items of expenditure, that were the proper subject of consideration at the public hearing, but there may be no decrease in the amount appropriated for debt retirement and interest or reduction of any existing deficits, as provided by Section 5406.01. It shall also increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget of each fund.

UCA ' 17A-1-414.

#### **' 5405.04 Adoption of Final Budgets**

After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall, by resolution, adopt a budget for the ensuing fiscal year for each governmental fund and capital fund and an operating and capital budget for each proprietary and required special fund for which a budget is required prior to the beginning of the fiscal year. Upon final adoption, the budgets shall be in effect for the budget year, subject to later amendment.

UCA " 17A-1-417, -418.

#### **' 5405.05 Public Access**

A copy of the final budget for each fund shall be certified by the General Manager and filed in the District Headquarters and shall be available to the public during regular business hours.

UCA ' 17A-1-417.

### **' 5406 Appropriations not to Exceed Estimated Expendable Revenues**

#### **' 5406.01 Responsibility of Board**

The Board shall not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget year of the fund.

UCA ' 17A-1-416(1).

In determining the estimated expendable revenue of the general fund for the budget year, there is included as an appropriation from the fund balance that portion of the fund balance at the close of the last completed fiscal year, not previously included in the budget of the current year, that exceeds the amount permitted in Section 5151. UCA ' 17A-1-416(2).

There is included as an item of appropriation in each fund for any budget year an existing deficit created in accordance with ' 5409 as of the close of the last completed fiscal year, not previously included in the budget of the current year, to the extent of at least 5% of the total revenue of the fund in its completed fiscal year. If the total amount of the deficit is less than 5% of the total revenue in the last completed fiscal year, the entire amount of the deficit shall be included. The entire amount of any deficit which results from activities other than those described in ' 5409 shall be included as an item of appropriation in each fund for any budget year not previously included in the budget of the current year. UCA ' 17A-1-416(3).

#### **' 5406.02 Responsibility of General Manager**

Except as authorized in Section 5409, the General Manager shall require all expenditures within each fund to conform to the fund budget, and may not encumber any appropriation or authorize any expenditure against any fund balance unless there is sufficient unencumbered balance in the fund's appropriation. UCA ' 17A-1-420.

#### **' 5407 Transfer of Balances Between Accounts in the Same Fund**

An unencumbered or unexpended appropriation balance or portion of the balance within a fund may be transferred to another account within the same fund when approved by the Board. No appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or covenant may be reduced below the minimums required. UCA ' 17A-1-423.

#### **' 5408 Amendment and Increase of Fund Budgets**

If during any budget year, an expense item is presented to the District for payment, and the payment thereof would exceed any line item in the approved budgets, that item will be referred to the Board for amendment of the appropriate budget pursuant to the following provisions prior to payment. UCA ' 17A-1-425.

### **' 5408.01 Governmental and Capital Funds**

The Board may, at any time during the budget year, review the individual budgets of the governmental funds for the purpose of determining if the total of any of them should be increased. If the Board determines that the budget total of one or more of these funds should be increased, it shall follow the procedures established in Section 5405 for holding a public hearing.

UCA ' 17A-1-424.

After the conclusion of the hearing, the Board may, by resolution, amend the budgets so as to make all or part of the increases, both estimated revenues and appropriations, which were the proper subject of consideration at the hearing. Final amendments in the current year to the budgets of any of the funds established in Section 5126 shall be adopted by the Board on or before the last day of the fiscal year.

UCA ' 17A-1-425.

### **' 5408.02 Proprietary and Required Special Funds**

The total budget appropriation of any fund described in Section 5127 may be increased by resolution of the Board at any Regular, Special or Emergency meeting called for that purpose if written notice of the time, place, and purpose of the meeting has been mailed or delivered to all members of the Board at least five days prior to the meeting. A Board member may waive notice, in writing or orally, during attendance at the meeting.

UCA ' 17A-1-433.

### **' 5409 Emergency Expenditures**

If the Board determines that an emergency exists, such as widespread damage from fire, flood, earthquake, or other conditions that threaten the health, welfare or safety of the public, and that the emergency necessitates the expenditure of money in excess of the budget of the general fund, the governing body may, by resolution, amend the budget and authorize the expenditures and incur any deficits in fund balance of the general fund reasonably necessary to meet the emergency.

UCA ' 17A-1-426.

### **' 5410 Lapse of Appropriations**

All unexpended or unencumbered appropriations, except capital projects fund appropriations, lapse at the end of the budget year to the respective fund balance.

UCA ' 17A-1-427.

## **' 5411 Loans From One Fund to Another**

Subject to restrictions imposed by bond covenants, statute, or other controlling regulations, the Board may authorize loans from one fund to another at interest rates, repayment terms, and conditions prescribed by the Board.

UCA ' 17A-1-429.

## **' 5412 Approval of District Expenditures**

The adoption of the final budgets by the Board shall be an appropriation by the Board for the purposes described in the budgets and no further action by the Board is required for expenditures within the amounts approved in the final budgets.

Notwithstanding this authorization, the Board shall review all District expenditures.

UCA ' 17A-1-447.

## **' 5500 LEVY OF TAX BY BOARD**

### **' 5501.01 Determination by Board**

Prior to June 22 of each year, the Board shall determine the level of funds to be raised by taxation, taking into consideration other sources of District revenue, and shall, by resolution, fix a rate of levy which when applied to every dollar of taxable value of property within the District will raise such funds. In its computation of the total levy, the Board shall determine the requirements of each fund for which property taxes are to be levied and shall specify in its resolution adopting the tax rate the amount apportioned to each fund. The combined levies for all purposes in any year, shall be subject to the provisions of UCA ' 17A-2-1423(2).

UCA " 17A-1-419, 17A-2-1422, 59-2-901.

### **' 5501.02 Certification to Counties**

Prior to June 22 of each year, the Board shall certify to the governing body of each county having a portion of its territory within the District the levy fixed by the Board and direct that at the time and in the manner required by law for levying taxes for county purposes the county governing body shall levy upon the taxable value of all property within the District such levy, in addition to other taxes as may be levied by the county governing body at the rate so fixed and determined.

UCA " 17A-2-1423(3), 59-2-912, 59-2-913.

The District Clerk shall certify the resolution setting the levy to the county auditors of the counties in which the District is located, in accordance with UCA ' 59-2-912, or in the case of a tax rate increase, in accordance with UCA ' 59-2-920.

UCA " 59-2-912, -913.



### **' 5501.03 Notice and Hearings**

In the event the tax levied by the Board exceeds the certified tax rate for the District, the Board shall set, publish notice, and hold a hearing.  
UCA " 59-2-918, -919.

## **' 5550 AUDIT REVIEW**

### **' 5551 Annual Audit**

An independent audit of the District is to be performed in conformity with UCA Chapter 2, Title 51. The Board shall appoint a public accounting firm to serve as independent auditor for the purpose of complying with the requirements of this section and with UCA Chapter 2, Title 51.  
UCA ' 17A-1-443.

The District's chosen public accounting firm shall conduct an annual audit of the District's operations and financial statement each year-end. The annual audit will be completed in time to present to the Board by the Annual meeting in May. The Board will evaluate the results of the audit and will accept the audit results. As needed, the finance committee will meet with the public accounting firm to review the audit results and evaluate recommendations.

At the completion of each audit, the auditors will provide a management letter. The management letter details any material weaknesses, reportable conditions, or other recommendations that were noted during the course of the audit. If possible, District staff will try to resolve and correct these conditions during the audit (or give rationale to continue any noted conditions) so these factors can be included in the management letter.

A copy of the audited financial statements, management letter, and staff response thereto (which may be included in the management letter), are sent to the State Auditor's Office as required by State law.  
UCA ' 17A-1-445.

Within 30 days after the final audit report is presented to the Board, the District shall mail a copy of the audit report to constituent entities and customer agencies. After reviewing the audit, a constituent entity or customer agency may request a meeting at which the Board will answer any questions about the audit and discuss the District's plans to implement suggestions raised by the auditor.  
UCA ' 17A-1-503.

## **' 5600 FIXED ASSETS**

### **' 5601 Capitalization Policy.**

All asset purchases are recorded as expenditures in the general fund or capital project fund. Individual assets with a cost in excess of \$1,000 are capitalized to the General Fixed Asset Account Group if the useful service life is expected to be one or more years.

### **' 5602 Useful Life Ranges.**

All assets should be depreciated over their estimated useful life. However, in order to provide greater consistency in financial records, the following estimated useful life ranges are followed:

3-5 years	Vehicles and small equipment;
5-10 years	Large equipment; and
30 years	Buildings and building improvements.

### **' 5603 Detail Records.**

The District maintains an inventory of all valuable fixed assets regardless of whether or not the item is expensed, capitalized or fully depreciated. All valuable fixed assets should be identified with a tag illustrating District ownership. Identification tags are issued and affixed to new fixed assets and recorded in the fixed asset detail during the payment process. This allows the District to safeguard its assets and know exactly what assets the District owns in the event of theft, destruction, fire, etc.

### **' 5604 Fixed Asset Periodic Inventory.**

The Controller and financial assistant perform a periodic inventory of all valuable fixed assets. All valuable fixed assets should be observed and counted at least once every two years. This accounts for all valuable fixed assets and ensures that the District's records are accurate.

## **' 5700 PETTY CASH FUND**

### **' 5701 Access to Petty Cash.**

The General Manager and the District Clerk (who will act as petty cashier) have access to the location's petty cash fund. The petty cash fund is maintained in a locked and secured area at all times.

### **' 5702 Cashing of Personal Checks.**

Personal checks are never cashed through the petty cash fund.

### **' 5703 Performing Surprise Cash Counts.**

Surprise petty cash counts may be conducted at times randomly selected during the course of the year.

### **' 5704 Reconciliation and Reimbursement.**

Receipts are required for all petty cash disbursements. At any given time, the petty cash fund will have cash or receipts equaling the total approved amount of petty cash. As the cash amount is depleted, the petty cashier reconciles the petty cash and records all receipts on the computer. The receipts are totaled, then a check is made for the amount to be reimbursed.

### **' 5705 Documentation and Approval.**

The Secretary-Treasurer reviews all requests for petty cash replenishment

## **' 5750 STOP PAYMENTS ON CHECKS**

### **' 5751 General.**

When it becomes necessary to stop payment on a check, the financial assistant telephones the bank with the check information (payee, check number, check date, and dollar amount). The bank should verify that the check has not cleared through the current date. The financial assistant immediately visits the bank and signs the appropriate "Stop Payment" form. A copy of this form is given to the General Manager.

A stop payment is placed on a check as soon as there is reason to believe it is lost or beyond the negotiable time period, which according to Utah banking laws is a period of six months from the date the check was issued.

## **' 5800 RECORD RETENTION**

### **' 5801 Policy.**

The check payment packages are maintained in a permanent storage file for safekeeping and future reference. The District maintains the hard copy of the records for an entire year. Further retention and destruction of District records shall be consistent with the publication "Utah Municipal General Records Retention Schedule", 1990, prepared by the Utah Department of Administrative Services, Division of Archives and Records Services, as subsequently amended, and Chapter XI of this Code.

## **' 5900 FINANCIAL ASSISTANCE FOR RELATED ACTIVITIES**

### **' 5901 General.**

The District will consider financial assistance to sponsors of a project directly related to the purpose for which the District was created, but no contributions to political, medical, welfare, or social groups may be authorized.

### **' 5902 Requests for Assistance.**

#### **' 5902.01 Contents.**

Requests from entities for District participation in projects or activities shall be made to the Board and shall contain the following information:

- (a) the name of the local sponsor or agency;
- (b) a description of the proposed project or activity and type of water to be used including design recommendations, specifications, and any other pertinent information;
- (c) a description of the local funding available to the sponsor or agency together with the suggested level of participation to be furnished by the District;
- (d) an estimate of completion time.

#### **' 5902.02 Referral for Evaluation and Recommendation.**

Upon receipt of a request for financial assistance, the Board shall assign a specific committee the responsibility of evaluating the application and making a recommendation to the board.

