

FINANCE AND REVENUE; TAXATION

GENERAL PROVISIONS

§34.01 DISBURSEMENT OF FUNDS; CERTIFICATE.

- (A) In accordance with the Local Government Budget and Fiscal Control Act, no bill or claim against the town may be paid unless it has been approved by the officer or employee responsible for the function or agency to which the expense is charged.
- (B) No check or draft of the town shall be valid unless it bears on its face the certificate of the Finance Officer as follows: “This disbursement has been approved as required by the Local Government Budget and Fiscal Control Act.”
- (C) No contract, agreement, or purchase order shall be valid unless it bears the certificate of the Finance Officer as follows: “This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.”

Statutory reference:

Preaudit of disbursements required, see G.S. §159-28

§34.02 PURCHASING AGENT.

- (A) The Town Clerk shall serve as purchasing agent.
- (B) As the purchasing agent, the Clerk shall:

- (1) Make or approve all purchases of material, equipment, and supplies authorized by the Town Board of Commissioners;
- (2) Establish sets of standards and specifications to control purchases by the town;
- (3) Prepare and publish specifications and notices to bidders;
- (4) Advise the Board as to anticipated needs for purchases and make purchases in advance of needs as authorized by the Board;
- (5) Store material, equipment, and supplies in advance of actual need;
- (6) Keep records of all purchases made and of the destination or ultimate use of the material, equipment, and supplies; and
- (7) Cause to be kept an inventory of all town property and add items as acquired.

Cross-reference:

Town Clerk, see §31.15

§34.03 PURCHASING ORDER.

- (A) Before any order is given for items to be paid by the town or any purchase made by a town employee, a purchasing order must first be obtained from the Town Clerk.
- (B) Any town employee purchasing goods without a purchase order from the Clerk will be held responsible for the cost of the goods.

§34.04 UNPAID TAXES THAT ARE LIENS ON REAL PROPERTY.

- (A) On the second Monday in February in each year, each County Tax Collector shall report to the governing body the total amount of unpaid taxes for the current fiscal year that are liens on real property, and the governing body shall thereupon order the Tax Collector to advertise those tax liens.
- (B) (1) The County Tax Collector shall advertise municipal tax liens by posting a notice of the liens at the County Courthouse and by publishing each lien at least one time in one or more newspapers having general circulation in the taxing unit.
- (2) Advertisements of tax liens shall be made during the period March 1 through June 30. The cost of newspaper advertising shall be paid by the taxing unit.

CASH MANAGEMENT AND INVESTMENT PLAN

§34.15 CASH MANAGEMENT PLAN ESTABLISHED.

- (A) The Town Board of Commissioners hereby adopts the Cash Management and Investment Plan. This cash management plan addresses cash receipts, cash mobilization and management of available resources (investments), cash disbursements, banking relations, and monitoring and reporting on the plan.
- (B) The independent auditor for the town shall monitor the town's compliance with the established cash management plan and the reports of the Finance Officer thereon. He or she shall report his or her findings and recommendations annually to the Board as a part of the annual audit.

- (C) Each year the plan will be reviewed by the Finance Officer during budget preparation. The Finance Officer shall amend the plan, as appropriate, to further enhance the town's cash management program. All plan amendments shall be presented to the Mayor and/or Finance Commissioner for review before the amendment is presented to the Board.
- (D) All employees of the town shall follow the cash management plan and provisions of this subchapter, and the wilful or continued failure to do so is sufficient cause for immediate dismissal from municipal employment. Any deviations from the plan by any official or employee shall be reported to the Mayor and Board at the next Board meeting after the deviation has occurred.

§34.16 CASH RECEIPTS; DEPOSITS.

The Finance Officer shall devise and implement a banking system for the town. The system shall include appropriate investment accounts and also a checking account for all funds.

§34.17 BANKING RELATIONS.

- (A) Should the value of the town's demand and the federal deposit insurance time deposits exceed the coverage limits, the Finance Officer shall determine the financial soundness of banks and savings and loans with which the town desires to do business.
- (B) The town shall maintain bank accounts as designated by the Town Board of Commissioners. The Board will designate the selected financial institution as the official depository for the town. The Finance Officer shall sign a contract with the official depository establishing the banking services and costs that will be applicable to the town.
- (C) The Finance Officer shall maintain a balance in the official depository equal to one month's expenditures or an amount sufficient to offset the

costs associated with the account, whichever is greater. The Finance Officer shall constantly review the activity on the accounts to determine target balances which shall accomplish the objectives of bank compensation and expenditure coverage.

§34.18 ILLING RECEIPTS; PROCEDURES.

Receipts from services such as park fees, swimming lessons, tennis courts, zoning permits, cemetery fees, and the like, shall be delivered to the Finance Officer daily with appropriate reports verifying cash receipts.

§34.19 INVESTMENTS.

- (A) Monies shall be deposited into the appropriate investment accounts at the bank no later than 2 p.m. to ensure that the deposit will be credited for that day. The deposits shall be made by the Finance Officer or by employees duly authorized to do so and supervised by the Finance Officer. All employees shall also promptly forward copies of deposit tickets to the Finance Officer for deposit verification.
- (B) The town shall remain 100% vested at all times with the exception of monies transferred to the checking account and monies held out for petty cash and change purposes. (One-hundred percent invested refers to actual investments as well as the use of interest-bearing checking accounts.)
- (C) Eligible investments shall be limited to obligations of the United States Government, such as treasury bills, bonds, and notes, time deposits with any bank or savings and loan whose principal office is in the state, and the State Cash Management Trust. Time deposits in excess of the federal deposit insurance of \$100,000 shall be placed with only those financial institutions which have been analyzed and determined credit-worthy by the Finance Officer. Repurchase agreements shall not be permitted unless approved by the Town Board of Commissioners.

- (D) Collateralization for deposits shall be in accordance with 20 NCAC 07. All deposits for the town shall be fully protected through deposit insurance and collateral securities pursuant to 20 NCAC 07. When utilizing a financial institution, the Finance Officer shall immediately require additional collateral to be pledged should the value of securities pledged for the town's deposits fall to a level that is materially less than the amount of the deposits. All escrow agreements shall be executed between the depository and the escrow agent as found in 20 NCAC 07.
- (E) Certificates of deposit purchased by the town shall be delivered to the Finance Officer.
- (F) The Finance Officer shall ensure proper diversification of the investments in order to minimize risks brought on by economic and market changes.

§34.20 DUTIES OF FINANCE OFFICER; CASH DISBURSEMENT PROCEDURES.

- (A) The Finance Officer shall appropriate and expend municipal money pursuant to G.S. §159-28(b).
- (B) To create the maximum amount of funds available for investment, the Finance Officer shall pay the obligations of the town biweekly. The Finance Officer shall pay the obligations of the town by the due date. The Finance Officer shall determine whether or not the discount for cash payment is more beneficial than payment on the billing's due date. The Finance Officer shall periodically review the disbursement cycle and changes shall be instituted if the disbursement cycle can be extended.
- (C) The Finance Officer shall require that all departments consolidate payments to one vendor. The Finance Officer shall ensure that all departments using the same vendor(s) receive the same due date and discount date.

- (D) The Finance Officer shall mail all checks after 12 upon provided the afternoon mailing will not result in missing the discount or payment due date.
- (E) The Finance Officer shall issue payroll checks bi-weekly. In addition, the Finance Officer shall submit payroll taxes on the due date.
- (F) The Finance Officer shall constantly review supplier contracts to ascertain whether or not the town is paying only for goods and services received or rendered.

§34.21 REPORTS OF PLAN.

- (A) The Finance Officer shall report monthly to the Town Board concerning the actual receipts and disbursements. Any overages or shortages shall be explained.
- (B) The Finance Officer shall report to the Mayor any changes in bank service charges and the amount of additional money required to offset the increased banking costs.
- (C) The Finance Officer shall report to the Town Board the status of delinquent tax payments and other revenues due to the town from private persons.
- (D) The Finance Officer shall semiannually submit the LGC-203 report of cash balances to the secretary of the Local Government Commission pursuant to G.S. §159-33.
- (E) Each year the plan shall be reviewed by the Town Board during budget preparation. The Finance Officer shall report to the Finance Committee any amendments that need to be adopted, any procedural changes needed, and any actions necessary to be taken by the Board to enhance the cash management plan.
- (F) The Finance Officer shall report to the Town Board any deviations from the cash management plan and efforts undertaken to ensure that these deviations do not reoccur.

PURCHASING PROCEDURES

§34.35 FORMAL BID PROCEDURE.

- (A) If the estimated cost of supplies, apparatus, materials, or equipment to be purchased exceeds \$20,000, the town shall advertise and receive formal bids.
- (B) If the estimated cost of a contract for construction or repair work exceeds the maximum amount allowed by G.S. §143-129, the town shall advertise and receive formal bids before awarding the contract.

Cross-reference:

Minority business development, See §35.02

§34.36 INFORMAL BID PROCEDURE.

- (A) When the cost of a purchase contract or a contract for construction or repair work exceeds \$10,000 but is less than the formal bid limits, the town shall obtain informal bids. The Town Clerk shall receive these bids, and shall keep and maintain for public inspection a record of all bids submitted.
- (B) All contracts shall be awarded to the lowest responsible bidders, taking into account quality, performance, and the time specified in the proposal.

§34.37 EXCEPTIONS TO BID PROCEDURES.

Neither formal nor informal bid procedures will be followed in the following cases:

- (A) For purchases of gasoline, diesel fuel, alcohol fuel, motor fuel, or fuel oil;
- (B) In cases of special emergency involving the health and safety of the citizens of the town or their property;

- (C) If the contract is between the town and another governmental unit or the United States Government;
- (D) If the project will use unemployment relief labor paid for in whole or in part from state or federal funds;
- (E) If it is a contraction project, the cost of which will not exceed \$75,000, and the work is to be done by employees of the town; or
- (F) If it is a contract with the State Highway Commission for street construction and repair.

§34.41 PUBLICATION OF BIDS.

Pursuant to a resolution by the Town Board of Commissioners, bids shall be invited by publication of a notice at least eight days before, or in the case of real property, 30 days before the date specified for the opening of bids. This advertisement shall state the time and place where plans and specifications, or descriptions of supplies, materials, and equipment may be had; the time and place for opening of the bids; and shall reserve to the Town Board of Commissioners the right to reject any and all bids.

§34.38 DEPOSITS ON CONTRACTS.

The town may require a deposit of 5% on all contracts that exceed \$50,000. The Town Clerk shall certify that these deposits have been obtained before contracts are awarded.

§34.39 NUMBER OF BIDS REQUIRED.

The town shall require at least three sufficient bids on contracts for construction or repair work that exceed the maximum amount allowed by G.S. §143-129. If fewer than three bids are received, the town shall re-advertise, and after the second advertisement, may award the contract even if only one bid is received.

§34.40 WITHDRAWAL OF BID.

If a contractor who submits a formal bid for a construction or repair project discovers an error in the bid, the contractor may request that the bid be withdrawn and his or her deposit returned. This request must be made before the contract is awarded and within 72 hours after the bids are opened. The Town Board of Commissioners shall hold a hearing on the matter and may allow the bid to be withdrawn if an error is found. Otherwise, the bid deposit is forfeited. A contractor who makes such a request will not be awarded the contract, even after a subsequent re-advertisement.