

**BEFORE THE CITY COUNCIL  
FOR THE CITY OF ALBION, IDAHO**

**RESOLUTION NO. 2023-01**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE  
CITY OF ALBION, IDAHO ADOPTING AN INTERNAL  
FINANCIAL CONTROL POLICY, AND SETTING AN EFFECTIVE  
DATE.**

**WHEREAS,** The City of Albion has an important responsibility to its citizens to carefully account for public funds, to manage City finances wisely, and to plan for the adequate funding of services desired by the public; and

**WHEREAS,** the City of Albion, Idaho has determined to develop an internal financial control policy; and

**WHEREAS,** the City's financial policies establish the framework for overall fiscal planning and management.; and

**WHEREAS,** the financial management policies of the City set forth guidelines for both current activities and long-range planning; and

**WHEREAS,** such policies will allow the city council and employees, in the normal course of performing assigned functions, to prevent, or detect, and correct, misstatements on a timely basis.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Albion, Idaho that:

A. The City hereby adopts the following as its Internal Financial Control Policy:

As noted in City audits, a concern with a small staff such as the city supports, is the segregation of duties over accounting functions, including stewardship of cash and cash equivalents. Such concern seeks a response of having separate persons to deal with intake or receipt of cash or cash equivalents and another to assist in accounting duties, including the reconciling of cash and cash equivalents. The main issue is comparing the cost of hiring another person to other ways to mitigate the circumstance. Given that it is hard to justify hiring another person, the following policies will be implemented to provide as much segregation as is possible.

1. Lock the office door when no one is monitoring the office entrance.

2. Employees, officers and agents may only be reimbursed for expenses that are first approved by the city council.
3. The person who logs in checks received in the mail, must not be the same person who is responsible for depositing the checks.
4. A copy of checks and receipts will be attached to a copy of the deposit slip and filed.
5. All cash receipts will be recorded with a two-part receipt book. The customer will receive one copy; and one copy is left in the receipt book.
6. The City's utility program has a report journal that is kept with the duplicate deposit slip.
7. One person prepares payroll checks, then another person distributes those checks.
8. A periodic review by an objective person should be conducted of the City's list of vendors that receive fees or checks from the City.
9. The City Council shall approve all expenses and vendor invoices before payment.
10. Any expenses paid through electronic payment will require Council approval.
11. All cash should be kept in a locked drawer or safe, with limited access.
12. All cash and checks received by the City shall be deposited daily in the bank.
13. The person who writes the checks is to be a different person from the one who deposits the checks.
14. Blank City checks should be stored in a locked cabinet, with limited access.
15. Checks are to be sequentially numbered and accounted for in sequence.
16. When checks are printed, a voucher (transaction summary) will be attached to the invoice.
17. All checks require two signatures.
- 18. No one may sign a check payable to oneself, either as a sole or secondary signature.
- 19. All bank statements are provide by email, and statements shall also be provided, by email, to City Council President or designee by the bank, and all cancelled checks are to be reviewed.
20. Twice a year, the City Council President, or designee, will inspect the accounting system and related documents. The scope and details of the inspection will be at the judgment of the City Council President, or designee. A report of such inspection will be provided to the mayor and the city council.
21. Any adjustments to journal entries are reviewed and signed by a member of the Council other than the Treasurer/Clerk.
22. The Council President will verify that the assets shown in the financial statements match those on the bank statement.
23. The Council shall insure that there is proper division of responsibilities among persons who receive, deposit, account for, and expend funds to minimize the potential for loss or unauthorized use of City assets.
24. Employee time sheets to be reviewed and approved by Mayor, Council President or designee. Designee should not be the same person preparing the paycheck.

B. In the event of any conflict of this policy with federal or state law, federal or state law will take precedence and be the controlling authority in the matter.

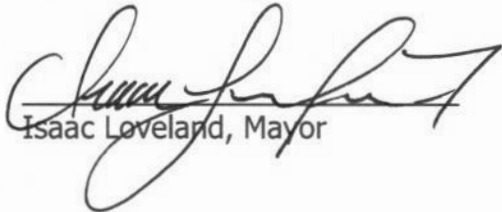
C. This resolution shall take effect and be in full force from and after its passage and approval.


Passed by the Albion City Council this 7<sup>th</sup> day of February, 2023.

Approved by the Mayor on the 7<sup>th</sup> day of February, 2023.

CITY OF ALBION, IDAHO

ATTEST:

  
Isaac Loveland, Mayor

  
Linda Hutchison, City Clerk