



BEDFORD COUNTY, TENNESSEE

FINANCIAL MANAGEMENT

POLICIES AND PROCEDURES MANUAL

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Chapter 1
INTRODUCTION

Section 1.1 Purpose: The purpose of this manual is to provide a guide for Bedford County departments and employees regarding all policies and procedures established by the Bedford County Financial Management Committee as required by the adoption of the “County Financial Management Act of 1981” (Tennessee Code Annotated [T.C.A.] 5-21-101 through 5-21-129). This manual was approved by the Bedford County Legislative Body on June 10, 2008, effective immediately, and supersedes any previous guidance on the matters herein. (NOTE: This manual is not meant to conflict and/or supersede State policies or procedures; therefore, State law [T.C.A.] always prevails. Also, Bedford County’s financial condition is not to be impaired by any action of the County Legislative Body.)

Section 1.2 Distribution: This manual will be distributed to all members of the Bedford County Legislative Body, Bedford County Financial Management Committee, Bedford County departments, and other Bedford County employees involved in areas covered by this manual. All recommended changes or corrections should be forwarded in writing to the Director of Finance, Bedford County Finance Department, 500 Madison St., Shelbyville, TN 37160.

Section 1.3 Revisions: This manual is to serve as a permanent, up-to-date guide of all approved Bedford County Financial Management Committee Policies and Procedures. As additions and revisions are approved by the Committee, the added sections and/or revised pages will be forwarded to each individual named in above Section 1.1 for updating of this manual.

Section 1.4 Objectives: To establish purchasing policies, rules, and regulations that are consistent with the “County Financial Management Act of 1981” as a supplement to the T.C.A., where applicable, to assure full and free competition for procurement of required supplies and/or services which are necessary for continuous and efficient Bedford County operations.

Section 1.5 Statutory Authority: These policies and procedures, effective May 27, 2008, supersede and rescind all previous promulgated policies and procedures and shall remain in effect until subsequently modified or rescinded.

Chapter 2
REVISIONS AND ADDITIONS

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Chapter 3
BUDGETING

Section 3.1 Budgeting General: The County Legislative Body adopts the budget as the annual appropriation of the County at or before its July regular meeting. The budget is a *plan* for revenue and expenditure that is adopted in order to provide specific services and, thereby, implement policies of the Board. It is also the legal authority to receive and expend funds. As it is a plan, it is recognized that changing conditions will require budget adjustments. These adjustments will be processed in the form of a Budget Amendment in accordance with the procedures and with approvals as required in Section 3.3 and 3.4 of this Chapter.

The normal budget process starts with a required meeting of the Financial Management Committee prior to the 1st of February (T.C.A. 5-21-110) and results in an approved budget, appropriations, resolutions, and a tax levy resolution no later than the July meeting of the County Legislative Body (T.C.A. 5-21-111).

In the event a budget cannot be adopted in a timely manner as stated above, a Continuing Resolution will be passed by the County Legislative Body at the July meeting to be effective through September (Budgets must be completed by October 1st).

At the January meeting of the Financial Management Committee, the required procedures, forms, calendar, etc. are recommended. Prior to distribution of budget forms to departments, the Committee will recommend guidelines and give direction to the various departments to use in projecting budgeted needs.

Section 3.2 Proposed Annual Budget Schedule:

- Before 2/1 Financial Management Committee to establish calendar and procedures (T.C.A. 5-21-110).
- Approx. 2/1 Budget forms prepared with historical data pertaining to prior and current year
To 3/14 expenditures; transmittal letter developed with budget guidelines and instructions.
- Approx. 2/15 Budget forms and information distributed to departments and offices.
- Approx. 3/1 Departments provided nine-month expenditures to date.
- Approx. 4/1 Completed budget request forms due in Director of Finance's Office.
- Approx. 4/15 Information received from departments is reviewed and compiled; initial revenue
To 5/14 projections are calculated; proposed budget document is prepared.
- Approx. 5/15 Proposed budget document is presented to Financial Management Committee.
- Approx. 5/16 Budget hearings held by Financial Management Committee.
To 5/30
- Approx. 7/1 Publish notice of public hearing and proposed budget at least 10 days prior to July
meeting of County Legislative Body including a budget appropriations resolution and a
tax levy resolution (T.C.A. 5-21-111).
- Approx. 7/10 Financial Management Committee holds final public hearing.

- Approx. 7/20 County Legislative Body adopts a budget, resolutions, and tax levy resolution.
- Approx. 8/15 Approval from State of Tennessee. Public notice that budget has been approved and the public is welcome to inspect budget. (Published within 30 days of final approval by County Legislative Body.)
- Each Month Status of budgeted receipts and expenditures reported to County Legislative Body and departments.
- As Required Budget amendments prepared and submitted to Financial Management Committee or County Legislative Body for approval prior to expenditure of such funds.

Section 3.3 Line Item Budget Amendments - Required Approvals:

With approval of the County Mayor and the Financial Management Committee, amendment of line items within a department/function budget of General Fund is authorized provided there is no net change to the total department/function budget.

With approval of the Highway Superintendent, the Road Board and the Financial Management Committee, amendment of line items within a department/function budget of the Road and Bridge Fund is authorized provided there is no net change to the total department/function budget.

With approval of the School Superintendent, the School Board and the Financial Management Committee, amendment of line items within a department/function budget of the School Fund is authorized provided there is no net change to the total department/function budget.

Section 3.4 Other Budget Amendments - Required Approval: The County Legislative Body will be the approving authority for:

- A. Budget amendments that result in an increase or decrease of the total budgeted revenue or expenditure of a fund and,
- B. Revisions to line items within a department/function from one department/function to another within the same fund. The above proposed budget amendments shall be submitted to the Financial Management Committee for its recommendation to the County Legislative Body.

Chapter 4
GENERAL ACCOUNTING

Section 4.1 Disbursement Checks - Signature Requirements: All disbursement and payroll checks drawn on a County Trustee account for the obligations of all County offices, departments, and agencies shall be prepared and signed as provided in T.C.A. 5-21-116. The department head will be deemed to be the Highway Superintendent for all Road and Bridge Funds, School Superintendent for all school related funds, and the County Executive for all other funds. The Director of Finance will be authorized to cosign all checks.

Section 4.2 Contract Review, Approval, and Administration: All contracts, leases, agreements, etc. in the name of Bedford County that extend beyond year end shall be presented to the County Legislative Body for review and be approved in final form prior to being executed by any County representative. *No individual within the County has the authority to legally bind Bedford County without the authorization of the County Legislative Body.*

Prior to presenting the contract, lease, or agreement in final form to the County Legislative Body, it will be reviewed and initialed by the Director of Finance or his deputy to indicate that:

- A. Obligations contained in the contract are provided for in current budget. If not, budget amendments will be prepared and presented.
- B. Minimum requirements relating to liability, property, worker's compensation, or other necessary types of insurance are provided for in the contract to protect Bedford County.
- C. Contract is in accordance with Bedford County Financial Management Committee policy and procedures.

After approval of the contract in final form by the County Legislative Body, the contract will be signed by the Director of Finance. A fully executed copy of the contract will be retained by the County with like copies distributed to the other parties of the contract. All original fully executed contracts should be forwarded to the Director of Finance's Office for filing and safekeeping. It will be the responsibility of the Director of Finance to see that all requirements of the contract such as performance bonds, certificates of insurance, payments to other parties, billing and receipt of funds from others, etc., are current and/or carried out in a timely manner.

All contracts, leases, agreements, etc. in the name of Bedford County that do not extend beyond year end shall be approved by the Director of Finance.

Chapter 5
PURCHASING POLICY

Section 5.1 General: T.C.A. 5-21-118 through 5-21-129 sets forth the basic responsibilities and procedures for an economical and efficient purchasing system. The primary objectives of centralized purchasing are cost savings through uniform consolidated purchasing practices and verification of funds availability prior to obligation. *No contract, purchase, or obligation of Bedford County funds for supplies, materials, equipment, contracted services, or rentals shall be made without the prior execution of a purchase order except in the narrow definition of an emergency purchase.* The basic principle of an organized purchasing system is to plan the County's needs, develop minimum specifications, and receive bids from the most bidders possible.

Section 5.2 Purchases Less Than \$25,000:

All purchases or sales for all departments of less than \$25,000 may be made by the Director of Finance in the open market without advertised or public notice. For purchases less than \$25,000 (see exception below) but more than \$5,000, a minimum of three (3) informal (quotes) bids must be obtained by telephone, soliciting informal quotations, consulting catalogs, routine calls from sales representatives, or other methods, unless an exception is approved by the Director of Finance and department head. Detailed specifications will be prepared for all purchases exceeding \$5,000. Whenever practical, the Director of Finance will obtain written confirmation of bids. Bid will be awarded to the lowest and or/best bid. *Requisitions for items estimated to cost more than \$25,000 will not be subdivided in order to circumvent the requirement for competitive procurement.* Whenever workload permits, the Finance Department will obtain informal bids for purchases less than \$5,000. The Director of Finance will annually review purchases less than \$25,000 for the feasibility of purchases to be formally bid periodically.

Section 5.3 Purchases exceeding \$25,000: All purchases or sales of more than \$25,000 will require advertised procurement which includes the following essential elements:

- A. Preparation of invitation for bid containing clear specifications.
- B. Solicitation of bidders necessary to assure that full and free competition is consistent with procurement of the required products and services.
- C. Provision of adequate time for submission of bids consistent with size and type of procurement.
- D. Inserting the invitation for three (3) days in a newspaper of County-wide circulation and allowing at least ten (10) days response time prior to the bid closing date.
- E. Public opening of the bids.
- F. Award to the lowest responsible bidder whose bid, conforming to the invitation for bid (IFB), will be most advantageous to the county, price, and other factors considered.
- G. Technical evaluation will be made by the requisitioner as to the acceptability of the bids. The appropriate Department head and/or Board (The Highway Superintendent and Road Board and the School Superintendent and School Board) shall recommend the bid to the Finance Department. The Director of Finance will make the award based on criteria listed in subparagraph

F above. The Director of Finance or department head may refer any bid to the Financial Management Committee for final award. Any and all bids can be rejected if so stated in IFB.

H. All fuel, fuel products, and perishable commodities are exempt from public advertisement and competitive bidding when such items are purchased in the open market. A record of all such purchases shall be made by the Director of Finance and will specify the amount paid, the item purchased, and from whom the purchase was made. A report will be made monthly to the Financial Management Committee and/or School Board as appropriate and will include all items of information as required in the record.

I. Chapter 8 covers the formal bidding process in detail.

Section 5.4.a. Purchase from Tennessee State Contract Pricing: As authorized by state law, purchases through state contracts and price agreements meet the legal requirements for formal competitive bidding and will be exempt from limitations provided in these purchasing policies. Departments should utilize state contract items whenever they provide a savings to the County, taking into consideration availability, location of supplier, delivery time, shipping charges, minimum orders, etc. when compared to locally available items.

Section 5.4.b. Cooperative Purchasing Agreements: As authorized by state law, the County may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, equipment and services with one or more other local governments within and outside the State of Tennessee, in accordance with an agreement entered into between or among the participants. Departments may utilize cooperative purchase agreements whenever they provide a savings to the County.

Section 5.5 Emergency Purchases: This is a purchase required under *uncontrollable or unforeseeable circumstances where any delay would endanger the health of the residents of Bedford County or cause additional and extensive damage to County property or adversely affect programs in Bedford County government*. If an emergency exists during working hours, the Finance Department will be notified and direction received from the Director of Finance as to the proper steps to be taken. If the emergency occurs when the Finance Department is closed, every effort should be made to obtain at least three (3) bids (oral or written) prior to purchase. The next working day, a Requisition should be delivered to the Finance Department.

Section 5.6 Sole-Source Purchases: Sole-source procurement is any action that limits the Director of Finance to one source of supply. This action can be initiated by a sole-source justification letter by specifying a brand name or “equal” characteristics, by means of restrictive specifications written around a particular product, or by specifying “no substitutions” on the requisition. *The fact that an item has been used satisfactorily is not justification to exclude procurement of items of similar or equal performance, quality, or design; nor will personal preference of an item justify excluding items that would serve the purpose.* The determining factor in preparing specifications shall be requirements of the County, not personal preferences of County employees. Sole source justification letters shall accompany the requisition giving reasons justifying the particular source for the procurement. Reasons given must be factual - no opinions, beliefs, or personal preferences.

Section 5.7 Conflict of Interest: Purchases of all supplies, materials, equipment, contracts for labor or services and leases are void if the Director of Finance, County Commissioners, County officials, or other County employees have an interest in said purchases, contracts, or leases. The County shall not be liable for any such purchase, contract, or lease. T.C.A. 5-21-121 provides that “.....The Director, Director of Finance, members of the Committee, nor members of the County Legislative Body, or other officials, employees, or members of the Board of Education shall be financially interested, or have any personal beneficial interest, either directly or indirectly, in any contract, lease, or purchase order for any supplies, materials, equipment, or contractual services used by or furnished to any department or agency of the County government. No firm, corporation, partnership, association, or individual furnishing any such supplies or equipment shall give or offer nor shall the Director or Director of Finance or any assistant or employee accept or receive, directly or indirectly, from any person, firm, or corporation to which any contract, lease, or purchase order may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future reward or compensation.”

Section 5.8 Purchase Procedures: After deciding a need for your department and the availability of budgeted funds, a requisition should be prepared for all purchases.

A. Purchase Requisitions: Although the purchase order is the official document or contract between the County and vendor, the requisition is the most critical document to insuring responsive service with centralized purchasing. It will be the duty of each person and department having a need for equipment, materials, supplies, contracted services, or other things to anticipate their needs and place requisitions in advance to allow time for procurement under an orderly purchasing procedure. *Requisitions should be placed two to four weeks plus delivery time before the merchandise is needed.* A requisition must be completed on the Finance Department form. The originator should retain a copy and forward the original copy (email or fax copy is acceptable) to the Finance Department. The requisition should provide as much information as possible. *The complete budget account number for the purchase of the supplies/materials/services should be entered on the requisition.* Although not required, processing of the request will be expedited if the requisitioner would recommend a vendor with two alternate quotes noted on the requisition. Requisitions for any blanket or recurring purchase order must indicate the names of individuals authorized to pick-up the materials. Under comments, the requester can provide appropriate information as to brand or vendor. The phone number should be for the requester or the person most familiar with the specific item. A copy of the Requisition Form is shown at Appendix A.

B. Purchase Order:

1. A purchase order is required for all purchases. A purchase order authorizes the purchase up to the approved dollar amount. The amount approved is determined by the requisition and the availability of funds in the budget. A purchase order may not exceed the approved amount. Excess amounts must be returned or paid for by the individual making the purchase. Purchase orders from Wal-Mart, Lowe's, Staples etc. must be accompanied with the card assigned by the Finance Department.
2. The purchase order is the official order acceptance of the bid offer which consummates a contract. At the time the purchase order is sent to the prospective vendor, the County enters into a contract with that vendor; therefore, it is important that the bids be carefully considered and purchase orders properly prepared. A copy of the Purchase Order Form is shown at Appendix B. After the best bid is determined, the Director of Finance shall prepare and approve the purchase order and the yellow copy is sent to the department requesting the purchase. The department places the order with the vendor and sends the vendor a copy of the purchase order. The department will keep a copy of the purchase order for their files.

- a. Blue Copy (Accounts Payable copy) is retained by the Finance Department and placed in an outstanding purchase order file until the merchandise is received, and order is ready for payment.
 - b. Yellow Copy (Purchasing Department Vendor File) is the receiving report copy and is returned to the department requesting the merchandise to be held until the merchandise is received. Upon completion of the order or contract, the yellow copy will be signed by the department and returned to the Finance Department along with any invoice and/or shipping documents with a notation of the total amount to be paid. *It is very important that this copy be returned to the Finance Department as soon as the merchandise is received in order to make timely vendor payments and take advantage of any early payment discounts.* In case of partial receipt of an order, the requester should make a copy of the yellow copy to retain until the back order is received. If the back order is expected in less than two (2) weeks and no early payment discount is involved, the requester may hold the yellow copy until all items are received. All yellow copies of purchase orders must be submitted to the Finance Office by 12:00 pm on Tuesday for the Federal Projects Fund and by 12:00pm on Wednesday for all other funds.
- C. **Changes to Purchase Orders:** Changes will follow the same procedures as if a new purchase order is being issued. *No employee will have the authority to change a purchase order or contract unless it is approved in advance by the Director of Finance in accordance with governmental purchasing procedures.*
- D. **Blanket Purchase Orders.** Blanket purchase orders are used to reduce time and administrative cost for *low dollar items purchased on a regular basis.* These purchase orders are used for repetitive low dollar purchases and purchases against a previously bid annual or semi-annual requirements contract that sets a fixed price for these items. Blanket purchase orders will be issued on a monthly basis for a specified dollar amount as determined by the elected official, department head, or Director of Finance. Items costing over \$1,000 and not covered by requirements contract or state contract may not be purchased against a blanket purchase order unless approved by the Director of Finance. Blanket purchase orders should indicate personnel authorized to make purchases. The Blue copy of the blanket purchase order will be held until the end of the month, and the requester will attach, itemize, total all invoices/receipts, indicate the total amount to be paid on the yellow copy, and forward all documents to the Finance Department on the first working day of the month.
- E. **Confirmation of Purchase Orders.** At times it will be necessary to obtain price quotes over the phone. The Director of Finance will authorize such purchases and provide the purchase order number.

Section 5.9 Purchasing Calendar: In order to receive volume discounts and to minimize delivery problems, the Director of Finance shall review the needs of each department and when the items will be needed. From this information, a purchasing calendar will be prepared indicating when certain items will be bid and when information will be needed to make such bids. For items not included on the purchasing calendar, department heads should allow two to four weeks for bidding depending on items to be purchased, plus estimated delivery time.

Chapter 6
REQUISITION AND PURCHASE ORDER PROCEDURES

All Departments

- A. Elected official or department head approves and signs all requisitions and forwards to the Finance Department. Teachers, custodial personnel, or other employees complete a requisition and forwards it to the school principal/department head for approval. The school principal/department head approves by signing the requisition then forwards it to the School Superintendent. *Note: No purchase order will be approved without the school principal's approval on the requisition.*
- B. The Elected official or department approves the requisition by signing and submits it to the Finance Department.
- C. Finance Department reviews requisition and drafts purchase order for all. The Director of Finance signs the P.O. after verifying fund balance in the requested account line item. In the case of a department having an immediate need of a purchase order, the Finance Department may assign the next purchase order over the telephone pending the completion of the purchase order in the computer. A log of all purchase orders issued is to be kept in the Finance Department.
- D. The Finance Department issues the P.O. (blue copy) for accounts payable and returns the yellow copy of the requisition to the originator.
- E. On receipt of the merchandise, the requester signs the yellow copy, indicates total amount to be paid, attaches receipts and any packing documents, and returns P.O. to the Finance Department for payment. (See Section 5.8b (3) for procedures on partial receipts.)
- F. For blanket purchase order procedures, see Section 5.8(d).
- G. For emergency purchase procedures, see Section 5.5.

Chapter 7
DELIVERY, BILLING, AND PAYMENT CYCLE

Section 7.1 Accounts Payable

- A. **Outstanding Purchase Order File:** Upon issuance of a purchase order, the Blue copy will be maintained in an “outstanding purchase order” file, alphabetically by vendor, until the order is fully paid or canceled. When the yellow copy of the purchase order is received from the originator of the requisition confirming receipt of the merchandise and an invoice is received from the vendor, the Blue outstanding purchase order copy will be pulled and attached. The purchase order is now considered ready for payment.
- B. **Receiving Invoices:** When an invoice is received, it is attached to the Blue outstanding purchase order file copy until the yellow receiving report copy is received. If the receiving report or payment approval is not received within two (2) working days, the department concerned should be contacted to determine if the merchandise has been received. Invoices should be verified as to price bid or quoted as it appears on the purchase order, quantity, freight charges, and exempt taxes.
- C. **Verification for Payment:** When an invoice, receiving report, packing slip, or bill of lading is received, the quantity, price, and exceptions noted on the various documents will be verified. Bedford County is tax exempt, and no taxes should be included on an invoice. If taxes are included, the vendor should be contacted, and a Tax Exempt Certificate provided to that vendor. At this time, payment may be made considering cash discounts, cash flow, and cash investments.
- D. **Freight Charges:** When taking bids, prices received from bidders should include all freight charges, and the purchase order should include a statement that the bid price includes freight charges. For those purchases for which the price does not include freight, the purchase order will state that all shipping and handling charges will be “PREPAID” and added to the invoice. The order will be considered “F.O.B. DESTINATION.” Every effort will be made to avoid freight collect shipments.

Section 7.2 Paid Files: When County obligations are paid, invoices will be stamped or otherwise marked “PAID”. One copy of the check payment stub will be stapled to the paid invoice along with the yellow receiving copy and all shipping documents. This will be filed alphabetically by vendor and maintained in a file cabinet for future use and auditing.

Section 7.3 Partial Payments: When there is to be a lengthy delay in receiving all of the merchandise purchased or when cash discounts are offered, a partial payment may be made for the order, provided the outstanding purchase order copy is marked with the amount paid and the amount due on the order when completed. *Each purchase order issued for instructional materials will have the statement, “Absolutely no back orders” typed at the bottom.*

Section 7.4 Payments: After complete verification, payment shall be made by issuing a County check. All invoices are to be paid weekly. The policy of the Finance Department is to write vendor checks every Wednesday for the Federal Projects Fund and on Thursday for all other funds. All yellow copies of purchase orders must be submitted to the Finance Office by 12:00 pm on Tuesday for the Federal Projects Fund and by 12:00pm on Wednesday for all other funds. Checks will be processed the following week for yellow copies of purchase orders submitted after the 12:00 pm due date.

Section 7.5 Delivery Cycle:

- A. Materials are received by requisitioning department with delivery ticket.
- B. Receiving department checks delivery against requisition/purchase order to see if the order is complete.
- C. Receiving department signs and dates delivery ticket and so annotates yellow copy of purchase order.
- D. Receiving department head signs yellow copy of purchase order and sends purchase order with delivery ticket to the Finance Department.

Section 7.6 Billing and Payment Cycle:

- A. Invoice is received at Finance Department.
- B. Invoice is checked against receiving report when applicable.
- C. Invoice is inputted into computer.
- D. Purchase order is liquidated if not a partial payment.
- E. Checks are processed, matched with invoices, and routed for authorized signature.
- F. Checks are routed back to Finance Department.
- G. Invoice is separated from check.
- H. Checks are mailed to vendor.
- I. Copy of check stub and invoice is filed.

Chapter 8
FORMAL BIDDING POLICIES

Section 8.1 What Will Be Bid: Any item or combination of items from a source costing more than \$25,000 for all funds will be bid using a sealed bid unless an emergency exists.

Section 8.2 Need Evaluation and Basic Specifications: Each department will determine its needs and submit a requisition with the minimum specifications either on the requisition or attached to it. *In submitting a requisition, the department should consider the amount of the budget balance and refrain from exceeding its budget.*

Section 8.3 Specifications: Quality is as important as price. Quality buying or value analysis is defined as the purchase of goods, supplies, materials, equipment, or services which fulfill but do not exceed the requirements for the intended purpose at the lowest price. Specifications should adequately and clearly define the minimum requirements of the item to be purchased in order to receive the maximum number of bidders. The Director of Finance has a minimum of five (5) working days to write the specifications when deemed necessary.

- A. Detailed Specifications: Detailed specifications will be developed for all projects and all items to be bid.
- B. Specifications Using Manufacturer's Brand Name, Brand, and Catalog or Model Number: Generally, using this type of specification is adequate. If more than one manufacturer's product meets the specifications, each will be listed in the specifications. In using this type of specification, the minimum features to be accepted will be specified, and the provision "or equal" or similar qualifying words will be part of the specifications.

Section 8.4 Formal Bidding Procedures:

- A. Soliciting bids:
 - 1. General Requirements: Bids will be solicited from enough qualified sources to assure full and free competition for procurement of required supplies or services.
 - 2. Method for Soliciting Bids: The Director of Finance will mail, fax, or deliver invitations for bid (IFB) to prospective bidders and will also display copies of the invitation or notices.
 - 3. Paid Newspaper Advertising: Announcements of proposed procurements will be inserted as paid advertisements in newspapers only when the amount exceeds \$25,000.
 - 4. Copy of Invitation to Requisitioning Office: A copy of each invitation for bid will be furnished to the requisitioner for his inspection and appraisal.
 - 5. Record of Distribution: A record will be kept of the distribution of invitations for bid in the Finance Department.

B. Receipt and care of bids:

1. General Requirements: Bids will be received, handled, and protected in a manner that will prevent fraud and preserve the integrity of the County's competitive bidding system.
2. Bid Depository: As bids are received in the Finance Department, they will be placed in a locked room until time for the bid opening.
3. Sealed Bids Not to be Opened: Bids will not be opened, read, or in any manner made public until the time set for opening, except as set forth in 8.4b(4) below.
4. Identification of Sealed Bids: If bids are not properly identified, they will not be considered.
5. Date of Receipt Marked on Envelope: Each bid envelope will be time stamped or have written on it in ink, the date and hour of actual receipt. The notation will be signed by the person entering the information on the envelope.

C. Late Bids, Modifications, and Withdrawals:

1. General Requirements: Modifications by telephone will not be permitted. Bids may be withdrawn at any time up to the time of the award. *Bids may not be withdrawn after award.*
2. Hand Carried Bids: A late hand carried bid will not be accepted.
3. Notification to Late Bidder: All formal invitations to bid specify a date, hour, and location of the public opening. **EACH VENDOR WILL BE RESPONSIBLE FOR SEEING THAT HIS BID ARRIVES IN TIME TO BE CONSIDERED.** Incorrect filing, mailing, or lateness resulting from the United States Post Office will not be an excuse and such bids will not be accepted. The bidder will be notified of his late bid, and the late bid will be returned unopened.

D. Signing and Submission of Bids:

1. General requirements: In order to receive consideration, bids will be filled out, executed, and submitted in accordance with the instructions accompanying the bid form and in sufficient time to reach the designated office at or before the time fixed for the bid opening.
2. Signing of Bids: Bids will be signed by bidders prior to submission. Signatures in lead pencil are acceptable but are discouraged. Corporate names, trade names, or partnership titles may be stamped or typewritten, but the actual signature of the authorized representative of the bidder will appear on the bid. The signatures will be followed by the title of the signer. Any incomplete business name or signature deficiency will be questioned and possibly disallowed by the Director of Finance. A justification will be filed with bid in Finance Department.
3. Bids Submitted in Envelopes: Bids and written modifications of bids will be required to be submitted in sealed envelopes. *Unsealed bids will not be accepted.*
4. Telephone, Fax, or Oral Bids: No oral, telephone, or faxed bids will be accepted.

E. Opening Bids:

1. General Requirements: At the time fixed for opening, all bids received will be publicly opened and read aloud by the official designated to open the bids.
2. Date and Time of Bid Opening: Each bidder will be requested to submit a bid in a sealed envelope at a specified date and time.
3. Data to Read:
 - a. Name of bidder.
 - b. Discount terms.
 - c. Delivery terms.
 - d. Quantity offered.
 - e. Price on each item and totals.
 - f. Any bid conditions or qualifications.
4. Recording of Bids: Bids will be recorded using a Competitive Bid Summary Form (Appendix C). The bids may be recorded as they are opened and read or after they are read; however, when there are a large number of bids, the bids should be recorded as they are read.
5. Bidders Not to Handle Bids: *Bidders, their representatives, or any spectators in the bid room will not be allowed to handle the bids after they have been opened; however, they may be allowed to inspect such bids when in the hands of a County representative. This representative will answer any questions asked as to the content of any bid received. On request, bidders may be provided copies of other bids.*
6. Discussing Merits of Bids: *The relative merits of bids will not be discussed by the person opening the bids. No statements will be issued by the bid opener at a bid opening bearing on the award, the possibility of a re-advertisement, mistakes in bids, etc. No oral instructions will be given to bidders any time during the opening. Protests of bidders and inquiries regarding the award of the bid will be referred to the Director of Finance after completion of the bid opening procedure.*

F. Evaluation of Bids:

1. General Requirements: Bids will be evaluated to determine the lowest responsible bid. Because various factors in addition to price may have to be considered in determining the lowest bidder, the evaluation of bids calls for exercise of good judgment, making fair and impartial decisions, and a knowledge of basic rules and regulations by the Director of Finance.
2. Abstracting Price Information: Extensions of unit prices will be checked for accuracy. In case of error, the unit price will govern, and the correct extensions thereof will be entered on the abstract. Where a few items of major equipment are involved, the total price will be shown on the abstract. For a long list of miscellaneous items, unit prices will be abstracted, except when the Director of Finance requires that the abstract contain extensions of unit prices for broader comparison purposes.
3. Public Inspection of Abstract: After bids have been evaluated and the award made, the abstract will be made available for public inspection.
4. Selection of the Bid for Award: This is the lowest, responsible (best) bid that meets the bid specification(s). When the lowest bid received is not awarded the bid, the Director of Finance will write a memo of justification and place in the appropriate bid file. Each bid will be carefully evaluated as to quality, price, delivery, and service, and the report will give complete details on why the low bid should be waived. The final decision for bids rests with the Director of Finance and appropriate department head (County Executive, Highway Superintendent, or Board of Education). The Director of Finance or department head may refer any bid to the Financial Management Committee for final award. Copies of rejected bids with reasons will be filed with other bids.
5. Equal Low Bid - Tie Bids: Quality and service being equal, identical bids will be decided in favor of the local vendor. If a tie exists between vendors being equal in all respects, the tie will be broken by a telephone call to the submitting bidders advising of the tie and asking whether they want to resubmit another sealed bid.
6. Protest: Any protest not resolved by the Director of Finance and department head will be referred to the Financial Management Committee.

G. Bid Files Open to the Public: Any citizen of Bedford County will be allowed to see the bid files by contacting the Director of Finance.

H. Rejection of Bids: The County reserves the right to accept or reject any or all bids in whole or in part and to waive any minor irregularities in any bid. Reasons for rejection should be noted on bid forms.

I. Removal of Bidder from Official Bid List: If a bidder does not perform in accordance with the bid conditions or specifications or if it is found that the bidder had intentionally violated these policies and regulations, and/or if the vendor fails to submit a bid on three successive invitations, the Director of Finance may remove the vendor from the official bid list until the violations are remedied to the satisfaction of the Director. Upon removal from the list, the Financial Management Committee will be notified and given the reason for removal.

J. Bonds

1. Bid Bonds - Deposits of Good Faith: In cases of large bids or contracts, the Director of Finance may require a bid bond not to exceed 10% of the total bid. A certified check, cashier's check, or a properly executed bond will accompany the bid proposal. The check will be made payable to Bedford County. Deposits of the bidders are held until award of the order of contract, and the deposit of the successful bidder is held until he has completed delivery or services and/or, if required, provided a performance bond.
2. Performance Bond: The performance bond is used to insure performance of contracts in the time and manner prescribed and to save, indemnify, and keep harmless the County against loss. In cases of large or construction contracts, bid proposals will require 100% performance bonds.

Section 8.5 Special Areas:

- A. Vendor Discounts: Vendor discounts will be considered in determining the low bidder.
- B. Splitting Orders: *No employee will split an order, divide the items to be purchased, or use similar practices to avoid the sealed bidding procedure.*
- C. Grouping of Requests: All employees will make every effort to group orders for avoiding repeat orders and to receive the best price. In order to do this, needs will be anticipated well in advance.
- D. Contracts: Contracts will be issued for construction projects and other items of a similar nature. All contracts will be approved by the Director of Finance and department head.
- E. Cooperative Procurement: The Director of Finance may participate in, sponsor, conduct, or administer a cooperative procurement agreement with one or more other public bodies or agencies of the United States for the purpose of combining requirements to increase efficiency or reduce administrative expenses.
- F. List of Bidders: The Director of Finance will compile a list of vendors. The list will be divided according to the type of merchandise each vendor sells. When bids are issued, each vendor will receive a copy or notification of the bid notice and/or specifications.

Chapter 9
INSURANCE AND RISK MANAGEMENT

Routing of Insurance Claims/Reports:

A. On the Job Injury Reporting Procedures:

1. Schools:

Step 1: Immediately after accident, principal or immediate supervisor fills out and signs Employer's First Report of Work Injury Form (Appendix D) and forwards a copy to the Board of Education Central Office and the Finance Department.

Step 2: Department head or supervisor electronically submits claim to the insurance carrier via internet.

Step 3: Insurance carrier routes Employer's First Report of Work Injury Form to policy underwriter and the Tennessee Department of Labor, Division of Worker's Compensation.

2. County General and Road Department:

Step 1: Immediately after accident, department head or supervisor fills out and signs Employer's First Report of Work Injury Form and forwards to Finance Department.

Step 2: Department head or supervisor electronically submits claim to the insurance carrier via internet.

Step 3: Insurance carrier routes Employer's First Report of Work Injury Form to policy underwriter and the Tennessee Department of Labor, Division of Worker's Compensation.

B. Student Accident Reporting Procedures:

Step 1: Immediately after accident, principal or student's teacher/coach fills out and signs Athletic & Student Accident Notification of Injury and sends to students' parent/guardian for completion and signature.

Step 2: Student returns the form to teacher, coach, or principal, and the form is forwarded to the Board of Education Central Office and the Finance Department.

Step 3: Principal electronically submits claim to the insurance carrier for processing via internet.

C. Vehicle Accident Reporting Procedures (All Departments):

- Step 1: Complete all accident reports required by law enforcement.
- Step 2: Promptly notify department head/elected official of accident.
- Step 3: Law enforcement officer/department sends a copy of the accident report to the department possessing the vehicle.
- Step 4: Department head out and signs Property/Liability Report Form and sends form to the insurance carrier.
- Step 5: Department head/elected official electronically submits claim to the insurance carrier handling the vehicle insurance policy via internet.
- Step 6: Insurance carrier routes accident report and cover letter to the policy underwriter.

D. Property Damage or Stolen Reporting Procedures (All Departments):

- Step 1: Report all information of damaged or stolen property in writing and forward to the department head/elected official.
- Step 2: Department head/elected official reviews information and forwards to the Finance Department.
- Step 3: Department head/elected official electronically submits claim to the insurance carrier handling the real and personal property insurance policy via internet.
- Step 4: Insurance carrier routes the information to the policy underwriter.

NOTE: The Finance Department keeps a copy of all claims on active file until notified by the insurance agency and/or County Attorney. A copy of all claims remains on file at the Finance Department.

Chapter 10

FIXED ASSET ACCOUNTING

The purpose of this policy is to provide guidelines for the departments of Bedford County regarding capital asset reporting in the financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments* and establishes management control and continuing accountability for all capital assets, over capitalization thresholds, acquired by county departments.

Capitalization of capital assets includes land, buildings and improvements, roads and bridges, machinery and equipment, and construction in progress. The asset amounts represented in the county's financial statements should be documented by an inventory listing supported with detailed records for the historical or estimated historical cost of each asset.

It is also the County's responsibility to insure proper accountability of certain other purchases made with County funds that do not represent general fixed assets. This policy is to encompass that responsibility for "controllable items".

Section 10.1 Administrative Policies:

A. Fiscal Responsibility.

1. County Legislative Body/Board of Education.
 - a. Determine and approve policies for capital asset management.
 - b. Review findings and recommendations related to internal audits conducted by inventory control personnel or external audits conducted by the State/IPA firm.
 - c. Ensure any identified deficiencies or non-compliance with policies are addressed and corrected.
 - d. Approve the list of "Controllable items".
2. Capital Asset Management:

Capital Asset Management is under the direction of the Director of Finance's office, which provides fiscal procedure. Capital Asset Management operates with respect to the responsibilities of the County Director of Finance as fiscal agent of the county. A full cooperative effort of all parties allows the County Department of Finance to maintain records in accordance with adopted capital asset policies. Areas of responsibility are outlined below:

 - a. Maintain a computer database inventory of all county-owned assets that exceed capitalization thresholds assets. Copies of documentation for the actual historical or estimated historical cost of each capitalized asset will be maintained in a separate file as long as each individual asset is actively on the books.
 - b. Works with county officials and other departments to identify newly purchased or donated assets. Tags all movable assets over capitalization thresholds and inputs all relative information into the inventory control computer system.
 - c. Removes asset tags upon retirement of assets from computer records upon proper notification by appropriate departments.
 - d. Receives copy of and reviews annual inventory of all departments to determine that capitalized assets are being properly accounted.
 - e. Randomly audits annual inventory listings of county departments to insure that departments are complying with adopted capital asset policies.
 - f. Reports to the County Director of Finance all instances of non-compliance with capital asset policies and procedures.

- g. Updates inventory of capital assets tracked on capital asset software and generates all reports needed to prepare external financial statements.
 - h. Works with management and external auditors on all issues concerning capital asset reporting in order to comply with GASB Statement 34.
3. Administrative Officials:
 Administrative officials (county officials, supervisors, principals, etc.) are responsible for the custody and maintenance of all assets purchased for or assigned to their office. Their responsibilities include, but are not limited to, the following points:
- a. Report the theft or loss of property, immediately, to the County Department of Finance by telephone, to be followed in writing to the County Department of Finance. A police report should be obtained on all losses suspected of being stolen.
 - b. Report to the County Department of Finance in writing any assets deemed to be surplus and unneeded by the department so that proper transfer or disposal can proceed.
 - c. Any acquisition, transfer to another county department or disposal of assets by administrative officials shall be documented in writing to the County Department of Finance.
 - d. Allow the County Department of Finance access to all records and inventory necessary to aid in the determining of proper disclosure of capital assets for reporting purposes.
 - e. Designate person(s) for the custody and control of departmental property (departmental property coordinator). The name of this person shall be submitted to the County Department of Finance for direct communication purposes.
 - f. All county officials/department are required to prepare and maintain an annual inventory of all assets assigned to their respective department. A second inventory listing of only assets with cost basis that are over the capitalization threshold for financial reporting should be prepared and submitted to the County Department of Finance. All county officials/department heads are responsible for the inventories of their respective department/office.
4. Departmental Property Coordinator (each county office/department):
- a. Prepare and maintain an updated (at least annually) listing for all capital assets accountable to the office.
 - b. Maintain a second inventory listing of only assets with a cost basis that is over the capitalization threshold for financial reporting. This inventory report should be prepared and submitted to the County Department of Finance on an annual basis.
 - c. Notify, on a timely basis, the County Department of Finance of new asset acquisitions not currently tagged and any item that has been declared surplus/destroyed/missing.
 - d. Reconcile and report differences between annual capital asset inventory and actual physical inventory to Inventory Control and county official/department head.

Section 10.2 Accounting Policies:

A. Assets:

Assets over capitalization thresholds will be identified through various sources including county department inventories, accounting records, bond issue documents, county commission minutes, the current county road list, building and content insurance records, data from the county's Register of Deeds and Tax Assessor's office. All capitalized assets will be inventoried on capital asset software that will be maintained by the County Department of Finance.

Recording Land – Land will be capitalized but not depreciated. It is recorded at historical or estimated historical cost and remains at that cost until disposal.

1. Recording Land Improvements –
 - a. Non-Exhaustible – Expenditures for improvements that do not require maintenance or replacement are capitalized but not depreciated.
 - b. Exhaustible – Other improvements that are part of a site, such as parking lots, landscaping and fencing, are depreciable. During initial implementation of GASB Statement 34, these improvements will be recorded separately to the extent that cost documentation is available.
2. Recording Buildings – Buildings will be recorded at either their acquisition cost or construction cost. Each building component (e.g., roof, HVAC systems, etc.) should be recorded separately when significant because of the difference in the useful life of these components. During initial implementation of GASB Statement 34, these components will be recorded separately to the extent that cost documentation is available.
3. Recording Building Improvements – Building improvements which extend the useful life of a building and meet the capitalization threshold will be capitalized. During initial implementation of GASB Statement 34, these improvements will be recorded separately to the extent that cost documentation is available.
4. Recording Construction in Progress – Construction in progress will be capitalized and not depreciated.
5. Recording Vehicles – Vehicles will be identified by asset tags, inventoried and depreciated.
6. Recording Furniture and Equipment – Assets such as furniture, machinery and equipment should be identified and inventoried. If they meet the threshold levels, they will be capitalized and depreciated.
7. Interest on debt issued-interest on debt issued for the construction of an asset will be capitalized as part of the asset's cost to the extent of the interest that was incurred during the construction period only.

B. Costs:

Capital assets shall be recorded at historical cost if the cost is reasonably determinable. If historical cost data is not determinable, an estimated cost will be used.

1. Actual Cost – this will include not only the purchase or construction cost (which can be obtained through invoice, purchase order and paid check files) but also charges necessary to place the asset in its intended location. This includes costs such as freight and transportation, site preparation expenditures, interest costs, professional fees and legal claims directly attributable to asset acquisition.
2. Estimated Cost – this will be based on as much documentary evidence that can be found to support the cost, such as interviews with personnel and/or price level adjustments based on the Consumer Price Index for each asset.
3. Donated Cost – these assets will be based on their estimated fair market value at time of acquisition. A determination as to the fair market value basis will be included with property records.

C. Depreciation:

Depreciation is a method for allocating the cost of buildings and equipment over their useful lives. Generally accepted accounting principles dictate that the value of the capital asset must be written off as an expense over the useful life of the asset as an indirect cost. Annual depreciation

expense will be calculated using the straight-line method. The county will utilize the full-month averaging convention. By using the full-month averaging convention, property placed in service at any time during a given month is treated as if it was placed in service at the first day of that month, regardless of the actual day of the month acquired. Likewise, when the asset is disposed of, the actual date of disposal is disregarded and the disposal date is the end of the month prior to the month of disposal (i.e. no depreciation is taken for the month of disposal). The salvage value of an asset is an estimate made by management of what the value of an asset will be at the end of its useful life. Using the assumption that Bedford County tends to utilize capital assets until they are literally worthless, a salvage value of zero (0) will be assigned to all capital assets and infrastructure to help decrease the cost of record keeping.

D. Dollar Value and Life Expectancy Tests:

Individual assets (other than infrastructure) with an actual or estimated historical cost of \$10,000 or more and with a life expectancy of three years will be included in the capital asset records. Items under this dollar value will not be presented in the financial statements. All infrastructure that has an actual or estimated historical cost of \$25,000 or greater will be capitalized. While authoritative pronouncements do not require it, management will consider the grouping of large purchases of assets that individually do not meet capitalization thresholds (personal computers, library book collections, desks, etc.) if management deems the total cost of the group of assets is material in relation to the total assets of the county.

E. Asset Reduction:

Assets no longer owned by or in the possession of the County shall be removed from the capital asset records.

1. Sold and/or retired – these assets will be removed from the capital asset records upon formal notification from the responsible party of such disposition. Departments should be cautious about retiring assets still depreciating on books. This will result in the department having to write off a loss in the year the asset was retired.
2. Transferred Assets – Assets that are transferred to proprietary (business-type) funds will be accounted for separately from the governmental activities of the county and will be removed from the capital asset records (in relation to governmental activities) upon transfer to a proprietary fund (i.e. the asset will be accounted for in the proprietary fund).
3. Missing – assets not seen for two consecutive annual inventories will be classified as missing and will be removed from the capital asset records upon formal notification to Inventory Control. These assets will no longer be searched for in regular annual inventories. However, if an asset is located at some time in the future, it will be reactivated in the system. A list of missing assets by departments should be presented to the County Commission on an annual basis.

F. Surplus Equipment:

1. Existing county policy regarding the sale/disposal of surplus equipment will continue to be followed. A complete accounting of the assets and any proceeds must be reported back to the County Department of Finance so that these items can be removed from the system.
2. A list of surplus equipment removed from capital asset records will be presented to the full County Commission on at least an annual basis.

G. Infrastructure

GASB Statement 34 requires counties to capitalize and report county-owned infrastructure at historical or estimated historical cost. The GASB defines infrastructure as long-lived capital assets associated with governmental activities that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. The county will initially capitalize its infrastructure by the following method:

1. County-Owned Roads:

Bedford County will retroactively report roads at actual or estimated historical cost back to:

- July 1, 1980 or,
- The last time the road was upgraded on or after July 1, 1980 (gravel to oil-and-chip, etc.) or,
- The last time the road was replaced or resurfaced in a way that it extended the original useful life of the road (i.e. not considered routine maintenance) on or after July 1, 1980.

2. Bridges:

Bedford County will retroactively report bridges at actual or estimated historical cost back to:

- July 1, 1980 or,
- The last time the bridge was upgraded (wood to concrete, etc.), if this date was on or after July 1, 1980.
- Major renovations on or after July 1, 1980 that were not considered routine repairs that extended the original useful life of the bridge, will be capitalized.

3. Right-of-Ways and other easements:

Right-of-ways and other easement rights that the county did not incur a cost for will not be capitalized. If the easements were actually paid for by the county, it should be capitalized by actual or estimated historical cost.

H. Operating/Capital Lease Assets.

1. Assets acquired under operating leases will not be capitalized.
2. Capital lease assets will be reflected in accordance with generally accepted accounting principles.

I. Controllable Assets. Controllable assets are assets that do not meet the criteria for a fixed asset but will be included in property management's records for control purposes. Such property would include all weapons, trailers, and other items as directed by the County Legislative Body or Board of Education.

J. Inventory Procedures: Each year during March, the Finance Department will request an inventory list of all portable, reportable, and controllable items from Department Heads. The Finance Department will provide an inventory listing. After checking all items and manufacturer's identification numbers and asset numbers, the Department Head will return the inventory annotated with any corrections, deletions, and additions. The Finance Department will reconcile the inventories and report missing items to the Department Head. Items still missing as of June 1st each year will be removed from the fixed asset inventory and reported to the County Legislative Body and Board of Education. Assets that are listed as bulk will not be inventoried unless specifically required by the County Legislative Body or Board of Education.

Section 10.3 Capitalization Thresholds

A. Capitalization and Depreciation:

The following items will be capitalized and depreciated for GASB Statement 34 reporting purposes:

1.	Land	\$	1	(Capitalize Only)
2.	Land Improvements	\$	25,000	
3.	Buildings	\$	25,000	
4.	Building Improvements	\$	25,000	
5.	Roads and Bridges	\$	25,000	
6.	Vehicles	\$	25,000	
7.	Machinery and Equipment *	\$	25,000	
8.	Furniture and Fixtures *	\$	25,000	
9.	Construction in Progress	\$	1	(Capitalize Only)

B. Capital Assets of Bedford County, Tennessee
Suggested Useful Lives

<u>Depreciable Life</u>		<u>Examples</u>	<u>in Years</u>
<u>Asset Type</u>			
<u>Non-Infrastructure</u>			
Furniture, office equipment		Desks, tables, chairs, file cabinets	5
Computer Hardware		Monitors, CPU, printer, Cabling	5
Telephone Equipment			10
Motor Vehicles		Cars and light trucks	5
Buses		School	8-10
Fire trucks			15
Buildings – Temporary		T-buildings, other portables	25
Buildings			40
Building Improvements – structure		Refinishing floors, Painting	10
HVAC Systems		Air-conditioners, heating, ventilation systems	20
Roofing			20
Carpet Replacement			7
Electrical/Plumbing			30
Kitchen Equipment		Appliances	12
Heavy Construction Equipment		Backhoes, Trucks, Dozers, front-end loaders, etc.	5-10
Engineering, Scientific Equipment		Lab Equipment	10
Firefighting Equipment		Ladders, hoses	10
Police Special Equipment			10
Medical Equipment			5
Traffic Control Equipment		Stoplights	10
Radio, Communication Equipment		Mobile, portable radios	10
Recreational/Athletic Equipment		Weight machines, mats, golf carts, treadmills	10
Library Books/Textbooks		Collections	5-7
Artwork		Collections	5-7
Indoor/Outdoor Equipment		Playground equipment, scoreboards, bleachers	20
Radio towers			20
Custodial Equipment		Floor scrubbers, vacuums, other	12

Grounds Equipment	Mowers, tractors and attachments	15
Land Improvements – structure	Parking lots, sidewalks, bus ramp, fencing,	20
Land Improvements – ground work,	Golf course, ball field, park landscaping	30
Landfill Disposal Systems		25
Land		no depreciation
Sewage treatment plants		
<u>Infrastructure</u>		
Easements (if actually deeded to county)		no depreciation
Drainage Systems		25
Water systems		25
Sewage disposal works systems		25
Waterway		
Levees and canals (unlined)		no depreciation
Canal lining		30
Dams:		
Concrete		50
Steel, Sheetpile		30
Earthen embankment		no depreciation
Roads:		
Hot Mix		40
Oil & Chip		40
Gravel		50
Bridges:		
Wood		20
Concrete (Box)		40
Steel (Span)		40

Chapter 11
PAYROLL ACCOUNTING

The purpose of this policy is to provide guidelines and regulations for departments of Bedford County regarding payroll.

Section 11.1 Salary and Wages

- A. Method of Payment: All employees will be paid by direct deposit. The County agrees to pay all employees Bi-Weekly. Bi-Weekly employees will be paid on Fridays. The Board of Education agrees to pay all classified employees Bi-Weekly and all certified employees Bi-monthly. County Commissioners will be paid on the 25th of the month. If the pay date falls on a non-work day, personnel will be paid on the last business day before the pay date.

Section 11.2 Fringe Benefits

- A. Cafeteria Plan/Section 125: The County shall make available to all employees a premium-only benefit plan in accordance with the IRS Code, Section 125 “cafeteria plan”. Selection of the administrator shall be the responsibility of the Finance Department with final approval by the Financial Management Committee. Any change of administrator must be submitted to the Committee by November 1 of the year the change is to be enacted. Any pre-tax elections under the cafeteria plan cannot be changed or revoked prior to the next plan anniversary date, unless due to a life change as permitted under the plan.
- B. Optional Insurance
 - 1. The County has available the following insurance programs at the option of the employee with the cost to be paid by the employee:
 - a. Dental Insurance
 - b. Disability Insurance
 - c. Cancer Insurance
 - d. Life Insurance
 - e. Vision Insurance
 - f. Flexible Savings Account
 - 2. The Finance Department shall provide each employee with information, brochures, claim forms and other information as the provider supplies it.

Section 11.3 Payroll Deductions

- A. Deferred Compensation/Optional Insurance
 - Deferred compensation or optional insurance plans payroll deduction will be granted to any new company with the following requirements:
 - 1. A new company shall be submitted for approval by the Finance Department by November 15. To be recommended the company shall present written documentation evidence that it has Twenty (20) or more employees to be enrolled.

2. No more than three (3) deferred compensation companies or three (3) optional insurance companies shall be allowed at any time.
 3. A deferred compensation or optional insurance company will have the following stipulation: when a company's membership drops below ten (10), that plan will be dropped from the payroll deduction program on the first pay period of the next fiscal year.
 4. All current deferred compensation or optional insurance companies will be grandfathered in under this policy.
 5. Any changes in contributions to any approved deferred compensation plan(s) may be done within a reasonable time before any pay period.
 6. Any changes in contributions to any approved optional insurance plan (s) must be done by November 15 of the year the change is to be enacted in accordance with the IRS Code, Section 125 "cafeteria plan".
- B. Voluntary Deductions: Upon written authorization to the finance department, employees may participate in:
1. United Way payroll contribution plan; and /or
 2. Credit union payroll deduction plans

Section 11.4 Travel Policy

Bedford County will follow the State Travel Policy for all travel with the following exception: Bedford County will not pay any per diem for meals or snacks when these are provided by the conference, meeting, in-service, training, etc., whether attended in-state or out-of-state.

BEDFORD COUNTY, TENNESSEE
SCHEDULE OF ITEMS NOT REQUIRING PURCHASE ORDERS

1. Payments of utilities and telephone bills.
2. Payments of payroll tax liabilities.
3. Payments of payroll deduction items.
4. Payment of items approved by the County Legislative Body by Budget or Budget Amendment.
5. Payment of monthly lease or maintenance agreements where the original agreement is signed by the appropriate Department head and Director of Finance.
6. Payment of monthly computer software agreements where the original agreement is signed by the appropriate Department head and Director of Finance.
7. Payment of medical expenses covered by On the Job Injury Policy.
8. Payment of normal travel reimbursement where the expense report is signed by the appropriate department head and included in the budget as a separate line item.
9. Payment of Contracts, where the contract is on file in the department of the finance office.