

BLACK HAWK COUNTY FINANCIAL POLICIES

POLICY

It is the policy of Black Hawk County to dispose of public funds responsibly, to comply with state and federal law regarding finance, and to employ generally accepted accounting principles.

SCOPE

These policies apply to the entirety of the County's financial practices.

INDIVIDUAL POLICIES

Accounting, Auditing and Financial Reporting Policies

Black Hawk County will maintain an accounting system that will enable full compliance with fund accounting as determined by Iowa law.

Black Hawk County will obtain an annual audit of its financial statements in accordance with Generally Accepted Auditing Standards (GAAS) from an independent auditing firm, which is periodically selected on a competitive basis.

Black Hawk County will present the financial results of the fiscal year in the Comprehensive Annual Financial Report (CAFR) after the close of the fiscal year.

An effective internal control structure of the accounting process will be maintained by the Finance Director and the Auditor's Office, and reviewed on a periodic basis.

Black Hawk County will report and dispose of all major categories of capital assets in accordance the county's Capital Asset Policy.

A physical sampling of Black Hawk County's inventory with a cost threshold of \$500 will be done on an annual basis at the discretion of the Purchasing and Asset Management Specialist.

An annual count of cash-on-hand will be conducted at the discretion of the Auditor's Office.

Budget and Financial Planning Policies

A balanced budget will be adopted. A balanced budget requires that general fund operating revenues should be sufficient to support operating expenditure without significant use of general fund balances. The general fund is the primary operating fund. Other funds include special revenue, capital projects, enterprise and debt service. The

revenues within these funds should be sufficient to support expenditures without significant use of the respective fund balances.

Departmental budgets within each fund shall be adopted based on the approved budget of expenditures and revenues.

New or expanded services will not be implemented if inclusion of the service results in exceeding the departmental budget, unless specifically authorized by the Board of Supervisors through a budget amendment or a transfer within a defined service area.

Claims for expenditures within a departmental budget must have authorization from the corresponding Department Head/Elected Official, or their designee.

The Auditor's Office will distribute monthly budget reports to all departments. A quarterly report will be provided to the Board of Supervisors.

The mental health budgeted amount will be in accordance with *Code of Iowa* §331.438.

Black Hawk County will budget appropriate amounts to allow transfer of dollars from the rural fund and general fund to the secondary road fund. These amounts will comply with the maximums allowed in *Code of Iowa* §331.429(1) and the minimums required for full road use tax funding in §312.2(8).

Black Hawk County will establish an annual secondary road construction plan. The plan will include a project accomplishment list and a project priority list for the succeeding four fiscal years based upon the construction funds estimated to be available for the period(s). The plan will be submitted to the Iowa Department of Transportation for review.

Black Hawk County will maintain a general fund balance at a level determined as sufficient to provide working capital for general governmental operations. The county's goal is a general fund minimum balance of 25%.

Black Hawk County will maintain fund balances in governmental funds other than the general fund based on a review of working capital needs and expected revenue sources.

All fiduciary type agency funds and enterprise funds will be expected to maintain revenue sufficient to cover all direct and indirect costs.

Revenue and Expenditure Policies

Black Hawk County will endeavor to maintain diversified and stable revenue sources. Sources include interest income, intergovernmental grants, license and permit fees, and charges for services as well as property tax revenues.

A review of fees and charges for services will be made periodically by departments to determine that an appropriate level is maintained, in terms of comparability and costs to provide the service.

Black Hawk County will not use one-time revenues for ongoing annual operating expenditures.

Black Hawk County will not budget a revenue source considered unpredictable.

All revenues in the form of checks payable to Black Hawk County shall be timely processed. All collections shall be remitted to the County Treasurer's Office as soon as processed, and no later than five work days.

Contracts entered into on behalf of Black Hawk County must be authorized by the Board of Supervisors and documented in a public board meeting. Approved contracts are to be maintained on file in the Auditor's Office. Certain exceptions exist for Black Hawk County's Board of Health and Conservation.

Reserve accounts shall be established and authorized by the Board of Supervisors at the time of budget adoption or budget amendment. These accounts shall be expended for a documented purpose, and accounted within the Auditor's Office.

The Auditor's Office will distribute monthly budget versus actual financial summaries to each department for revenues and expenses.

Expenditures within defined service areas shall not exceed the authorized budgeted amount. If determined necessary by the Board of Supervisors, claims for payment may be held until revenue sources are available within the service area.

Debt Management Policy

Black Hawk County will not exceed its legal debt margin of five percent of annual actual property valuation.

Financing alternatives include general obligation bonds, essential county purpose bonds, capital leases, or other alternatives authorized by *The Code of Iowa* and determined to be financially beneficial to the County.

Black Hawk County will retain an independent financial advisory firm and bond counsel based on qualifications and experience with State of Iowa statutes.

Refunding opportunities will be analyzed internally by Black Hawk County, and externally by the financial advisor to determine net present value benefits.

Black Hawk County will be in compliance with all federal tax law provisions involving debt issuance.