

# Lane County Oregon

## **Administrative Procedures Manual**

As of date provided with each  
Chapter-Section-Issue portion

*This APM is collated privately until Lane  
County agrees to make it available freely  
upon its web site of [www.LaneGov.Com](http://www.LaneGov.Com)*

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*{updated last on 01 January 2013}*

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# ADMINISTRATIVE PROCEDURES MANUAL

Chapter 2  
Section 1  
Issue 5  
Date 11/2/00

## SUBJECT: PURCHASING PROCESS

### I. Purpose

The purpose of this procedure is to provide a standard method for the purchase of goods and services in accordance with Lane Manual Chapter 21. Nothing stated in this procedure shall be construed contrary to the provisions of Oregon Revised Statutes Chapter 279 and Oregon Administrative Rules Chapter 125.

In accordance with this procedure, the Director of Management Services or a delegate is authorized to bind the County by purchase order for payment for goods, supplies, materials and services not exceeding \$50,000; to implement a purchase pursuant to a requirements contract; to implement a purchase utilizing a contract competitively bid by other political subdivisions when the specifications indicated that more than one political subdivision could utilize the award; and to purchase price-regulated items when the rate or price has been set by Federal, State or local regulatory authority. Purchases of more than \$50,000 can be made by purchase order only in implementation of an appropriately awarded written contract, or to purchase price-regulated items, or if authorized by action of the Board of County Commissioners. Purchase orders shall not be utilized to circumvent public contract law or regulations.

### II. Scope

This procedure is applicable to all departments that purchase goods and services through County budget funds. It does not apply to purchases made by the Fair Board in accordance with Lane Manual 3.160.

### III. Amendment

The County Administrator may amend this procedure.

### IV. Procedure

This procedure assumes the department requesting the purchase has appropriated funds and authority to utilize goods and services in the quantity and quality specified in the request. If sufficient appropriated funds are not available, the department must obtain funding in

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Section 1

accordance with Administrative Procedure 2-8, Approving and Processing Budget Appropriation Transfers, before making the purchase.

It is the responsibility of Management Services - Purchasing to secure goods and services of a quality necessary to perform given tasks at the least possible cost.

This procedure is to be used to obtain goods or services that do not exceed \$ 50,000, are for a single project, and are neither related to nor a component of any other project. Requests above these amounts unless otherwise exempted require competitive bidding in accordance with Administrative Procedure 2-2, Bid/RFP Process, and execution of a written contract in accordance with Administrative Procedure 2-3, Contract Process.

Terms used in this section are defined as follows:

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Competitive Quotes: The solicitation of offers by the County from competing vendors. The solicitation may be by advertising or by initiating a request to vendors to make an offer. The solicitation and the offer may be written or oral. Certain circumstances may require written quotations. The original of all quotations shall be forwarded to the Purchasing Office along with the Quote Recap Sheet prepared by the person obtaining the quotes.

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Competitive Bidding: The solicitation by the County of competitive offers in accordance with Administrative Procedure 2-2, Bid/RFP Process. This provides the formal process for advertising, bid, and bid opening.

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Negotiable: Goods or services are available from more than one source; equal or similar items are available from more than one source; or prices or discounts are not regulated by federal, state, or local regulatory authority.

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Non-Negotiable: Goods or services are available only from a single source; comparable products are not available; or prices are regulated by federal, state, or local regulatory authority. This includes employee reimbursements, utility bills, subscriptions, dues, and fees. Purchase of a product or service as "non-negotiable" or as a "sole source" may require documentation and/or legal advertising.

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Trade services: Work by any person or firm falling under "Building Trades or Crafts" as defined by Standard Industrial Classification (SIC). Any person or firm performing \$500 or more of such work must be properly registered with the State of Oregon Construction Contractors Board or the State of Oregon Landscape Contractors Board.

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Contract Release Order: State of Oregon language required (see below) to purchase items utilizing State Price Agreements. State Department of Administrative Services – Purchasing Division issues bids on behalf of State agencies and authorized political

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Section 1

subdivisions. County Purchasing contracts with State for right to use this service. Vendor invoices department directly. "This purchase is placed against State of price agreement #. The terms and conditions of said price agreement apply to this purchase and take precedence over all other terms and conditions written or implied."

Purchase Order: County form (PO) written to obtain goods and services that do not exceed the appropriate dollar amount. Requisitions are prepared by the department and submitted to Management Services for issuance. A Purchase Order contains the standard set of Term and Conditions for the acquisition.

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Field Purchase Order: County form (FP) written to obtain items less than \$500.00. A Field Purchase Order is issued by department staff directly to the vendor and takes the place of a Purchase Order.

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Blanket Purchase Order: Purchase Order issued by Purchasing to a vendor from which a department will have continued day-to-day purchases of low cost items. Blanket Purchase Orders carry all of the authority and conditions of the Purchase Order section above and are issued for a term not to exceed one fiscal year and may not exceed \$50,000. Purchases pursuant to the blanket purchase order are subject to the County's competitive selection requirements, including 1-5 below. However, Blanket Purchase Orders used to purchase utility type (power, water, gas and telephone) services may be issued for a one fiscal year period without a dollar limit.

DISADVANTAGED BUSINESS ENTERPRISE (DBE): A Business concern which is at least 51 percent (51%) owned by one or more minorities (MBE) or women (WBE), or in the case of a corporation, at least 51 percent of the stock is owned by one or more minorities or women and whose management and daily business operations are controlled by one or more such individuals.

Certification for the above classifications is obtained through the following State of Oregon office:

OFFICE OF MINORITY, WOMEN & EMERGING SMALL BUSINESS  
155 Cottage Street NE  
Salem, OR 97310  
(503) 378-5651

1. Purchases Less Than \$500.00

For purchases of less than \$500, the department has the authority to select a specific vendor and issue a Field Purchase Order or place an order in accordance with Administrative Procedure 2-16, Imprest Cash Funds, with the following exceptions:

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- a. Purchases that are covered by an existing contract or blanket purchase order;
- b. Items maintained in Ready Stores;
- c. Purchases of \$500 or more that are purchased by installment; and
- d. To purchase items from the State Price Agreement

2. Purchases of \$500 But Less Than \$5,000

For purchases of \$500 but less than \$5,000, Management Services - Purchasing has the authority to select a vendor and place a Purchase Order without obtaining additional competitive quotes. This authority is intended not to eliminate competitive quotations, but rather to expedite the purchasing process, as dollar values may not justify further solicitation effort. Where feasible, competitive quotes will be obtained.

3. Purchases of Materials and Non-Trade Services of \$5,000 But Less Than \$50,000 and TRADE services of \$5,000 but less than \$25,000

For purchases of Materials and Non-Trade Services of , \$5,000 but less than \$50,000 and TRADE services of \$5,000 but less than \$25,000, the County must obtain a minimum of three competitive quotations. County shall solicit quotations from at least one Disadvantaged Business Enterprise (DBE) vendor or contractor for all proposed acquisitions which are more than \$5,000 but less than \$50,000, and for all retainer type personal services. The County may waive this requirement if it is determined that there are no vendors on the Certified DBE Directory for Lane County capable of providing the service or item. Departments shall indicate the DBE vendor or certify that there were no such vendors on the directory. This designation or certification shall be on the quote recap sheet. For acquisitions over the dollar amounts indicated in this section, all DBEs on the above-referenced list in the business of providing the service or item required shall be mailed bid or proposal information. Purchasing must maintain a written record of the source and the amount of the quotes received. If three quotes are not available, a lesser number will suffice provided that a written record is made of the effort to obtain the quotes. Purchase is made by execution of a County Purchase Order.

4. Purchases of Trade Services of \$25,000 But Less Than \$50,000

ORS 279.348 through ORS 279.375 Prevailing Wage Rates for Public Works Contracts in the State of Oregon Requirements. For purchases of trade services of \$25,000 but less than \$50,000, all conditions contained in 3 above apply. All quotations shall be in writing and in response to a written specification which includes the following

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requirements: 1. Prevailing Wage Rates for Public Works Contracts in the State of Oregon ; 2. Standard Lane County Performance Bond requirements; and 3. Applicable conditions for a public improvements contract contained in LM 21.115. In addition, the Director of Management Services or a delegate shall have the discretion to require a written contract in lieu of a Purchase Order whenever it is determined to be in the best interest of the County.

5. Purchases of Materials or Services of \$50,000 or Greater.

Purchases of materials, supplies, goods, or services of \$50,000 or greater, unless otherwise exempted, require competitive bidding in accordance with Administrative Procedure 2-2, Bid/RFP Process, and execution of a written contract in accordance with Administrative Procedure 2-3, Contract Process.

V. Interpretation and Clarification

Any questions concerning the intent or application of this procedure should be directed to Management Services - Purchasing. Resolution of disputes shall be made by the Purchasing Manager. If a problem exists which cannot be resolved with the department which prepared the requisition for Purchase Order, Management Services will describe it in a memorandum attached to a copy of the requisition which will be forwarded to the County Administrator for review and determination or further action.

Authorized: \_\_\_\_\_  
County Administrator                      Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 11/2/00.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 2  
Issue 5     10/26/04  
                    Date

SUBJECT:    BID/RFP PROCESS

I.     Purpose

The purpose of this procedure is to establish a standard method for reviewing and coordinating the solicitation of bids or requests for proposals (hereinafter RFPs) for Lane County projects and purchases in accordance with Lane Manual 21.100 - 21.280.

II.    Scope

This procedure is applicable to all departments that prepare bids or requests for proposals and recommend to the Board the award of contracts. It does not apply to the contracts awarded by the Fair Board in accordance with Lane Manual 3.160.

III.   Amendment

The County Administrator may amend this procedure.

IV.   Procedure for Bids

A.    Preparation and Review

1.     A department that has a need to solicit bids shall contact the appropriate department described in Lane Manual 21.105. The department authorized to call for bids (hereinafter called bidding department) shall prepare the bid document. If the bids affect any department other than the bidding department, the bidding department shall consult with those affected.
2.     The bidding department shall submit the bid documents along with a Bid/RFP Cover Sheet (see Attachment 1 for a sample), to the Office of Legal Counsel for review. The bidding department shall complete the first three sections of the Cover Sheet prior to submission. Blank Cover Sheet forms are available from Purchasing.
3.     Legal Counsel shall review the bid documents, and return them to the bidding department for any necessary corrections. When they are approved, Legal

Counsel shall so indicate on the Bid/RFP Cover Sheet, and if appropriate, shall stamp and sign the contract for Approval as to Form for a limited period of time adequate to allow for award and execution of the contract in accordance with Administrative Procedure 2-3 Contract Process. Upon approval, Legal Counsel shall send the bid package to the Risk Manager.

B. Waiver of Bid Security

If the bid is not for a public improvement contract, the bid security may be waived pursuant to LM 21.106(1)(b). The public officer shall make written findings that:

1. Waiving the bid security will probably result in lower bids or an increased number of bids.
2. Waiving the bid security will not endanger project completion if rebidding is necessary because the apparent low bidder does not sign the contract or provide required documents.
3. The cost to the County for rebidding is outweighed by the benefits.

These findings, and the reasons behind them, shall be kept in the bid file by the public officer.

C. Insurance

The bidding department shall contact the Risk Manager in advance of preparing the bid package to determine insurance requirements. The Risk Manager, upon receiving the bid package, shall review the requirements, and either return the package to the department for any necessary changes, or approve them by signing on the cover sheet.

D. Advertisement of Bid

Requirements for advertisement of bid are delineated in ORS 279.025, and LM 21.105(2). The advertisement must be published in a newspaper of general circulation at least once, and at least five days before bid opening. If for a public improvement, it must also be published in one trade newspaper. The advertisement must include:

1. Date and time after which bids (proposals) will not be received, which is not less than five days after the last publication of the advertisement.
2. Date prequalification applications due if prequalification is a requirement.
3. Character of the work to be done or the items to be purchased.

4. Office where contract terms, conditions and specifications may be seen, i.e., where bid (RFP) packages available.
  5. The name and title of the person designated to receive bids (proposals).
  6. The date, time, and place that bids (proposals) will be publicly opened.
  7. If applicable, a statement that the contract is for a public work subject to the provisions of ORS 279.350 or 40 USC 276a regarding prevailing wages are to be complied with.
- E. Bid Documents. The bid solicitation document shall contain appropriate and applicable provisions set forth in LM 21.105(4) and ORS 279.027.
- F. Bid Opening
1. At the time set for bid opening, the bidding department shall open all bids, and publicly announce the bidder and amount of the bid.
  2. The bidding department shall evaluate the bids in accordance with Lane Manual 21.105(7) and public bidding laws and regulations. The department shall prepare a Bid Recap Sheet (See Attachment II), listing all bids and noting any deviations on the Bid/RPF Cover Sheet in Section 5.
- G. Bid Securities
- All bid securities received at the time of bid opening shall be deposited with the Department of Finance and Management Services, which shall be responsible for the retention and return of the securities. The bid securities of the three lowest un-rejected bidders shall be kept until the contract is executed and any required performance bond is received.
- H. Recommendation for Award
1. After evaluation of the bids, the bidding department shall confirm that sufficient funds have been budgeted to finance the award of the contract, and sign Section 6 of the Bid/RFP Cover Sheet.
  2. The bidding department shall then prepare a recommendation of award of the contract and Board Order to be placed on the Board's agenda if the contract amount is to exceed \$50,000. A copy of the bid recap sheet shall accompany the recommendation.
- I. Contract

Upon award by the Board, the bidding department shall prepare the contract for execution in accordance with Administrative Procedure 2-3 Contract Process.

V. Procedure for Requests for Proposals

A. Preparation and Review

1. The department that needs to solicit proposals shall prepare the RFP documents. If the potential contract affects any other department, it shall be consulted.
2. The RFP documents shall contain all information required by Lane Manual 21.107(2) and (3).
3. The department shall submit the RFP documents along with a Bid/RFP Cover Sheet to the Office of Legal Counsel for review. The department shall complete the first three sections of the Cover Sheet prior to submission. Blank forms are available from Purchasing.
4. Legal Counsel shall review the RFP documents and return them to the department for any necessary corrections. When they are approved, Legal Counsel shall so indicate on the Bid/RFP Cover Sheet, and send the package to the Risk Manager.

B. Insurance

The department shall contact the Risk Manager in advance of preparing the bid package to determine insurance requirements. The Risk Manager, upon receiving the bid package shall review the requirements, and either return the package to the department for any necessary changes, or approve them by signing on the cover sheet.

C. Advertisement/Notice of RFP

The advertisement must meet all the requirements stated in IV(D) above for bids.

D. Opening of Proposals

1. At the time set for opening, the department shall open all proposals and publicly announce the proposers.
2. The evaluation committee shall evaluate the proposals in accordance with the RFP documents and Lane Manual 21.107(6). Each member of the committee shall prepare an evaluation matrix, listing all proposals and evaluating each against the criteria stated in the RFP. The matrices shall then be compiled in preparation for a recommendation for award.







2. Contract Development: After the contract has been awarded by the Board or the contractor has been selected following prescribed procedures described in Lane Manual 21.110 through 21.280, the department responsible for the contract shall prepare the contract and have the contractor sign and return three copies.
3. Submission to County Administrator: The department shall prepare a Standard Contract Cover Sheet for submission of the contract to the County Administrator. The department shall ensure that the contract is entered into the County's computer system, including any appropriate computer tracking system. Where the parties are to receive contracts with all original signatures (not facsimile copy of a party's signature), the department shall attach three copies of the contract with original contractor signatures to contract cover sheets. Where the County is to execute by facsimile copy of an authorized signature, the department shall follow the same process except only one copy of the contract should be processed. Each copy of the contract shall be a complete contract, i.e., each shall have all required exhibits, insurance certificates, or performance securities attached.

B. Review

Except as indicated below, the contract shall be processed for review first through budget staff, Legal Counsel, then the Risk Manager, before being executed by the County Administrator.

1. Budget Staff: The budget staff shall review the contract to verify that budgeted funds exist to pay for the contract and that such funds shall be appropriately spent. Any unsolved problems shall be addressed in a memorandum to the County Administrator in the same manner as described in IV. B. 2. and 3. below.
2. Legal Counsel: Legal Counsel shall review all contracts or contract forms as described below, as resources permit. The review shall be for compliance with public contracting and other applicable laws and regulations, as well as for the form of the contract. Signature by Legal Counsel on an "Approved as to Form" stamp shall denote the approval. If a problem exists which cannot be resolved with the department which prepared the contract, Legal Counsel shall describe it in a memorandum attached to the Standard Contract Cover Sheet which will be forwarded to the County Administrator.
  - a. Form Approval - Contracts which have been reviewed by Legal Counsel in accordance with Administrative Procedure 2-2 Bid/RFP Process, and contracts which utilize standard forms such that very

limited information needs to be completed in blanks on the form (i.e., revenue-sharing contracts and on-the-job training contracts) may be submitted to Legal Counsel for review and approval prior to signature by the contractor. The approval by Legal Counsel shall be valid for the time indicated, but not longer than six (6) months. The approval of the form contract shall eliminate the need for the contract to be processed through Legal Counsel as described in IV. B. 2. above. The department originating the contract shall be responsible for seeing that all required exhibits, insurance certificates, and securities are attached to the contract and that the form is correctly completed. If any change is needed in the form, if any questions are raised as to the legality of the contract, or if the period of approval has expired, the contract shall be resubmitted to Legal Counsel for approval in accordance with IV. B. 2.

b. Individual Contracts - Contracts which have not received form approval described in IV. B. 2. a. above shall be reviewed by Legal Counsel before the Risk Manager has reviewed them. Where Legal Counsel determines there is a low risk of problems, the contract may be processed on to the Risk Manager without further legal review, in which case the “Approved as to Form” stamp will not be signed.

3. Risk Manager: The Risk Manager shall review all contracts to verify that all required insurance certificates and securities have been obtained and that the risk of liability for the County has been minimized to the extent it is reasonable and feasible. The Risk Manager's signature on the Standard Contract Cover Sheet shall denote that he/she has reviewed and approved the contract. If he/she does not approve the manner in which risks are handled in the contract he/she will notify the contact person listed on contract cover sheet. If the Risk Manager cannot resolve the problem in the contract with the department which prepared it, he/she shall describe the problem in a memorandum to be attached to the Standard Contract Cover Sheet which will be forwarded to the County Administrator.

C. Execution and Post-Execution

1. Execution: The County Administrator or authorized representative shall execute all contracts within his/her authority. If the County Administrator has delegated execution authority in accordance with LM 21.149(2), the person receiving the delegation shall be responsible to maintain the written record of such delegation in a readily accessible file. In lieu of an original signature, execution may be by means of:

a. A signature stamp, or

- b. A faxed copy of an authorized signature with an additional confirmation of the contract version intended to be signed.

2. Distribution and Process Completion:

- a. For contracts which have been finally executed by all parties, one copy will be retained in County Administration's central contract file. The County Administrator shall ensure there are appropriate indexing and retrieval procedures for the central file. The second copy shall be returned to the originating department. The copy of the contract shall be delivered to the contractor. The third copy of the contract shall be distributed to the Department of Management Services - Accounts Payable Section.
- b. For contracts which have not been finally executed by all parties, the department shall be responsible for:
  1. Sending the County-signed contract(s) and any accompanying documents to the Contractor's representative in the appropriate manner, e.g., mail or facsimile.
  2. Receiving finally executed contracts, confirming that the contract signed by the County has not been modified when signed by other parties, and
  3. Distributing in accordance with a. above.

D. On-Site Construction Change Orders

When an on-site construction change order is executed by a duly authorized (LM 21.270(3)) person on behalf of the County and by the Contractor, three copies shall be submitted with a Standard Contract Cover Sheet, to the County Administrator for processing pursuant to this subsection. The contract shall proceed through the same review process as other contracts except as follows:

1. In the area on the Standard Contract Cover Sheet for the County Administrator's signature, the Department Director under whose authority the change order was executed shall sign and date the cover sheet.
2. Legal Counsel shall note "Reviewed as to Form" rather than "Approved as to Form" to indicate post-execution review.

3. After Risk staff review (IV. B. 3.) the package shall be distributed pursuant to IV. C. 2.

V. Procedural Modifications

The County Administrator, or authorized representative, reserves the right to modify contracting procedures, on a case-by-case basis, to accomplish execution in the most expedient and reasonable manner. The County Administrator also reserves the right to modify contracting procedures as part of a delegation of authority to execute a class of contracts.

VI. Interpretation and Clarification

Any questions concerning the intent and/or application of this procedure shall be directed to the Office of Legal Counsel, which is delegated the responsibility to interpret and implement this procedure.

Authorized: Will A 5/20/02<sup>\*</sup>  
County Administrator Effective Date

\* Note. Apparently this Apr was not published until Sept 2005. It is unclear what a problem if Repts followed the process under issue 5 between that date & August 31, 2005.

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 5/20/02.

*Will A*

Explanation of Standard Contract Cover Sheet  
(Purchase Order Form)

1. Vendor - List name and address of vendor.
2. Tax Exempt. - Optional.
3. Description or Contractual Matter - The subject of the contract. Describe enough to distinguish this contract from any other with the same contractor. If it is an amendment, describe it as: "Amendment to . . ." and list the description on the original contract.
4. Line-Schd Item - Chronological numbering of original contract and all amendments.
5. LCITS Tracking Number - Number is assigned when contract entered into this contract tracking system.
6. Contract Term - List beginning and ending date of contract.
7. Department Contact Person - Name and telephone number of the department contact person.
8. Amount - List the amount of the contract. If it is an amendment, list only the amount of the amendment. If it is a decrease, place the amount in parenthesis, i.e., (\$5,000).
9. Ship To: and Bill To: - List the originating department and division.
10. Purchase Order # - When entered into the PeopleSoft system, the contract is issued a number.
11. Selection Information - Check the appropriate box and complete requested information, with specificity. Attach necessary documentation as required. Any waivers granted should be described. Note: A revenue contract is not a reason why quotes or bids are not required. If selected by bid or RFP, attach a copy of Recap Sheet and of Bid/RFP Cover Sheet.
12. Account: Fund: Org: - List the accounts affected and the dollar amounts involved. Also indicate whether a revenue contract or non-financial.
13. Insurance Certificate and Performance Bond - Check the appropriate boxes.
14. Board Order # - List Board Order # indicating appropriate Board approval to support execution.
15. Signature lines for Budget, Legal Counsel, Risk Management, County Administrator.

# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 3a

Issue 1      11/06/07  
                    Date

SUBJECT: GRANT APPLICATION AND AWARD PROCESS

I.      Purpose

The purpose of this procedure is to establish a standard method for processing grant applications, other grant documents and acceptance of awards.

II.     Scope

This procedure is applicable to all departments that prepare grant applications.

This procedure is applicable to: 1) Grant applications and/or any document in the grant application process (hereinafter “grant application package”) which the County Administrator has authority to execute pursuant to LM 21.137 or by delegation from the Board of County Commissioners, and 2) Acceptance of grant awards resulting from these applications.

III.    Amendment

The County Administrator may amend this procedure.

IV.    Procedure for Grant Applications

- A.      A department wishing to obtain County Administrator approval and/or execution (hereinafter “Requesting Department”) shall submit hard copies of the following to the Office of Legal Counsel for review:
1.      A Grant Application Cover Sheet, substantially similar to Attachment 1, with background information completed by the Requesting Department prior to submission,
  2.      The grant application package,
  3.      Any conditions, requirements, or legal provisions that the funding source expects the County to agree to in applying for the grant.

- B. Once any issues have been resolved with an attorney in the Office of Legal Counsel, the attorney will approve and sign the Grant Application Cover Sheet. The documents listed in IV.A., 1., 2., and 3. will be delivered to the County Administrator.
- C. The County Administrator will review the application documents and sign the Grant Application Cover Sheet, in addition to any other signature lines in the application, if approval is determined appropriate. The County Administrator's signature on the grant application cover sheet shall be sufficient for County Administration staff to execute the application in lieu of original signature in the same manner as contracts pursuant to APM Chapter 2, Section 3, Issue 6, IV.C.
- D. The County Administrator's signature on the Grant Application Cover Sheet shall also be a delegation of the County Administrator's authority to the Requesting Department Director to submit the grant application package to the funding source. This delegation of authority includes, but is not limited to, the authority to electronically submit a grant application and/or associated documents as an "authorizing official" or one who is authorized to agree to legal obligations on behalf of Lane County which apply to grant applications or awards. The Requesting Department Director may further delegate the authority in this provision to a designee. The Requesting Department shall keep documentation of the submission of the grant application.

V. Procedure for Grant Award Acceptance

- A. Departments shall submit any grant award document received from the funding source through the regular contract review process.
- B. If the funding source requests electronic acceptance, the County Administrator's signature on the Grant Application Cover Sheet shall also be a delegation of the County Administrator's authority to the Requesting Department Director to electronically accept the grant award as an "authorizing official" or one who is authorized to agree to legal obligations for the County. The Requesting Department Director may further delegate the authority in this provision to a designee. The Requesting Department shall keep documentation of the grant award acceptance.

VI. Submission to Financial Services

When the Requesting Department receives an executed grant application package from County Administration, it will submit a copy of this package as well as the signed Grant Application Cover Sheet, to Financial Services Division to be entered into the grant tracking worksheet. If an award is received, the requesting Department will provide any grant award acceptance documentation to Financial Services Division.



|  |
|--|
| <b>LANE COUNTY GRANT APPLICATION COVER SHEET</b> |
|--|

|   |    |
|---|----|
| <b>Grantor Name:</b>                          |    |
| <b>Address:</b>                               |    |
| <b>Application Due Date:</b>                  |    |
| <b>Application Term:</b>                      | to |
| <b>Application Amount:</b>                    |    |
| <b>Originating Department:</b>                |    |
| <b>Contact Name / Phone:</b>                  |    |
| <b>Delegated Authority Board Order Number</b> |    |

PLEASE ADD YOUR SIGNATURE AND THE DATE PROCESSED BELOW:

\_\_\_\_\_  
ORIGINATING DEPARTMENT

\_\_\_\_\_  
Date

\_\_\_\_\_  
LEGAL COUNSEL

\_\_\_\_\_  
Date

\_\_\_\_\_  
COUNTY ADMINISTRATOR

\_\_\_\_\_  
Date

# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 4  
Issue 4     4/1/98  
                    Date

## SUBJECT: ACCOUNTS PAYABLE PROCEDURES

### I.     Purpose

The purpose of this procedure is to establish a standard method for authorizing and processing disbursement requests through Finance Operations, in accordance with Lane Manual 2.095 and 3.084.

### II.    Scope

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause, or phrase of these procedures is found to be inconsistent with properly-negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly-certified or recognized representatives, the terms of such agreements shall prevail. Departments wishing an exception to the application of this procedure shall submit a written proposal to the County Administrator, supporting the justification. Exceptions will take effect upon written approval of the County Administrator.

### III.   Amendment

This procedure may be amended by the County Administrator.

### IV.   Procedures

Many of the procedures included in this section are to ensure that Lane County adheres to generally accepted accounting principles (GAAP). A number of them are essential to efficient cash management. The remaining procedures are designed to prevent losses through sound internal control practices and to allow Finance Operations to provide the best service possible to Lane County departments.

A. Procedures Required by GAAP

Generally accepted accounting principles are the standards against which external auditors compare Lane County's practices and procedures. Serious deviation from them can result in a substandard audit, which would adversely affect the auditor's report of Lane County's financial statements. More important, they provide effective guidelines for the prevention of loss resulting from overpayment and other errors. The following procedures are required by GAAP and good internal control.

1. Payment Of Invoices

An original invoice for each purchase must be provided with the payment request. The invoice must have the vendor's complete name and mailing address. It must clearly show that the goods or services were provided to Lane County, clearly describe the goods or services provided by the vendor and contain the accurate and total price to be paid.

Should the original invoice be lost or destroyed, the vendor shall be contacted by the department and asked to provide a duplicate invoice that clearly states it is a replacement.

In the event that the vendor provides monthly statements only and they are not a utility, the vendor must provide documentation stating that no invoices are issued. The vendor's monthly statement will then be honored only if it describes the goods or services provided. The unpaid balance from prior statements will not be paid.

The following items do not require an invoice:

- a. Rent or lease of property and equipment made under contract.
- b. State, county and city licenses, permits and fees. Documentation must be provided to Finance Operations as soon as available.
- c. Special client assistance payments where confidentiality must be maintained. The documents are to be retained by the department.
- d. Subscriptions will be processed with only a properly-completed order form.

- e. Registrations to seminars and conferences will be processed if a properly-completed form and a flier describing activities and costs are provided
- f. Construction contract payments may be made from an Application and Certificate for Payment.
- g. Payments on the Individual Payment (IP) system. Through prior arrangement with Finance Operations, the documentation for IPs is generally retained by the department. Examples of IPs are:
  - i. Client assistance payment made from grant funds.
  - ii. Clothing allowances as negotiated in labor contracts.
  - iii. Witness and jury fees paid from official court documents.
  - iv. Election board and certification staff stipends.
  - v. Land and right-of-way payments. (A copy of the deed or conveyance must be provided to Finance Operations as soon as available.)

2. Payment Authorization

Department heads may authorize expenditure of their approved budget, in accordance with the procedures established in the Lane Manual and APM.

The County has given department heads the authority to delegate approval of most budget expenditures. In order to be effective, this delegation must be in writing and on file with Finance Operations.

The department head must personally approve travel and business expenses incurred by the department's program managers and the purchase of land or rights-of-way that exceed \$9,999.99. Documents without proper approval will be returned to the department head.

3. Properly Completed Payment Request Documents

The payment document is an essential part of the clear and complete accounts payable files required to meet GAAP standards. Therefore, it must contain the following elements:

- a. The complete and accurate vendor name and address. This is important for new vendors to ensure payment is made to the proper name and address.
- b. A complete and accurate description for each invoice. The description should include the invoice number, the invoice date, a brief description of the goods or services received and the customer number assigned to Lane County by the vendor. The description of the goods and customer number should be restricted to 30 characters.
- c. A complete and accurate account code. The purchasing program (FAPU) checks to ensure that an active fund, department and accounting classification are being charged.
- d. The correct total to be paid for each invoice and the total to be paid for all items included on the request for payment. The amounts on the invoices shall be extended and footed (mathematical calculations must be verified) to ensure that the amount printed on the payment document is correct.
- e. Where the audit of a payment request reveals a change must be made, the authorizing department will be notified of any required changes greater than five dollars (\$5.00).

B. Cash Management

The County has a large annual operating budget and proper disbursement and investment practices can generate a substantial amount of additional income.

1. Trade Discounts

Many vendors allow a trade discount when bills are paid within a specific time frame. It is Lane County's policy to take the discount whenever possible. The discount should be calculated, the net payment figured and the net payment placed on both the invoice and on the payment request.

2. Late Fees and Service Charges

Lane County generally will not pay late utilities fees or service charges. Should there be special circumstances where payments are required, please contact Finance Operations.

3. Disbursement Timing

Finance Operations, as directed by Lane County administrative procedures, may hold some payments beyond the scheduled check-writing date. This allows Lane County to earn additional interest on its funds. Only those payments that will still be within the vendors' terms will be held.

C. Internal Control Procedures

The following procedures are designed to allow Finance Operations to serve Lane County:

1. Processing Payment Documents

The payment process generally begins with initial documentation to substantiate a Contract, Purchase Order, Field Purchase Order or Request for Check. Please refer to Lane Manual Chapter 21 and APM Chapter 2, Sections 1, 2 and 3, which detail the purchasing procedures. Finance Operations will not be able to process any payment documents that do not comply with those procedures. When the goods and invoice have been received, complete the payment section of the form. These include:

- a. Receiving Information and Signature. The goods or services must be received in total or complete to full satisfaction before payment will be made. After inspecting the order, complete and sign this section.
- b. Payment Approval. An authorized individual must approve the payment. Finance Operations will return any documents that have not been authorized and do not appear in the accounts payable queue.
- c. Complete Description and Amount. The description must include the invoice number, a description of the goods or services received, the complete account codes, the net amount of each invoice and the total amount to be paid.

Generally, the total amount paid on an order may not exceed the encumbered amount. However, the encumbrance amount on purchase orders may be exceeded by up to 10%, with specific budget authority approval, in the following cases:

Chapter 2  
Section 4

- i. The additional expenditure does not increase the total purchase to more than \$2,499.99
- ii. Should the increase cause the purchase to exceed \$2,499.99 the department must provide documentation of 3 quotes
- iii. If the increase causes the purchase to exceed \$24,999.99, the request will be returned to the department to:
  - a. provide the legal citation which exempts the purchase from competitive bids, or
  - b. return the goods and obtain competitive bids.

Expenditures which exceed the encumbrance amount by more than 10% must be approved by the Purchasing Manager. The limitations outlined in i, ii, and iii above also apply.

- d. Partial or Final Payment. Finance Operations encumbers the amount of contracts and purchase orders to the originating department's accounts. When partial payment of this amount is desired, the department should submit to Finance Operations a Request for Contract Payment or a copy of the purchase order clearly indicating that it is for a partial payment. If the payment document is not properly marked as partial or final, an incorrect remaining balance may be reported on the monthly financial reports of the departments.
- e. Special Payment Instructions or Documents. Special processing or mailing instructions must be clearly entered in the handling code section. Documents such as order blanks, registrations, subscriptions or other correspondence must be filled out and attached to the payment form.
- f. Capital Outlay Inventory Information. A Fixed Asset Data Entry Sheet must accompany the payment documents for capital outlay items (7xxx object accounts). Complete section (B) Acquisition or Improvement of Asset and section (H) Approval.

2. General Processing Procedures

The following procedures help maintain internal control:

- a. Payment Requests Presented on or Before Submission Date. Properly-completed payment requests received by the published submission day will be included in that check run. Requests that are incomplete or incorrect will be returned and will be included in the current check run only if time allows.
- b. Payment Requests Presented After Submission Date. Payment requests submitted after the established submission date generally will be processed for the following check run.
- c. Release of Vendor Checks. Vendor checks will be released only after the check run has been edited and balanced.
- d. Mailing of Vendor Checks. Generally, vendor checks will be mailed directly to the payee by Finance Operations. Checks may not be sent to departments by Lane County's courier.

3. Special Handling Procedures

Exceptions to the above procedures will be made only when a clear and compelling need exists. Requests for special handling shall be made to Finance Operation's supervisory staff no less than one day prior to when the check is needed. This will allow Finance Operations enough time to obtain sufficient funds so that an overdraft will not be created. Some examples of these exceptions are:

- a. Payment Requests Submitted After the Submission Date. These payment requests will be processed only when approved by a Finance Operations supervisor and will be approved only if time allows.
- b. Department Pick-Up of Vendor Checks. Vendor checks may be picked up by the requesting department only when a special, compelling need exists. Requests to pick up a check should be made in writing.
  - i. If the department knows prior to the submission cutoff that a check must be picked up, the department should note it on the payment request.

- ii. If the need to pick up a check is identified after the scheduled submission date, Finance Operations must be notified by memo no later than the day before the check is needed.
  - iii. A Lane County employee must sign for all checks not being mailed to the payee.
  - iv. Good internal control mandates that the person authorizing the expenditure will not be allowed to pick up the check.
- c. Manual Check Procedures. Manual checks require many times the time and effort to prepare and divert staff services available to meet the rest of the County's needs. They will be issued only when an emergency exists and will be approved on an individual basis by a Finance Operations supervisor.

A need will be considered clear and compelling if:

- i. Lane County is contractually required to pay at a specific date and it was impossible to meet those requirements through normal processing.
- ii. A delay in processing will cause Lane County substantial financial loss.
- iii. A vendor or employee will suffer significant financial distress.
- iv. A Finance Operations error in the processing of payment documents caused undue delay of a payment.

Requests for special handling of payment requests should be addressed to the Accounts Payable Accounting Supervisor. If the Accounts Payable Accounting Supervisor is unavailable or the department wishes to appeal any decision, the department should contact the Finance Manager.

V. Interpretation and Implementation

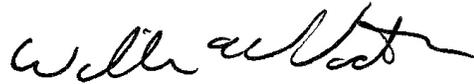
Any questions about the intent and/or application of these procedures should be directed to the Director of Management Services, who is delegated the authority for interpreting and implementing this procedure. Should a payment problem exist which can not be resolved by Finance and the submitting department, Management Services shall describe it in a

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Section 4

memorandum. The memorandum and the payment document in question shall be forwarded to the County Administrator for review and determination regarding payment.

Authorized: \_\_\_\_\_  
County Administrator      Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 4/1/98.





# ADMINISTRATIVE PROCEDURES MANUAL

Chapter 2

Section 5

Issue 1 1/26/89  
Date

## SUBJECT: READY STORES

### I. Purpose

The purpose of this procedure is to establish a standard method for obtaining office supplies and custodial products common to all County departments.

### II. Scope

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause, or phrase of these procedures is found inconsistent with either properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified representatives, or with any state or federal law, or administrative rule, the terms of agreements, laws, or rules shall prevail. Exceptions to this procedure shall be allowed only when written documentation of an overriding agreement, law, or rule is provided to the Director of Finance and Management Services.

### III. Amendment

The County Administrator may amend this procedure as required.

### IV. Definitions

**READY STORES** - The Intergovernmental Services program operated by Finance and Management Services for the procurement of supplies and products used by several departments.

**STOCK ITEMS** - The common inventory of items maintained by Ready Stores for immediate pickup or shipment upon receipt of a Ready Stores Requisition.

**NON-STOCK ITEMS** - Items not carried in inventory that are ordered by Ready Stores on a once-per-week basis following receipt of an order from a department.

**READY STORES REQUISITION** - The Lane County form to be used to order products from Ready Stores (see Attachment I).

V. Procedure

Since large-volume purchasing by a centralized professional unit yields significant cost savings and other economies, Ready Stores will process all orders for general office supplies.

It shall be the responsibility of individual departments to properly plan for their product needs and maintain departmental inventories to avoid emergency purchase requirements. All general office supply and custodial products common to many departments shall be purchased through Ready Stores.

To order from Ready Stores:

- A. Complete a Ready Stores Requisition, including quantity, item stock number, description, budget account number and proper authorization signature, using catalogues and inventory listings as supplied by Ready Stores.
- B. Bring or send the requisition to Ready Stores at the Central Receiving Warehouse.
- C. Ready Stores staff will review the order to determine if items are stock or non-stock.
- D. Stock items will be pulled from inventory and prepared for same-day pickup or next-day shipment through the courier. The pink copy of the Ready Stores requisition will serve as the packing slip.
- E. Partial orders will be shipped with a photocopy of the requisition indicating the items shipped. The pink copy will be sent with the final shipment of the order.
- F. Non-stock items will be consolidated with other orders for once-weekly ordering from the office supply vendor. Orders are placed each Wednesday. All requisitions received by Tuesday will be included in that week's order. Delivery time is dependent upon availability from vendor stock.
- G. Vendor shipments are received and individual orders are prepared for pickup or shipment in the same manner as stock items above.
- H. Upon receipt of a shipment from Ready Stores, the receiving department shall:

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Section 5

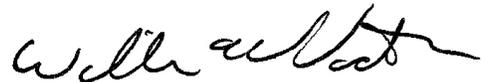
1. Compare the packing slip to the items received to check for missing items; and
  2. Examine the order to inspect for possible damaged merchandise.
- I. Missing or damaged items are to be reported to Ready Stores immediately. Instructions for disposition of such items will be issued by Ready Stores. No merchandise will be accepted for credit unless arrangements are made in advance. Claims must be made within five working days of receipt of goods.
  - J. Departments are charged for items shipped on a monthly basis through the Interdepartmental Receivable (IR) system on a cost-plus-ten-percent basis. The markup on large-item purchases shall not exceed \$100.

VI. Interpretation and Implementation

Any questions concerning the intent or application of this procedure should be addressed to the Director of Finance and Management Services, who is responsible for the interpretation and implementation of this procedure.

Authorized: \_\_\_\_\_  
County Administrator                      Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 1/26/89.







# ADMINISTRATIVE PROCEDURES MANUAL

Chapter 2  
Section 6  
Issue 2 5/5/88  
Date

## SUBJECT: FINANCIAL AUDITS

### I. Purpose

The purpose of this procedure is to establish a standard policy and process for the conduct and completion of audits and special reports when any of the County's finances are involved, in accordance with Lane Manual 3.084, "Financial Auditing."

### II. Scope

This procedure is applicable to all County departments and the Lane County Fair Board. Where any section, subsection, sentence, clause, or phrase of this procedure is found inconsistent with either properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified representatives, or with any state or federal law or administrative rule, the terms of such agreements, laws, or rules shall prevail. Exceptions to this procedure shall be considered only when written documentation of an overriding agreement, law, or rule is provided to the Performance Auditor.

### III. Amendment

The County Administrator may amend this procedure.

### IV. Definitions

**AGENCY** - The entity being audited. This can be all or part of a program, division, department, or fund. In certain cases, it can also include entities operated solely outside of the Lane County organization.

**AUDIT** - The examination and evaluation of agency activities for financial compliance to determine that financial operations are properly conducted, that financial reports are presented in accordance with generally accepted accounting principles, and that the agency is in compliance with applicable laws and regulations. Additionally, financial audits may include the following elements:

Economy and Efficiency. To determine whether the entity is managing or utilizing its resources (personnel, property, space, etc.) in an economical and efficient manner and the causes of any inefficiencies or uneconomical practices, including inadequacies in management information systems, administrative procedures, or organization structure.

Program Results. To determine whether the desired results or benefits are being achieved, whether the objectives established by the Board or another authority are being met, and whether alternatives have been considered that might yield desired results at lower cost.

AUDITOR - The auditor who is in charge of conducting the audit. In the case of a financial audit conducted by County staff, this will generally apply to Finance Operations Staff. In an audit by an independent auditor, such as an auditing firm of certified public accountants or a governmental audit agency, it will refer to that entity's auditor-in-charge.

EXCEPTION - Any audit finding requiring corrective action received as part of a final audit report, as well as any written recommendations and suggestions received from an auditor as the result of an audit.

V. Procedure

A. Audit Initiation

An audit shall be conducted yearly, shall include all Lane County funds, departments, divisions, and programs, and shall meet the legal requirements of a General Annual Audit as specified in ORS 297 and an investment audit as required in ORS 294. This audit shall be conducted by an independent certified public accountant.

Audits may also be initiated in response to state and federal legal requirements, contract provisions, and requests from the Lane County Board of Commissioners, the County Administrator, the Performance Auditor, the Director of Finance and Management Services or any other department director or the Finance Manager.

B. Selection of Auditor

The auditor shall be selected in accordance with Oregon state and federal requirements and grant and contract provisions.

The selection of an independent certified public accountant shall be according to Oregon Revised Statutes (ORS) and Lane County purchasing procedures, rules, and regulations concerning proper selection procedures.

C. Audit Methodology

All financial audits shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS), Government Accounting Auditing and Financial Reporting Requirements (GAAFR), state and federal rules and regulations, and Audits of State and Local Government Units requirements established by the American Institute of Certified Public Accountants. The audit shall report that it was done in accordance with at least one of the above.

Where a financial compliance audit is performed, the audit shall state that the books and records were or were not kept in accordance with Generally Accepted Accounting Principles (GAAP). If appropriate, the audit shall also report on economy, efficiency, and program results.

D. Department Responsibilities

When notified that an audit has been initiated, the agency being audited will make available for audit all books and records requested by the auditor. The department shall cooperate with the auditor to the fullest extent possible so that the audit may be completed as quickly and prudently as possible.

The auditor, in turn, shall plan the audit in such a manner as to cause the least disruption and interference with daily programs as possible.

E. Preliminary Audit Review

1. External Auditor. When the audit is conducted by an independent certified public accountant, any exit interview shall include the appropriate department personnel, the Finance Manager or representative, the management analyst assigned to that agency, and, as appropriate, the Performance Auditor.
2. Internal Auditor. An internal audit exit interview shall be conducted by the assigned auditor to include appropriate County personnel, such as the Performance Auditor and the management analyst assigned to that agency.

F. Submission

Final audit reports shall be submitted to the Finance and Audit Committee for review. Appropriate department managers shall be invited to participate in the review and to respond to any exceptions noted in the audit. If further response is desired by the committee, the audit shall be referred to the department with a request for additional response.

G. Audit Exceptions

1. Corrective action, if instituted and verified prior to drafting the report, may be included as part of the comments and findings of the report.

Where appropriate and if the agency director desires, the audit report shall include a section from said director responding to the audit findings and exceptions.

There shall be a notification in the body of the audit report that the response is not part of the audit findings and exceptions but has been prepared by the agency.

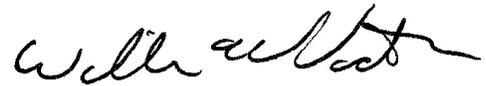
2. Within 30 days of receipt of the final audit from the Finance and Audit Committee, the agency director shall submit a written response to the Performance Auditor indicating the proposed corrective measures to be taken to resolve the exception(s) noted.
3. Within 30 days of receipt, the Performance Auditor in conjunction with the Finance Manager shall review the corrective measures. In consultation with the concerned department they shall submit their comments and recommendations to the Finance and Audit Committee. Proposed corrective action shall be submitted to the auditor for comment, and such comments shall be forwarded to the committee.
4. The Finance and Audit Committee will review the report and shall forward to the Board of County Commissioners for approval the final audit subject to amendment, together with the report of corrective measures.
  - a. For annual recurring audits, corrective actions shall be verified in the subsequent year's audit.
  - b. For all special or internal audits, the County Administrator or the appropriate elected official will be responsible for insuring compliance and shall submit a report to the Board when all corrective measures have been instituted by the affected department.
5. Upon approval of the Board of County Commissioners, the audit will be considered to be complete.

VI. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the Performance Auditor, who shall have the responsibility for implementing and interpreting this procedure.

Authorized: \_\_\_\_\_  
County Administrator                      Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 5/5/88.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 7  
Issue 9     07/01/06  
                    Date

SUBJECT: AUTHORIZATION AND REIMBURSEMENT FOR TRAVEL AND BUSINESS EXPENSES

I.     Purpose

The purpose of this procedure is to establish a process for authorization and reimbursement of travel and business expenses and to define and clarify which travel and business expenses incurred by County employees in connection with their official County responsibilities are reimbursable consistent with Lane Manual 2.376, "Travel Expense Reimbursement Policy."

II.    Scope

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause, or phrase of these procedures is found to be inconsistent with properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified or recognized representatives, the terms of such agreements shall prevail. Departments wishing an exception to the application of this procedure shall submit a written proposal to County Administrator, supporting the justification. Exceptions will take effect upon written approval of the County Administrator.

III.   Amendment

This procedure may be amended by the County Administrator.

IV.    Exception

The County Administrator may exempt any County employee from these procedures if, in his or her opinion, such exemption is warranted because of extraordinary circumstances or operating requirements.

V.     Reimbursable Expenses

County officials and employees should exercise good judgment and regard for economy while traveling or incurring expenses in connection with County business. Any expense

for which an employee requests reimbursement should directly and clearly relate to the conduct of County business. In the event of an audit subsequent to the reimbursement, there should be no question that such expenditures did relate and were necessary to the conduct of County business.

A. Authorization

Department directors, including the County Administrator, may authorize for their employees any travel and reimbursement for all travel and business expenses defined by this procedure as necessary for the conduct of County business within departmental budget limitations. However, the County Administrator shall specifically authorize in advance all out-of-state travel by all appointed department directors. To obtain such authorization, a memorandum to the County Administrator describing the purpose, destination, dates, and anticipated cost of the proposed travel must be submitted prior to departure. Where trips out of state are made frequently, a department director may request a blanket approval from the County Administrator in accordance with the procedure above. The County Administrator's written authorization shall be attached to the Travel and Expense Report form that requests reimbursement for that expense (see Attachment 1).

All County employees are entitled to reimbursement for travel and business expenses associated with County business. "Employee" means any elected or appointed officer, including employees appointed by department directors and all other persons entitled to Lane County reimbursement as defined in the Lane Manual or Lane County Administrative Procedures Manual. Relatives of an employee are not entitled to reimbursement for expenses (e.g., an employee's spouse is not entitled to reimbursement for meals or lodging while accompanying the employee on County business).

B. Advisory Committees, Boards, and Task Forces

1. Advisory Committee Expenses. For purposes of this procedure, Citizen Advisory Committee members shall not be considered to be employees. Such citizen members shall be reimbursed as follows:

a. Mileage - All members of Lane County Citizen Advisory Committees are authorized to receive, upon request, the mileage reimbursement rate for mileage incurred in activities relating directly to the business of their respective committees when such one-time round trip mileage exceeds 30 miles. Such mileage payments shall be budgeted by the operational departments providing support to the committees.

b. Meals - When it is necessary that meetings be scheduled during normal meal hours, operational departments providing support to committees shall budget and pay for reasonably priced meals.

2. Major Committees' and Boards' Expenses. Because the nature of the work of these committees and boards is more operational than advisory, members of the Planning Commission, Board of Equalization, Budget Committee, and any other major committees and boards so designated by the Board of Commissioners shall be eligible for reimbursement for mileage incurred with private automobile for authorized committee or board activities. Members shall also be eligible for reimbursement of reasonably priced meals and other travel expenses when specifically authorized by the Board or the department director providing support to the committee. Standard County procedures shall apply to such requests for payment. The departments providing support to these committees shall budget for these expenses and review expense reimbursement requests for appropriateness.
3. The standard Travel and Expense Report form shall be used when requesting payment for committee members' travel and business expenses.

C. Transportation

1. Air: Allowances for air travel shall be actual round-trip airfare by the most direct route. All employees shall utilize coach or tourist class. If an employee desires to ride first class, the employee may pay the additional expense. Except for mileage points, if an employee receives a special discount coupon, credit or any other benefit associated with an air carrier promotional campaign that is given with a Lane County purchased ticket, that coupon or other benefit must be submitted with or itemized on the Travel and Expense Report form.
  - a. Air Fare Discounts: The department director may authorize an employee to "lay over" extra days in order to take advantage of discounted air fares. The department director shall provide documentation in the form of a cost comparison of "regular" air fare versus the discounted air fare and shall consider as a minimum the following (see Attachment 2):
    - i. The cost of the non-discounted flight.
    - ii. The discounted air fare.
    - iii. The cost of lodging and meals for the lay over day(s).
    - iv. The cost of normal wages and benefits for the lay over day(s). Upon approval of the department director, an employee may eliminate this factor by using accumulated leave for any or all lay over day(s).
    - v. The cost of transportation incurred during the lay over day(s).
    - vi. All other costs associated with the lay over. For example, it may be cost effective to fly to one location and drive to

the final destination rather than flying directly to the final destination. The cost of both methods of transportation must be included in the comparison.

2. Private Automobile: With permission of an employee's department director, private automobiles may be used in the conduct of County business. The driver must possess insurance and a valid Oregon driver's license. For travel outside Oregon, an amount not to exceed coach or tourist class airfare will be authorized for use of private cars, based upon the County's private mileage allowance in effect at that time. The department director shall provide documentation in the form of a cost comparison of airfare versus automobile, and shall consider at a minimum the following items (see Attachment 2):
  - a. The cost of coach air fare.
  - b. Mileage or other travel reimbursement. Reimbursable mileage shall be listed with a description of the purpose and destination of each trip.
  - c. Cost of lodging and meals for all car-travel days.
  - d. Cost of normal wages and benefits for car-travel days. Upon approval of the department director, an employee may eliminate this factor by using accumulated leave for any or all travel days.
  - e. Specific other costs which can be directly identified as relating to travel by automobile (see Chapter 1, Section 21), and incurred via the transaction of County business.

Private automobile mileage rates will be equal to the IRS authorized rate pursuant to LM 2.637. Reimbursable mileage is the lesser of the actual mileage traveled or the distance between the employee's normal duty station and the approved destination.

3. County-Owned or -Leased Vehicle: Use of a County-owned or -leased vehicle may be authorized by a department director when it can be demonstrated to be the most economical means of transportation or private automobiles are not available. Any employee using a County vehicle must possess a valid Oregon State driver's license.
4. Vehicle Rentals, Taxi and Bus Fare: Expenses for transportation must be necessary and reasonable for the conduct of County business. Receipts for vehicle rentals must be submitted for reimbursement.

5. Garage and Parking Expenses: Parking and garage charges are allowable expenses in the conduct of County business.

D. Lodging

Expenses will be allowed for lodging for overnight trips. Hotel accommodations should be appropriate to the purpose of the trip, and when possible, accommodations should be obtained at commercial or government rates. Itemized receipts for lodging must be provided to obtain reimbursement. Long distance telephone and fax charges associated with County business will be reimbursed upon appropriate receipt submission. All other miscellaneous hotel charges such as laundry, movie/game rental, or fees for use of hotel amenities are not reimbursable.

A trip will normally be considered to be an overnight trip if the employee must leave for the out-of-town location two hours prior to the normally scheduled reporting time in order to complete the assigned task or attend an authorized meeting.

E. Meals, Tips and Gratuities

1. Meals will normally be considered related to County business in the following cases:
  - a. When an employee attends a meeting that the supervisor has approved as work related and the meal occurs between portions of the scheduled meeting, e.g., lunch. When meals are included in conference fees, the employee may not generally claim them for reimbursement.
  - b. When a shift is extended and the meal would normally be provided under the appropriate bargaining-unit agreement.
  - c. When travel on County business requires a stay out of town overnight in accordance with the definition of an overnight trip. Meals will normally be provided for breakfast or lunch on the day of departure and for dinner on the day of return only under the following circumstances:
    - i. Breakfast: The employee must leave their residence for traveling to the conference, seminar or training session location more than one (1) hour in advance of their normal departure time.

- ii. Lunch: The employee must leave their duty station prior to the lunch hour in order to arrive at the conference, seminar or training location within normal working hours.
    - iii. Dinner: The employee must travel from the conference, seminar or training session location for more than two (2) hours after their normal quitting time to reach their residence.
  - d. When meals are authorized by another section of this procedure (see Advisory Committees, Boards, and Task Forces and Conferences, Seminars, Conventions, and Training Programs).
2. Employees who must provide meals to persons other than County employees may receive reimbursement for expenses associated with the meal only when they have received authorization from their department director for such meals. When requesting reimbursement for other than County employees, the following information must be provided in addition to what is normally required:
- a. A receipt for each meal.
  - b. A description of the purpose of each meal, including an explanation of its necessity to the County.
  - c. A list of all persons, including other County employees who were in attendance, specifying their organizations and titles. If the expense is for a specific committee or other designated group, the name of the group will satisfy this requirement.
  - d. Special authorization from the department director for this expense must be noted on the Travel and Expense Report form.

Expenses for award or retirement meals as well as service club meetings are not allowable except where specifically authorized by department directors or elected officials for their departments.

Alcoholic beverages (i.e., beer, wine, cocktails) are not a reimbursable expense.

Tips and gratuities should be appropriate to the service. Any amount which exceeds 15 percent of total billing will be paid by the employee. Tips for receipted meals should be reported as part of the meal expense on the Travel and Expense Report form.

3. Meals related to County business shall be reimbursed based upon actual expenses incurred or a per diem rate, at the employee's option. The option chosen shall apply to the entire trip. (Tips and gratuities for meals are included as part of the per diem rate.) If the per diem rate is not used, receipts shall be required for all meals for which the employee is reimbursed. The per diem rate is the rate established by the U.S. Government General Services Administration (GSA) for government travel. This rate is determined by city, county and state traveled to and can be obtained at <http://www.gsa.gov/perdiem> or from an employee's supervisor/manager. The per diem rate also includes an allowance for incidentals as defined in V. F. 4 below.

When using the per diem rate, it is the responsibility of the employee or department to attach documentation on the allowable GSA rate to the request for reimbursement.

F. Incidental Expenses

Incidental expenses are described as: 1) fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards, or stewardesses 2) Transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the temporary duty site; 3) Mailing costs associated with filing travel vouchers and payment of Government charge card billings; and 4) Other incidentals may be authorized on an individual basis if they are necessary for the conduct of County business.

If the per diem rate described in V. E. 3. above is not used, receipts should be retained when possible and submitted when requesting reimbursement. Expenses such as parking tickets, traffic citations, child care, pet boarding and lost or stolen personal items are considered personal expenditures and therefore will not generally be considered reimbursable expenses.

G. Conferences, Seminars, Conventions, and Training Programs

Attendance at out-of-town conferences, seminars, conventions, and training programs should be limited to the number of representative which will provide the best cost benefits to the County.

Reimbursement for conference registration may be submitted if not already prepaid.

Meals for conferences, seminars, conventions and training programs will normally be provided as specified in V.

VI. Reporting of Expenses

A. Accumulative Travel Accounts

If an employee periodically travels, he or she may accumulate the incurred expenses and submit the Travel and Expense Report form listing the dates of travel and an itemized list of expenditures with the appropriate receipts to Finance. The employee should review Administrative Procedures Chapter 1, Section 21, to ascertain the need for any additional reporting requirements. Expenses should be reported no less than quarterly. Expenses more than one (1) year old normally will not be reimbursed.

B. Controls

Upon return from travel, the employee must submit all forms and receipts to his or her department director for initial evaluation and review. Generally, only the County Administrator, elected officials and other department heads may approve their own Travel and Expense Report forms. If all forms and expenditures are in proper order, they shall be submitted to Finance for processing. If any irregularities are disclosed in this examination, the authorizing department director shall be notified immediately so that errors and questions of valid expenditures can be corrected.

The examination of these forms will include review of account numbers, questions of valid or reasonable expenditures, correct authorizations, attachment of appropriate receipts, the total incurred expense amounts, and verification that the expenditures are covered by the budget. The purpose for each trip or expense must be expressly stated.

Appropriate receipts are:

1. An original invoice or receipt which clearly shows the vendor's name, the type of goods or service provided and the amount. The document should clearly be marked "paid."

A cash register receipt will be considered an original receipt if this information is machine printed.

2. Cash register and credit card receipts that do not meet the requirements outlined above in VI.B.1. will be accepted for purchases of \$50 or less. The department must provide the vendor name and a description of the purchase.
3. A conference brochure that contains an agenda and details all items included in the conference fee.

4. Receipts for expenses should be obtained whenever possible. However, receipts for some types of expenses generally are not available and will not be required. Some examples are:
  - Cab or city bus fare.
  - One time personal services for which receipts are not available (tips, baggage handling).
  - Disbursements made at coin-operated machines (laundromats, telephones, parking meters).
  - Disbursements to clients for one time, emergency, personal needs.

VII. Methods for Obtaining an Advance on Travel or Business Expense

Advances for travel or business expenses are allowable with authorization of the employee's department director.

The estimated total or partial cost of the authorized travel may be advanced. Alternately, procurement cards may be available for employee use when on authorized travel. A completed Travel Advance Form should be signed by the department director and processed through Finance in the same manner as regular payables. As supporting documentation, a copy of the meeting or seminar agenda, meeting notice, or conference brochure and a completed registration form (where needed) shall be attached to the advance request. If the conference information is voluminous, copies of only the pages which show the following must be submitted:

The conference or meeting location and schedule Conference fees and what is included in the fee (some fees include meals and non-conference activities).

VIII. Method for Obtaining Reimbursement of Travel Expenses/Reconciling Advances.

Upon return from travel the employee must submit receipts and a completed Travel and Expense Report form to the appropriate supervisor within the department for initial review and approval. If all forms and expenditures are in proper order, they shall be signed and submitted to Finance for reimbursement.

If an advance was received, the amount will be noted on the Travel and Expense Report. Any excess of advance over the receipted expenditures must be refunded to the County within 5 days of the completion of the trip. Where authorized expenditures exceed the advance received, a reimbursement will be processed.

If the travel advance is not reconciled within 30 days of completion of a trip, the traveler will be ineligible for further travel advances until the outstanding advance is reconciled.

In accordance with IRS requirements and guidelines, amounts which are not substantiated within 60 days from the date of travel will be reported as taxable income on the employee's W-2.

Unresolved irregularities will be disclosed to the respective department director. Should the irregularity remain unresolved, the department may request an interpretation under subsection X.

IX. Vehicle Allowance

Specific employees (such as Commissioners, the County Administrator and certain Department Directors) have the option to receive a monthly allowance in lieu of substantiating actual mileage for the use of a personal vehicle on County business. This allowance is based upon travel of an estimated 1000 miles and is paid at the current County established mileage rate. (See V.C.2 above for rate computation and Time Card Process, APM Ch2, Sect 14 for reporting.) Travel between home and office is not considered business travel.

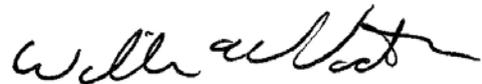
Allowances paid to the employee will be reported as additional compensation in accordance with IRS regulations and guidelines.

X. Interpretation and Implementation

Any questions about the intent or application of these procedures should be directed to the Director of Management Services, who is delegated the authority for interpreting and implementing this procedure.

Authorized: \_\_\_\_\_  
County Administrator      Effective Date

This on-line version of the Administrative Procedures Manual  
is a copy of the original signed by the County Administrator on  
7/1/06.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 8  
Issue 4     9/27/2007  
                    Date

SUBJECT:     PROCEDURE FOR APPROVING AND PROCESSING BUDGET  
APPROPRIATION TRANSFERS

I.     PURPOSE

The purpose of this administrative procedure is to specify the procedure for obtaining approval for and processing of all inter-departmental and intra-departmental budget appropriation transfers. All transfers must be made in accordance with ORS 294 (Local Budget Law).

II.    SCOPE

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause or phrase of this procedure is found inconsistent with properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified or recognized representatives the terms of such agreements shall prevail. Departments wishing an exception to the application of this procedure shall submit a written proposal to the County Administrator, supporting the justification. Exception will take effect upon written approval of the County Administrator.

III.   AMENDMENTS

This procedure may be amended by the County Administrator.

IV.   DEFINITION OF TERMS

|                  |   |
|------------------|---|
| Budget           | Basis of the legal authorization for the expenditure of funds. A written plan of financial operation for estimated expenditures for one year, and the proposed means of financing the estimated expenditures. |
| Local Budget Law | All provisions found in ORS 294.305-294.520, 294.555 and 294.565.   |
| Appropriation    | Legal authorization for spending a specific amount of money in a single fund for a specific purpose during a specific period of time.   |

|                            |   |
|----------------------------|---|
| Budget Transfer            | A change in the fiscal year's spending plan and appropriation which requires the department to prepare an amendment for the approval of the Budget Officer or the Board of Commissioners, depending on the nature of the transfer. (See Types of Transfers below for further detail).   |
| Expenditure Classification | Grouping of similar types of expenditures in broad categories; expenditure classifications used by Lane County include Personnel Services (wage and benefit costs); Materials and Services; Capital, including capital outlay (for items valued at more than \$5,000 with a useful life of more than one year) and capital projects (a major repair, renovation or replacement of current asset that extends the useful life by at least 5 years or expands capacity of an existing facility); and Fiscal Transactions, including reserves. |
| Position                   | A group of duties and responsibilities occupied by one employee.  |
| FTE                        | Full Time Equivalent. The equivalent of one employee working full-time for one year. The authorized or appropriated FTE is the amount listed for each department/fund in the Board Order Adopting the Budget, plus any additional Board Orders approved throughout the fiscal year.   |
| Budget Officer             | County Administrator or designee.   |

V. TYPES OF TRANSFERS

|                         |  |
|-------------------------|--|
| Administrative Transfer | <p>Net zero changes to appropriations within a single department and single fund completed by transferring appropriations between account line items within or between expenditure or revenue accounts; may NOT be used to establish new FTE, but can perform a net zero adjustment to existing FTE.</p> <p><b>Effect on spending authorization:</b> <u>None</u><br/><b>Board order:</b> <u>Not required</u><br/><b>Authorization:</b> <u>Budget Officer</u></p> |
| Board Order Adjust      | Net zero changes between appropriations within the same fund. In rare cases can increase FTE if funds are available within existing appropriations; may move appropriations between departments or between account line items. Transfers between   |

General Fund and any other fund also possible under limited conditions per OAR 150-294.450(3).

**Effect on spending authorization:** May increase one department's or fund's spending authority while decreasing others

**Board order:** Required

**Authorization:** Board of Commissioners

Grant Resolution

A specific procedure authorized under ORS 294.326(2) to allow expenditure in the year of receipt of **dedicated** revenues - grants, gifts, bequests or devises transferred to Lane County. Must include increase/decrease of revenue and expenditure appropriations to keep overall fund balanced. Available for expenditure only after enactment by the governing body of an appropriation ordinance or resolution authorizing the expenditure. Addition of FTE also possible.

**Effect on spending authorization:** Increases spending authority and possibly FTE

**Board order:** Required

**Authorization:** Board of Commissioners

Supplemental Budget

Modifications to an adopted budget for the purpose of adding to or subtracting from current appropriations; may include transfers between funds and additions or deletions of FTE. Must be adopted and appropriated before any additional money can be spent (OAR 150-294.480). Lane County currently processing approximately three supplemental budgets per fiscal year.

Must meet the condition of an occurrence or pressing necessity which had not been ascertained or able to be foreseen at the time of the preparation of the current budget.

A supplemental budget **cannot** authorize spending an unappropriated ending fund balance, except when necessitated by involuntary conversion or civil disturbance or natural disaster. Also cannot be used to spend the tax raised above the estimated amount stated in the ballot for a rate local option tax.

**Effect on spending authorization:** Generally increases, but may also decrease

**Legal Notice:** Required

**Public Hearing:** Required

**Board order:** Required

**Authorization:** Board of Commissioners, following public hearing

## VI. TYPES OF RESERVES

While Lane County has chosen to distinguish between contingency and reserves as described below, only the Operational Contingency account (99100) is recognized by local budget law as an appropriation. When preparing appropriation board orders, 992xx accounts must be added into the 99100 total.

### Operational

Contingency (99100) Each operating fund may establish an operational contingency for unforeseen expenditures caused by limited emergencies or unanticipated changes that may become necessary; any reasonable amount can be appropriated, but the governing body may transfer by resolution no more than 15% of a fund's total appropriations during the year.

**Type of Transfer:** Board Order Adjust

### Operational

Reserves (992xx) Reserves not intended to be spent in the current year, but are available to respond to significant emergencies, changes or potential disruptions of service caused by external factors. Also referred to as the 'prudent person reserve.' Lane Manual Chapter 4 establishes the reserve policies and requirements for all County funds.

**Type of Transfer:** Supplemental Budget

### Unappropriated

Reserves (99300) Technically a "requirement," not an expenditure; local budget law specifically requires that unappropriated ending fund balances become a budget resource in the next fiscal year (cash balance). During a current year, unappropriated funds are not available except when necessitated by involuntary conversion or civil disturbance or natural.

**Type of Transfer:** None allowed

## VII. PROCEDURE

The Budget Office will assist departments in preparing budget transfer requests. The procedure will be as follows:

- A. Departmental Responsibility - It will be the responsibility of individual departments to prepare a budget form in the automated budget software system. Justification must be provided to explain why the transfer is necessary and any authorizing

approvals already secured (board order, personnel action for reclassification, settlement of a grievance, etc). Where one planned expenditure is reduced in order to provide increased spending for another, the justification should indicate the effect of the changed plan.

If the transfer being proposed requires Board approval, the Department shall prepare the agenda memorandum and board order. See Chapter 1, Section 2 for the process of submitting agenda items to the Board of County Commissioners. Consultation with the Budget Office is strongly encouraged to assure that all requirements of local budget law are met. The budget form prepared on the automated budget software system and the information contained in the agenda memorandum and the accompanying board order must be consistent.

When an adjustment is completed at the department level, it must be authorized by the department director or designee. Departments shall not incur any liability against a proposed transfer until the transfer has been approved and processed.

- B. Human Resources Responsibility - When budget transfers affect positions in any way (FTE increases, new positions, reclassification, flex staff promotions, grievance settlements, change in pay status, etc.), Human Resources will review and recommend approval or denial of the personnel action identified in the budget transfer request. Human Resources may assist the department in determining the level of approval required for a particular personnel action and assist in the preparation of any necessary board order to implement the personnel action. When an adjustment meets all the personnel requirements, Human Resources will authorize the adjustment. See Chapter 3, Section 4 for details on adding and deleting positions and/or FTE outside of the Annual Budget Process.
- C. Budget Office Responsibility - Upon receiving a budget transfer request, it will be the responsibility of the Budget Office to determine whether sufficient authority exists (department authorization, Human Resources authorization, approved board order, etc.) to recommend the requested transfer for approval. Budget staff may assist departments in determining the level of approval required for a particular transfer, assist in the preparation of the necessary board order, legal notice or other actions required to conform with local budget law.

When a transfer is unusual or complicated, the Budget Office may request additional information and explanation to supplement the budget adjustment comment.

Due to the limited circumstances allowing for Supplemental Budgets and the required legal notice publications, the Budget Office will coordinate all Supplemental Budget requests. Generally these occur three times each year, usually in December, March and June. Departments will be responsible for entering the supplemental budget information into the automated budget software system and providing any detailed information requested by the Budget Office for inclusion in the agenda memorandum and board order.

When an adjustment meets all the budget requirements, the Budget Office will authorize the adjustment and recommend it for approval by the Budget Officer or designee.

- D. Budget Officer Responsibility - The Budget Officer will issue final approval of budget transfers.
- E. Rejection of Budget Transfer Requests - When a department's budget transfer request is recommended for rejection by any reviewer, the department will be notified immediately.

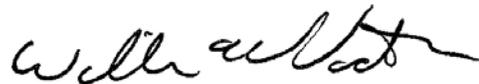
VIII. INTERPRETATION AND IMPLEMENTATION

Any questions relative to the intent or application of this procedure should be directed to the County Administrator who is delegated the responsibility for interpreting and implementing this procedure.

Authorized: \_\_\_\_\_  
County Administrator

\_\_\_\_\_  
Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 10/12/07.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 9  
Issue 3     9/27/2007  
                    Date

## SUBJECT: BUDGET ADMINISTRATION AND EXPENDITURE MONITORING

### I.     PURPOSE

In accordance with the provisions of ORS 294, County and Municipal Financial Administration and Lane Manual Chapter 2.9 and 4.005, Budget Policies and Procedures, provides a uniform budget control plan to assist County Departments in effectively managing their fiscal operations, to ensure that sufficient funds are available to meet departmental operating requirements and to avoid year-end deficiencies and/or supplemental appropriations.

### II.    SCOPE

This procedure is applicable to all County departments.

### III.   AMENDMENTS

The County Administrator may amend this procedure.

### IV.   DEFINITIONS

|                            |   |
|----------------------------|---|
| Appropriation Order        | Board Order adopting the current fiscal year budget, making appropriations and levying taxes. Completed in mid to late June of each year. |
| Expenditure Classification | Grouping of similar types of expenditures in Classification . In broad categories as defined by local budget law.                         |
| Account Line Item          | The number that identifies the type expense, i.e. Professional & Consulting, Telephone Services, Permanent Operating Salaries, etc.       |

### V.    BUDGET ADMINISTRATION AND EXPENDITURE MONITORING PLAN

A. Fiscal Control of Expenditures

1. Annual Appropriations

The Appropriation Order meets the requirements of local budget law by establishing the official budget of the County and specifying the maximum resources and expenditures authorized at the fund and department levels. The Appropriation Order provides an annual aggregated spending authority at the department levels in each fund unless the order specifies that expenditures shall be governed and controlled according to specific expenditure classifications as defined in Local Budget Law as follows: (1) Personnel Services, (2) Materials and Services, (3) Capital Outlay, (4) Debt Service, (5) Special Payments, (6) Inter-fund Revenue Transfers, and (7) Operating Contingency..

2. Financial Reports

Financial Services shall keep and maintain an Appropriation and Expenditure Ledger in sufficient detail to record expenditures against the appropriations for each fund, department and program by account line item within each classification of expense.

B. Management Responsibility for Expenditure Monitoring

It is the responsibility of each department director to monitor expenditures within the departmental appropriations authorized for each classification of expense by account line item.

1. Fund Manager Designee & Duties

Each department director must designate a fund manager for each fund used in the department and notify both Budget and Financial Services of the name of the individual. Duties for the fund manager include:

- a) Monitoring expenditures and budget
- b) Forecasting as detailed in VI below.
- c) Notifying appropriate department staff of need for appropriation changes.
- d) Responsible for duties described in VI.

Budget adjustments to appropriations between account line items and expenditure classifications shall be requested in accordance with Chapter 2, Section 8 prior to making expenditures. When submitting payroll authorizations, request for checks, request for contract payments, purchase requests, field purchase orders, etc., the department director or designee shall certify, by signature or action on-line, that funds were appropriated and are unencumbered for the proposed expenditure.

2. Personnel Services

Before requesting the filling of a position vacancy or the addition of a new FTE, the department director shall determine the availability of appropriate funds and be prepared to demonstrate upon request the necessity for employing new or replacement personnel. See Chapter 3, Section 4 for procedures on adding or deleting FTE and/or positions.

3. Materials and Services

Before submitting purchase requests or payment documents as required by existing public purchasing policies, the department director shall determine the availability of funds and be prepared to demonstrate upon request the necessity for the expenditure. No purchase order or request for payment will be processed if it is determined that sufficient funds are not available. Such requests will be returned to the authorizing department director together with an explanation of the inability to process payment.

4. Capital

The department director shall verify the availability of appropriate funds prior to submitting requests for Capital items.

VI. FISCAL YEAR-END CUTOFF

A. Orders

All departments should anticipate their operating requirements for the balance of the fiscal year according to the following:

1. Purchase Orders: Purchases must be ordered to allow the goods or services to be received by June 30. Therefore, Purchase Orders must be authorized to allow sufficient time to process them and receive the goods or services by June 30.

B. Accounts Payable

Payments for goods and services received with an invoice date prior to the close of the business day June 30, will be paid from the current year's budget. Payment requests for goods and services received after July 1 will be paid from the following fiscal year's funds. Date of receipt of the goods or services is generally substantiated by the date of the invoice or by a description on the invoice which indicates timing of receipt of the goods or service.

C. Grant and Contract Revenues

Departments responsible for grant and contract revenues shall establish deadlines for reimbursement in order that revenues are collected prior to the fiscal year end. Since many contracts and grants are reimbursed after the close of a reporting period, arrangements should be made to submit reimbursement requests based upon estimates prior to the end of the last reporting period of the fiscal year.

VII. RECONCILIATION OF REVENUE AND EXPENDITURES REPORTS/BUDGET VIOLATION

Every department should reconcile its records at the end of each accounting period with the revenue and expenditure reports available through the PeopleSoft Financials software. Any variances which may occur should be immediately reconciled. If the department experiences difficulty in reconciling its accounts, Financial Services should be contacted for assistance.

The Fund Manager for any specific fund is responsible for ensuring that that a budget violation does not occur. In the event of a violation, it will be the responsibility of the Fund Manager to provide an explanation for the occurrence and details on how such a violation will be avoided in the future. This information must be submitted to the Finance & Audit Committee and in a report to the Secretary of State. The violation is also referenced in the County's financial audit and financial reports.

VIII. DEPARTMENTAL REVENUE AND EXPENDITURE FORECASTS

A Financial reporting system and schedule shall be established by the Financial Services and Budget & Planning divisions. Each department will review its accounts and prepare revised estimates of revenues and expenditures in order to provide a comprehensive budget status report for review by the Board of County Commissioners' Finance and Audit Committee. This review is necessary in order that operating requirements for the fiscal year may be carefully evaluated to disclose any major revenue or expenditure problems confronting the County.

If at any time it appears that any expenditure account may be significantly over expended or any revenue significantly under realized it is the responsibility of department directors to report to the Finance and Audit Committee alternate methods of maintaining a balanced budget.

Upon the recommendation of the Finance and Audit Committee and approval by the Board of Commissioners, the County Administrator may implement expenditure controls necessary to assure that sufficient funds are available to avoid year-end deficiencies, intrafund or intradepartmental transfers and/or special appropriations.

IX. CONTINGENCY FUNDS

- A. Departments are expected to fund departmental errors, omissions and inflationary costs, including employee grievance settlements, reclassifications, promotions, etc., from current appropriations.
- B. Emergency requests for additional appropriations due to natural or man-made catastrophes and other unusual events may be submitted to the County Administrator. The County Administrator may recommend approval for such appropriations by the Board of County Commissioners. This allocation will be based on County-wide need and availability of funds.

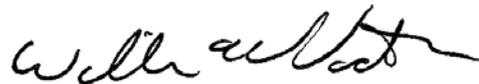
X. INTERPRETATION

Any question relative to the intent or application of this procedure shall be directed to the County Administrator who has the authority and responsibility to implement this procedure.

Authorized: \_\_\_\_\_  
County Administrator

\_\_\_\_\_  
Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 10/12/2007.





# ADMINISTRATIVE PROCEDURES MANUAL

Chapter 2  
Section 10  
Issue 3 3/31/95  
Date

## SUBJECT: MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS AND SUBSCRIPTIONS TO PROFESSIONAL LITERATURE

### I. Purpose

To provide a uniform policy for the expenditure of County funds for professional licenses and memberships as well as subscriptions to professional literature.

### II. Scope

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause, or phrase of these procedures is found inconsistent with properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified or recognized representatives, the terms of such agreements shall prevail. Departments wishing an exception to the application of this procedure shall submit a written proposal to the County Administrator, supporting the justification. Exceptions will take effect upon written approval of the County Administrator.

### III. Amendment

The County Administrator may amend this procedure as required.

### IV. Guidelines

#### A. Membership in Professional Organizations

Expenditure of County funds for membership in a professional organization or society should be limited to the following criteria:

1. Membership in the organization or society that will result in a general benefit to the County or a specific benefit to a department or section.
2. Where feasible, each department should limit departmental participation to one membership per organization. In organizations of a specialized nature, such as the National Sheriffs Association, Association of Oregon Finance Directors, etc., membership should be assigned to the most appropriate department. The single

membership per department could possibly be assigned to the department or division directors. This would allow access to publications, training seminars, and information by all departmental staff. This limitation does not apply to advisory committees.

B. Professional Registrations, Licenses, and Memberships

The cost of professional registrations, licenses, and memberships that are a prerequisite for County employment in a specific classification will be paid by the employee, not the County. Examples of such classifications would include but not be limited to engineers, architects, sanitarians, physicians, nurses, attorneys, equipment operators, pilots, etc.

C. Subscriptions to Professional Periodicals and Literature

Subscriptions to professional journals and literature may be paid for with County funds. However, subscriptions to more than one publication providing basically the same information should be avoided where possible. Moreover, wherever feasible, subscriptions should not be duplicated by other departments but rather every effort should be made to share publications between departments.

D. Subscriptions to Newspapers

A reasonable number of subscriptions to newspapers may be paid for with County funds.

V. Interpretation and Implementation

Any questions relative to the intent or application of this procedure shall be referred to the County Administrator who is delegated the responsibility for interpreting and implementing this procedure.

Authorized: \_\_\_\_\_  
County Administrator                      Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 3/31/95.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 11 10/19/2009  
Issue 2 Date

## SUBJECT: AUTHORIZATION AND REIMBURSEMENT FOR USE OF EMPLOYEE-OWNED WIRELESS TELEPHONE AND INTERNET DEVICES FOR COUNTY BUSINESS

### I. Purpose

The purpose of this procedure is to establish a process for authorization and reimbursement for use of employee-owned wireless telephones and internet devices by County employees in connection with their official County responsibilities consistent with APM Chapter 1, Section 22, Use of County Computer and Communication Resources.

### II. Scope

This procedure is applicable to all County departments and shall be administered in accordance with the authority delegated to the County Administrator in Lane Code 2.110(4)(f) and Lane Manual 4.220. Where any section, subsection, sentence, clause or phrase of this procedure is found to conflict with either properly negotiated and ratified collective bargaining unit contracts or with any state or federal law or administrative rule, the terms of such contracts, laws, or rules shall prevail. Exceptions will take effect upon written approval of the County Administrator. Individual department directors may establish more strict procedures for their respective departments.

### III. Amendment

This procedure may be amended by the County Administrator.

### IV. Administrative Procedure

#### A. Authorization

In accordance with LM 4.220 and APM Chapter 1, Section 22, at the sole discretion of the Department Director and upon request of the employee, a monthly stipend may be paid to the employee in lieu of being assigned a county provided wireless telephone or internet device.

1. An employee requesting the stipend must sign an authorization form (copy attached) and submit the form to the Department Director for approval.

Department Directors have full discretion to approve or deny such a request, but any approval must be consistent with budgeted resources.

2. After the Department Director has approved the request, the form must be submitted to Financial Services.
3. Assignment of the wireless telephone or internet device and any approval of a monthly stipend is at the sole discretion of the County, and the County reserves the right to modify or discontinue such practice at any time for any reason.

B. Reimbursement

1. The authorized stipend will be paid to the employee monthly through the County payroll system. The stipend is considered taxable income and will be subject to standard payroll taxes. The initial stipend rates are: basic cell \$35.00 per month, basic internet \$35.00 per month, cell and internet combination \$70.00 per month. The rates are subject to change based on a review of costs of services.
2. Unless revoked by the Department Director, the authorization will remain in effect until the end of the current fiscal year (the following June 30). Authorizations must be renewed annually by completing and submitting a new form each July 1.
3. Employees must notify the Department Director and Financial Services if, at any time while receiving the stipend, service is disconnected for any reason, in which case, the stipend shall also cease.

C. Records

1. Records of calls made or received on the employee-owned wireless phone and records of activity on the internet device for which the stipend is received may be subject to public records laws.
2. Managers may review call logs and internet logs for verification of valid County business use.
3. The County may publish the employee's personal wireless number and/or email address as needed.

D. Responsibilities

1. The employee electing to receive the stipend is responsible for acquiring a cellular telephone or internet device and plan and maintaining active service at all times while receiving the stipend.

2. The employee is responsible for any service and maintenance cost for the employee-owned phone or internet device. The County is not responsible for replacement cost of lost, stolen or damaged phones.
3. The supervisor or director may establish call availability requirements.

E. Equipment

1. Cell phones and Personal Digital Assistants (PDAs) are being used not only for voice calls, text messages, and managing personal information, but also for many functions that are typically done on a desktop or laptop computer, including sending and receiving electronic mail, browsing the Internet, storing and modifying documents, delivering presentations, and remotely accessing data. Many of these devices contain specialized features such as cameras, a Global Positioning System (GPS), and small removable-media card slots. They may also employ a range of wireless interfaces that include infrared, Wireless, Bluetooth, or multiple cellular interfaces.

Through these features, the devices are increasingly subject to many of the threats common to desktop or laptop computers. The threats include loss or theft; malware infection through tainted storage media or wireless connections; spam through text and voice; unexpected charges for inbound messages; electronic eavesdropping through a variety of channels; location tracking; theft of service through cloning; and exposure of sensitive data at the server level.

As such, personally-owned devices are only approved for connection to County resources through the cellular network. These devices are not allowed to be directly connected to the Lane County internal network through either a cable connection, a docking station, or through the County private wireless network.

2. Personally-owned cell phones and Internet Access devices are subject to the following conditions or recommendations:
  - a. The cell phone or Internet Access Device must be password protected with a minimum password length of 4 characters. This password must not be disabled so as to prevent unauthorized entry to the County email system.
  - b. The device will require entry of this password after 15 minutes of inactivity.
  - c. The device should contain anti-virus software. It is also recommended that you enable the firewall on these devices.

- d. Data retained on these devices is discoverable in legal proceedings and is subject to public records request. This may require that you surrender your device long enough for others to obtain the information requested.
- e. It is not recommended that you use these devices to house sensitive or confidential information. If you have a business need to use these devices for storage or transmission of this type of information, you should use appropriate encryption technologies.
- f. If your device is lost or stolen, report the incident to the IS Department, who can perform a “remote wipe” of all data contained on the device if it is still active and communicating on the cellular network.

The IS Department Help Desk will assist you in installing anti-virus software, encryption technologies, and a firewall. They will also configure your device to send/receive email and to access calendar functions. No other device support, such as troubleshooting operating system issues, built-in functions, or add-on applications, will be provided.

V. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the Management Services Director, who is delegated the responsibility to interpret and implement this procedure.

Approved:   
County Administrator

10-19-09  
Effective Date



## Use of Employee-Owned Wireless Telephone for County Business

As a Lane County employee, I have been authorized to carry a county-provided wireless telephone for job related purposes. I make this request to receive a monthly stipend for use of my personal wireless phone in lieu of being assigned a county-owned wireless phone.

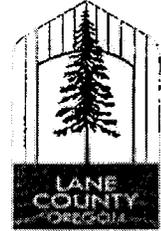
In accordance with APM Chapter 2, Section 11, I agree to use my own wireless phone for County business according to the job requirements assigned by my supervisor or director and I agree to the following:

- The County may publish my personal wireless number as needed.
- I am responsible for acquiring a cellular telephone and calling plan and maintaining active service at all times while receiving the stipend. I am also responsible for any service and maintenance cost for my own phone.
- My supervisor or director may establish call availability requirements. Job related calls should be responded to in a timely manner, and personal calls during assigned duty periods should be kept to a minimum.
- The stipend will be paid monthly through the payroll system and is considered taxable income and as such will be subject to standard payroll taxes.
- Records of calls made or received on my wireless phone for which the stipend is received may be subject to public records laws.
- Approval of the stipend and/or assignment of a wireless telephone is at the sole discretion of the County, and the County reserves the right to modify or discontinue such practice at any time for any reason.
- I understand that this stipend may be revoked or modified at any time for any reason.
- I further understand that a new request and approval must be submitted each July 1. Failure to submit a request and approval to Financial Services will result in no payment of a stipend.

### ACCEPTANCE:

|                      |               |                                       |
|----------------------|---------------|---------------------------------------|
| Action (circle one): | Start    Stop | _____                                 |
|                      | Continue      | Effective Date                        |
| _____                |               | _____                                 |
| Employee Sig.        |               | Supervisor/Manager Sig. (if required) |
| _____                |               | _____                                 |
| Print Name           |               | Department Director Sig. (required)   |
| _____                |               | _____                                 |
| Employee ID #        |               | Wireless Phone Number                 |
| _____                |               | _____                                 |
|                      |               | HR Labor Code                         |

# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 12  
Issue 2     4/26/2011  
                    Date

## SUBJECT: PROCUREMENT CARDS

### I.     Purpose

The purpose of this procedure is to establish rules regarding the use of Procurement cards for the purchase of goods or services in accordance with Lane Manual Chapters 20 and 21 and APM Chapter 2, Section 1. Nothing in this procedure shall be construed as contrary to the provisions of Oregon Revised Statutes Chapters 279A, B, or C.

Procurement cards provide an efficient, cost-effective method of payment for low-dollar purchases by replacing invoices and checks. Use of Procurement cards is encouraged to streamline processes and decrease costs and should be used in place of petty cash, revolving accounts, and other credit cards. Procurement cards may also be used to pay for travel expenses. The use of Procurement cards is not intended to circumvent County competitive selection and purchasing rules which otherwise also apply.

### II.    Scope

This procedure is applicable to all County departments that purchase goods and services through County budgeted funds.

### III.   Amendment

Amendments to this procedure must be approved by the County Administrator.

### IV.   Administrative Procedure

#### A.    Definitions

##### 1.    Process definitions:

- a.    Itemized Receipt – A receipt that shows:
  - Vendor name and address
  - Date of purchase
  - Price per item/extended price
  - Total amount of the transaction
  - Quantity purchased

- Description of each item (product codes should be identified and hand-noted by the Vendor if possible)
  - b. Original Receipt – A receipt not generated by Lane County
  - c. Sign-off – A process in which transactions are approved in the system by (i) the Cardholder or Proxy, and reported to (ii) an Approver who is not the Cardholder or Proxy.
  - d. Works – Procurement card software system provided by Bank of America that establishes cards, profiles, roles, credit limits, and sign-offs of transactions.
2. Compliance definitions:
- a. Authorized Purchases – Purchases that:
    - (1) Are within \$5,000 for a single transaction and within Cardholder's total monthly credit limit of \$5,000;
    - (2) Are for official Lane County business purposes;
    - (3) Do not pose a significant risk of liability to Lane County;
    - (4) Are not restricted by the Department Director or Approver.
    - (5) Are made by the actual Cardholder
  - b. Purchasing Manager Approval/Purchasing Manager Approved Purchases – Refers to the process of obtaining Purchasing Manager's approval to purchase larger ticket goods and services over \$5,000.
  - c. Restricted Purchases – Purchases that are NOT authorized.
  - d. Personal Purchases – Purchases made for anything other than County business. (Personal Purchases are also Restricted Purchases)
  - e. Strike – An official act of non-compliance within the Procurement card program.
3. Role definitions:
- a. Approver – The Cardholder's Department Director, Manager, Supervisor, or someone the Director has designated to approve

Cardholder purchases. A key function of this role is to pay close attention to Cardholder transaction submissions in order to help prevent credit card fraud and ensure that the integrity of the system has not been jeopardized.

- b. Cardholder – The employee whose name is on the card and who is responsible for the purchases made on the card.
- c. Cardholder Proxy – The employee designated by the Department Director to sign-off purchases in Works for another employee.
- d. Owner – Either a Department Director or Manager. The Owner does not necessarily have to approve purchases in the Works system but they are ultimately responsible for making sure that all processes and policies are adhered to.
- e. Program Administrator - The primary administrator of the program who will respond to questions and requests. The person who generates accounts, sets limits as directed, maintains profile information, and reports to the Purchasing Manager.
- f. Purchasing Manager – The person who most directly administers the Procurement card program, oversees compliance before forwarding violations to the County Administrator, and advises the County Administrator, Management Services Director, and Finance Manager regarding the maintenance and effectiveness of the program.

B. Valid Cardholders

- 1. Cards will be issued only to permanent, active employees with a valid business reason to make County purchases, based upon Department Director authorization.
- 2. Cards are issued to individuals, and the employee's name will appear on the card. However, the credit associated with the card belongs to the County.
- 3. Prospective Cardholders will be required to complete Procurement card training prior to activation of the card, which shall include testing of employee understanding of processes and policy before receiving their card.

C. Valid Approvers

1. Approvers check accuracy and thoroughness of Cardholder signoff before approving Cardholder purchases.
2. Approvers must have PeopleSoft Budget Authority.
3. Prospective Approvers will be required to complete Procurement card training prior to activation as an Approver, which shall include testing of employee understanding of processes and policy before receiving their Approver status.

D. Valid Purchases

1. Procurement cards are for authorized County purchases only.
2. Use of the card for personal purchases, restricted purchases, cash advances or cash refunds is prohibited.
3. Department Directors may direct Procurement cards to allow only specific types of purchases (i.e. restaurants and hotels for travel use), if the Works system can accommodate such settings. If the card is presented at a merchant not associated with the approved purchase, the merchant is authorized to reject the transaction.
4. No purchase with a significant risk of liability may be purchased, regardless of amount, without a basic contract that includes applicable protection clauses, approved by the Lane County Legal Department.

E. Transaction and Monthly Limits

1. Unless specifically authorized by the Purchasing Manager as a method of payment under an approved purchase order or contract, Procurement cards will carry single transaction limits of \$5,000 or less and a total monthly limit of \$5,000.
2. Subject to the \$5,000 limits above, the Cardholder's Department Director, Manager, or Supervisor may approve individual Procurement cards to be set with varying levels of single transaction limits and total monthly purchase limits. Cardholders are not authorized to exceed these limits. If the limits are exceeded, the merchant is authorized to reject the transaction.
3. To request a limit that exceeds \$5,000, the Department Manager or Director will be required to submit a form to the Purchasing Manager, specified by a process described in the relevant training manual. If the

Purchasing Manager approves any limit to exceed \$5,000 per transaction, the reason, contract number and/or purchase order must be recorded and be made available for auditing. If the contract number or purchase order is not included, a reason must be given for the missing documentation. If the Purchasing Manager approves a monthly credit limit to exceed \$5,000, a detailed reason must be provided.

F. Sign-Off, Approvals, and Receipts

1. Sign-off Procedure - Cardholders must sign off on all purchases and, at a minimum, indicate clearly what the purchase was for. They must also provide a report to their Approver as to each month's purchases, with an original, itemized receipt for each purchase. The program will provide instruction and forms regarding exceptions allowed in regards to this process.
2. Approval Process - Approvers must approve only valid purchases, checking for a clear description of what the purchase was for, and that the receipt is original, itemized, and archived correctly.
3. Original Receipt - Original receipts must be archived for 3 years, unless the purchase was related to a capital project or grant, in which case, they must be archived for 5 years. Receipts may be kept longer, if required by a funding source. Original receipts will be scanned and then archived, and the hard copies may be discarded once scanned. Regardless of the archiving technique, receipts should be readily accessible and easily retrieved for auditing and inspection.

G. Suspension or Closing of Accounts

1. Leave of Absence – Cards will be suspended for Cardholders who are on Leave of Absence. Suspended Procurement cards will be stored by the Program Administrator until such time as the employee returns, or the account is closed.
2. Employee Termination - Account will be closed immediately upon notice of termination of employee.
3. Department Transfer – Cards will follow the Cardholder. The department coding in the Procurement card system will be adjusted when the employee moves to a new department.

H. Department Responsibility

The Cardholder's department is responsible for:

1. Immediately alerting the Procurement card Program Administrator when:
  - An employee has given notice of termination
  - Has given notice of Leave of Absence
  - Is being transferred to another department
2. Collecting Cardholder's receipts and any documentation related to purchases not yet signed off before the employee leaves.

I. Cardholder Responsibility

The Cardholder is responsible for:

1. Storing the Procurement card in a secure location.
2. Use of the card within the parameters of this APM and APM Chapter 2, Section 1; in compliance with ORS 279A, B, and C, as applicable; and in accordance with other County purchasing rules, policies and procedures.
3. Immediately reporting lost or stolen cards directly to the issuing bank. Refer to the Procurement Card Training Manual for contact information.
4. Surrendering the card upon termination of employment or upon the request of the Department Director for any reason.

J. Non-Compliance and Repercussions

1. General

The Lane County Procurement card program utilizes "Strikes" to denote official non-compliance. The County Purchasing Manager makes the determination of what constitutes an "Official Strike". In all cases, significant neglect or violation of any provision of this APM, especially in regards to spending limits, restricted purchases, providing of original, itemized receipts, providing descriptive information of purchases, and sign-off completion will garner a Strike. In all cases, only the County Administrator may waive an Official Strike.

a. Strikes

- (1) For each Strike, employees will be reported to the Finance and Audit Committee and County Administrator. They may also be subject to disciplinary action up to and including termination under applicable County procedures. In addition, misuse of County funds may result in notification of law enforcement authorities.

- (2) At the second Strike, the employee will lose the right to use their Procurement card.

2. Personal and Restricted Purchases

Cardholder utilizing the Procurement card for Personal Purchases, Restricted Purchases, cash advances, cash refunds, and costs outside the scope of APM Chapter 2, Section 7 regarding valid travel and business expenses.

a. Strikes

- (1) Strike One: Cardholder will be required to reimburse the County for the purchase. (Failure to do so will result in loss of card, garnishment of wage, and potential termination of employment.)
- (2) Strike Two: Cardholder will be required to reimburse the County for the purchase AND Cardholder will lose Procurement card.

3. Failure to Provide Original Receipt (A receipt not generated by Lane County)

Cardholder fails to provide an original, itemized receipt for the sign-off process.

a. Strikes

- (1) Strike One: Cardholder will be required to reimburse the County for the purchase. (Failure to do so will result in loss of card, garnishment of wage, and potential termination of employment.)
- (2) Strike Two: Cardholder will be required to reimburse the County for the purchase AND Cardholder will lose Procurement card.

b. Potential Waivers

- (1) The Cardholder's Department Directors may waive reimbursement to the County as outlined in the training manual.

4. Non-compliant Approvers/Department Managers/Department Directors

Approvers/Department Managers/Department Directors who fail to stop non-compliant transactions as directed.

a. Strikes

An Approver or Department Director who fails to prevent repeated Strikes of the same type or by the same Cardholder in their area of authority will be reported to the Finance and Audit Committee, and County Administrator. They may also be subject to disciplinary action up to and including termination under applicable County procedures. In addition, misuse of County funds may result in notification of law enforcement authorities. The Department may lose privilege of utilizing the Procurement card program.

K. Security Guidelines

1. Separation of Duties

- a. No employee may approve their own purchases and transactions, including Program Administrator or the Purchasing Manager.
- b. As much as possible, no one person should have the ability to perform all functions in the Procurement card system, including the ability to perform all three of these functions: create their own card AND set their own credit limits on that card AND approve their own purchases on that card.

L. Audit

To ensure the continued success of the Procurement card program and to ensure the appropriate use of County resources, Procurement card transactions will be audited on a periodic basis. The following will be audited no less than quarterly, using a representative sampling of transactions:

- 1. Compliance Controls: Spending limits, restricted purchases, itemized receipts, descriptive information, and signoff completion is complied with.
- 2. Potential Fraud: Duplicate reimbursement involving Procurement card payment and Expense Report reimbursement for same purchase do not occur, with a focus on travel and business expense.
- 3. Procurement Card Administration: Cardholders are correctly categorized in the administrative system, Cardholders are permanent, active

employees, spend limits over \$5,000 are approved by Purchasing Manager, and Approvers have PeopleSoft Budget Authority.

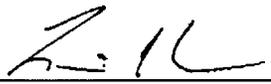
The Finance Manager and/or Purchasing Manager, have the authority to identify and refer negligence and abuse of transactions, even if signed-off by an Approver, to the County Administrator for review and potential correction or repercussions.

M. Reporting

Procurement card statistics and metrics shall be accumulated by the Finance Department at least annually to gauge overall program effectiveness and compliance with repercussions. Once year, an annual report shall be delivered to the Finance and Audit Committee to review program results, including accumulated official Strikes not waived by the Purchasing Manager or County Administrator.

V. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the Management Services Director or representative delegate who is responsibility to interpret, and create and implement these procedures. An annual review of these procedures and policies is recommended as a guideline.

Approved:  4/27/11  
County Administrator Effective Date



# ADMINISTRATIVE PROCEDURES MANUAL

Chapter 2  
Section 14  
Issue 4 3/31/95  
Date

## SUBJECT: TIME CARD PROCESS

### I. Purpose

The purpose of this procedure is to establish consistent guidelines for preparing and processing County time cards and certifying payroll in accordance with Lane Manual 2.285 and 2.290. Accurate time records are the only official source documents which can be used to show employee hours to be paid. They allow the County to issue correct and legally defensible paychecks.

### II. Scope

This procedure is applicable to all County departments. Where any section, subsection, sentence, clause, or phrase of this procedure is found inconsistent with properly negotiated and ratified working agreements concluded through collective bargaining between Lane County and duly certified or recognized representatives, the terms of such agreements shall prevail. Departments wishing an exception to the application of this procedure shall submit a written proposal to the County Administrator, supporting the justification. Exceptions will take effect upon written approval of the County Administrator.

### III. Amendment

The County Administrator may amend this procedure.

### IV. Definitions

**EXEMPT EMPLOYEE** - An employee of Lane County who is not eligible for paid overtime or compensatory time (see Chapter 3, Section 42, Attachment I)

**NONEXEMPT EMPLOYEE** - An employee of Lane County who is eligible for paid overtime and/or compensatory time (see Chapter 3, Section 42, Attachment II)

**PAYROLL AUTHORIZATION FORM** - The form that each department director or designee signs verifying, by employee, the number of hours worked, number of paid hours, and gross pay. Return of the form to the Payroll Section authorizes the printing of paychecks, and the expenditure of Personnel service funds.

RETROACTIVE PAY - Back wages due an employee because of a change in pay rate. The amount will be the difference between the amount already paid and the amount that should have been paid.

SUPPLEMENTAL PAY - A new paycheck issued to an employee because his/her regular paycheck is incorrect. The most common reason for supplemental pay is that the employee was paid for too few hours.

V. Guidelines

- A. The Payroll Section pays employees for hours worked and authorized compensatory time, holidays, vacations, and paid leave. The employee must be filling a position authorized in the Position Control System and will be paid at the appropriate rate as approved by Personnel Services.
- B. Each department will maintain a record of employee hours worked and other hours to be paid for all nonexempt employees as supporting documentation to the paycheck. All employee hours will be certified as correct by the signature of the nonexempt employee and the employee's supervisor. In the absence of an employee, the signature of the supervisor is adequate for payment, but the employee's signature should be obtained upon the employee's return. Exceptions to normal hours worked, such as overtime, vacation, leave, and compensatory time, will generally be authorized before they occur in accordance with paragraph VI.C., and Chapter 3, Section 34, "Time Management, Other Types of Leave, and Holidays", Attachment II.
- C. Time card information on employee hours paid for exempt employees may be kept on an exception basis. In terms of process, the only time an exempt employee must prepare a time card is when the employee is on leave. The department for which the employee works must keep on file both a time card and an authorization of all leave time taken by the employee.

Authorization for leave shall be made on forms which promote departmental efficiency. Leave time shall be documented to show the type of leave (time management, vacation, bereavement, etc.), amount, and shall be certified as correct by the signature of the employee and the supervisor.

In no event shall the compensation for an exempt employee be reduced if the time management accruals are fully exhausted and the employee is absent for less than one day.

- D. Time card information on employee hours worked and other hours paid must be entered to the automated time card system by the department before an employee's paycheck is

prepared. This applies to salaried as well as hourly employees. This also applies to employee termination hours and corrections to paychecks. Supervisors should make sure complete and accurate time card information is provided each pay period for all employees, even those away from work.

- E. Time management are based on employee time card hours. Accrual calculations are based upon normal working hours, compensatory time taken, time management, vacation, holiday, personal time taken, and all types of leave hours. In order to accrue the proper amount of leave time, a full-time employee must be compensated for at least eighty (80) paid hours in the payroll period.

Accruals are not calculated for overtime, double time, compensatory time worked or paid, payment for leave time sold, termination vacation pay, or personal time paid.

- F. Departments will retain employee time records and other supporting documentation for a minimum of thirty (30) months. This will allow for review of authorized payroll expenses by County, state and federal auditors, and provide backup justification for employee hours paid. Where required by grant guidelines, records will be retained as long as the grant requires.

## VI. Procedure

### A. Completing Time Cards

The Lane County standard biweekly time card is recommended for all departments (see Attachment I). Time cards can be obtained from Ready Stores. Departments with unique requirements may print their own time cards as long as specified information appears on the card. Department unique time cards will be reviewed and approved by Finance Operations.

1. All Employees: Every department will collect a completed time card from each nonexempt employee on a weekly or biweekly basis. The time card must contain the following minimum information: employee name, ending date of the time card, number of days worked, hours worked per budget program, and hours not worked but paid, such as vacation, holiday, and leave. Time card hours should be recorded to indicate separate weekly totals by type of hours, e.g., regular or overtime. The time card must be signed by the employee and the employee's supervisor. A designee may sign for the supervisor in his or her absence.

Other information to be recorded on the time card, as required, includes: hours at special pay rates such as shift differential and out-of-class pay, and adjustments to gross pay resulting from actions such as retroactive pay increases. Interested

departments can also use time cards to allocate employee hours worked to various activities or cost centers. Contact the Finance Data Processing for information on this feature of the automated time card system.

Time card information must be processed and submitted by each department to Payroll via a terminal by 8:00 p.m. on Monday preceding payday.

2. New Employees: New employees will complete a time card in the same manner as a current employees. The PAF for employees hired into permanent positions is generated automatically when the Applicant Tracking System is updated by Personnel Services. The department must then add the position control number to the PAF. The PAF for temporary employees must be created by the department. A PAF must be processed before the employee's time card can be entered on the time card system.
3. Terminating Employees: Terminating employees will complete a time card in the same manner as a current employee. The department must also submit the Payroll Termination Work sheet, the Notice of Change form and a copy of the time card to Personnel Services no later than 9:00 a.m. on the employee's last day of work. Please refer to the Administrative Procedure titled "Employee Separation Process," Chapter 3, Section 56. As applicable, termination, leave pay, and compensatory pay must be recorded on the Payroll Termination Worksheet and on the time card. Department entry of all time card hours must be completed no later than 9:00 a.m. on the employee's last day of work, or by 8:00 p.m. Monday if the last working day is Tuesday or Wednesday preceding payday.

B. Supplemental and Retroactive Pay

1. Retroactive pay due an employee is calculated using the Retro Pay Calculation Worksheet form, see Attachment IIIA. The dollar amount due is data entered as part of the employee's time information and will be added to gross pay as part of the next paycheck. The Retro Pay Calculation Worksheet must be submitted to the Payroll Section as soon as possible, but not later than 10:00 a.m. the Monday before paychecks are issued. The department payroll clerk should sign the Retro Pay Calculation Worksheet to certify it is correct.
2. Some supplemental pay due can be processed by adjusting the employee's hours on the next time card. For example, if the employee was paid for 38 hours and should have been paid for 40, the two additional hours would be added to the next time card.

If the correction must be processed immediately and a new paycheck is required, the supplemental pay due to the employee is calculated using the Time Card Supplemental Worksheet form. The department must enter the correction to the automated timecard system, and submit the form to the Payroll Section. The Payroll Section will issue a new paycheck.

If a new paycheck is required, the department director or delegate must sign the Time Card Supplemental Worksheet to certify it is correct and authorize the resulting personnel services expenditure. If an employee is not entered appropriately in the time card system and does not receive a check, the department must contact Payroll as soon as possible for corrective action.

C. Pay for Vacation, Leave, Overtime, and Compensatory Time

If an employee is to be paid for hours not worked, including time management, vacation, leave, and compensatory time taken, the hours shall be preauthorized by the employee's supervisor. Preauthorization is required for all departmental staff except as described in Administrative Procedure, Chapter 3, Section 34, "Time Management, Other Types of Leave, and Holidays". See also the Administrative Procedure titled "Hours Worked, Overtime, and Compensatory Time" Chapter 3, Section 42 for further detail.

If an employee is to work overtime, the hours should also be authorized by the employee's supervisor.

The Authorization for Vacation Leave/Overtime/Compensatory Time form provides documentation for other than normal hours worked and shall be used. This form is available from Purchasing.

For additional procedures covering the subject, see the administrative procedures titled "Time Management, Other Types of Leave, and Holidays," Chapter 3, Sections 34. Pay for overtime and compensatory hours worked will be made according to the Administrative Procedure titled "Hours Worked, Overtime, and Compensatory Time" Chapter 3, Section 42.

D. Certification of Payroll

The Tuesday preceding payday, each department will receive a Payroll Authorization Report listing each employee and his/her gross pay. The Payroll Authorization should be verified and signed by the department director or designee, and returned to the Payroll Section by 11:00 a.m. the same day received. The Payroll Authorization is the

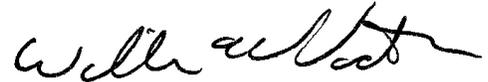
County's authority to make Personnel Service expenditures, except supplementals and terminations.

VII. Interpretation and Implementation

Any questions relative to the intent or application of this procedure shall be directed to the County Administrator who is delegated the authority to interpret and implement this procedure.

Authorized: \_\_\_\_\_  
County Administrator                      Effective Date

This on-line version of the Administrative Procedures Manual  
is a copy of the original signed by the County Administrator on  
3/31/95.







LANE COUNTY TIME CARD SYSTEM

TYPE OF HOURS CODES

- 01 - Normal Hours
- 02 - Overtime (1-1/2 - 1)
- 03 - Doubletime (2-1)
- 20 - Comp Worked (1-1)
- 21 - Comp Worked (1-1/2 - 1)
- 25 - Comp Taken (1-1)
- 28 - Comp Time Paid (1-1)
- 40 - Time Management (Vacation)
- 41 - Time Management (Sick)
- 45 - Time Management (Family Illness)
- 48 - Time Management (Sold)
- 49 - Time Management (Termination Pay)
- 50 - Vacation
- 58 - Payment for Vacation Time
- 59 - Termination Vacation Pay
- 60 - Holiday
- 61 - Alternate Holiday
- 63 - Floating Holiday
- \* 65 - Personal Time Taken (1-1)
- \* 68 - Personal Time Paid (1-1)
- \* 69 - Personal Time Paid (1-1/2 - 1)
- 70 - Sick Leave
- 71 - Military Leave
- 72 - Jury Duty
- 73 - SAIF Injury
- 74 - Bereavement Leave
- 75 - Family Illness
- 76 - Other Paid Leave
- 77 - Personal Day or Nurses Leave
- 78 - Long-Term Sick Leave
- \* 88 - Miscellaneous Court Pay, Supv. (1-1)
- 89 - Severance Pay
- 91 - Leave without pay

\*FOR PUBLIC SAFETY USE ONLY





# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 16  
Issue 3      1/9/07  
                    Date

## SUBJECT: CASH ACCOUNTS AND CASH FUNDS

### I.      Purpose

The purpose of this procedure is to establish guidelines for the creation and use of cash accounts and cash funds. The procedures are intended to comply with the provisions of ORS 294.

### II.     Scope

This procedure is applicable to all County departments. This procedure shall be administered in accordance with the authority delegated to the County Administrator in Lane Manual 4.012. Where any section, subsection, sentence, clause or phrase of this procedure is found to conflict with any state or federal law or administrative rule, the terms of such contracts, laws, or rules shall prevail.

### III.    Amendment

This procedure may be amended by the County Administrator.

### IV.    Definitions

Cash Account. An account established in the name of Lane County at a financial institution, the assets of which are liquid.

Change Fund. A sum of money designated for the purpose of making change where cash is collected.

Petty Cash. A sum of money designated for the purpose of making certain expenditures.

### V.     Administrative Procedure

#### A.     Authorization and Establishment of Accounts

County cash accounts and funds will be authorized by the County Administrator and monitored by the Financial Services Division in order to facilitate effective

and efficient cash management, accommodate operating needs and maintain adequate controls over cash.

1. Departments will be authorized to establish and maintain cash accounts with the County's contracted financial institution where a legitimate business need exists for a separate account.
2. Departments will be authorized to establish and maintain petty cash or change funds where a business need or operational efficiency justifies establishment of the account.
3. Departments will submit a request to establish the account or fund to the Financial Services Manager which includes the following information:
  - a. Purpose of the fund and amount requested.
  - b. Name of the custodian of the account. The custodian must be a regular, active County employee.
  - c. Names of proposed signers on the account, and the name of the employee responsible for reconciliations.
  - d. The location and method of safekeeping of the fund.
4. The Financial Services Manager will make a recommendation to the County Administrator as to the establishment of the account.
5. The Financial Services Manager has the authority to close Department cash accounts and cash funds after reasonable notice to the Department Director.

B. Maintenance and Control of Accounts

1. Full responsibility for each cash account or fund and the method by which it is utilized will rest with the Director of the department which has custody of the funds.
2. Expenditures made from cash accounts and funds are subject to the same budget and fiscal control requirements as are regular expenditures of the County, and must be substantiated by acceptable receipts in accordance with APM Chapter 2, Section 4.
3. Replenishment of cash accounts is to be made from authorized budget appropriations, and funds within the account will not be considered an additional appropriation.
4. The following transactions are prohibited:

- a. Providing change for a transaction initiated by check.
- b. Cashing a check for any person from a change or petty cash fund.
- c. Payment of expenditures from cash receipts or change funds.

C. Reconciliation

1. All cash accounts with financial institutions will be reconciled on a monthly basis, employing the following components to ensure adequate control and separation of duties:
  - a. The account will be reconciled to the bank statement by a County employee who is not an authorized signer on the account.
  - b. The reconciliation will be reviewed by a second County employee who is also not an authorized signer on the account. Both reconciler and reviewer will sign and date the reconciliation for proper documentation.
  - c. Reconciliations will be maintained on file in the custodial Department and will be provided upon request to the Financial Services Manager or Internal Auditor.
2. All cash funds will be reconciled to underlying receipts on a periodic, but not less than monthly, basis.
  - a. Change funds should be reconciled daily, or at the time of deposit of the receipts for which they provide change. Change funds will be replenished from the cash receipts at the time of deposit.
  - b. Petty cash funds will be reconciled to the expenditure receipts at least monthly, and upon a request for replenishing. Requests for funds to replenish the petty cash fund will be submitted to the Financial Services Division together with receipts for all expenditures.
3. All accounts will be reconciled as of June 30 of each year, and the reconciliations will be forwarded to the Financial Services Manager.
4. The Financial Services Manager (or designee) will maintain a schedule of all authorized County cash accounts and cash funds. Such schedule will include the custodian of the account and authorized purpose of the account.
5. All County cash accounts and cash funds are subject to audit at all times.

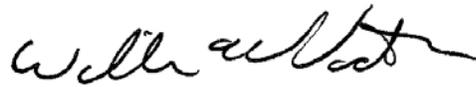
6. In the event of a suspected theft or loss of funds from the cash fund, the custodian will notify the Financial Services Manager immediately.

VI. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the Management Services Director, who is delegated the responsibility to interpret and implement this procedures.

Authorized: \_\_\_\_\_  
County Administrator Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 1/9/07.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 17  
Issue 1      1/9/07  
                    Date

## SUBJECT: FIXED ASSET AND INVENTORY MANAGEMENT

### I.      Purpose

The purpose of this procedure is to establish guidelines for the management and disposition of capital and personal property assets. The procedures are intended to comply with Federal, State and local laws and regulations relating to procurement and disposition of public assets.

### II.     Scope

This procedure is applicable to all County departments. This procedure shall be administered in accordance with the authority delegated to the County Administrator in Lane Manual 60.405 and in accordance with ORS 279A.070 and 279A.185. Where any section, subsection, sentence, clause or phrase of this procedure is found to conflict with any state or federal law or administrative rule, the terms of such contracts, laws, or rules shall prevail.

### III.    Amendment

This procedure may be amended by the County Administrator.

### IV.    Definitions

Application Development Stage. The stage of software development project during which the design, coding, installation and testing of the software occurs. The stage begins once management commits to funding the project and it is probable that the project will be completed and the software will be used as intended.

Capital Asset. Tangible and intangible assets having an initial individual cost of \$5,000 or more and an estimated useful life of more than 2 years. For the purposes of this procedure only, land, buildings and real estate assets are specifically excluded.

Personal Property Asset. Tangible assets that fall below the cost or useful life thresholds of capital assets.

Preliminary Project Stage. The early stage of software development project during which alternatives are evaluated, vendor proposals are reviewed and alternatives are selected.

Post-Implementation Stage. The stage that begins once the software is put into use. This state includes training and subsequent maintenance of the software.

V. Administrative Procedure

A. Capital Assets

Capital assets, including machinery and equipment, furniture and software will be tracked in the County's fixed asset system maintained by the Financial Services Division.

1. Departments are responsible for reporting the acquisition, transfer or disposal of capital assets to the Financial Services Division using the forms available on the County intranet site.
2. Assets having an initial individual cost of \$5,000 or more and an estimated useful life in excess of 2 years will be recorded as capital assets. Additions, improvements and other capital outlays that significantly extend the useful life of an asset will also be capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset will not be capitalized.
3. Purchased software with an initial cost in excess of \$5,000 and an estimated useful life in excess of 2 years will be recorded as capital assets.
4. Internally developed software with an initial development cost in excess of \$100,000 and an estimated useful life in excess of 2 years will be recorded as capital assets.
  - a. Internal and external costs to develop the software during the application development phase will be capitalized. Typical costs include direct materials or services contributing to the project, payroll and payroll-related costs for employees directly associated with the project, testing and installation costs.
  - b. Interest costs incurred during the development process will be capitalized.
  - c. Costs of the internally developed software project incurred during the preliminary project stage or the post-implementation stage will be expensed as incurred.

- d. The cost of upgrades and enhancements to capitalized software will be capitalized only if the upgrade or enhancement provides additional functionality, and the development cost exceeds \$100,000.

B. Personal Property Assets

Personal property acquired for use in the conduct of County business which does not qualify as capital assets because it falls below the cost or useful life thresholds of capital assets will be tracked at the Department level.

1. Departments acquiring personal property assets will be responsible for maintaining adequate control over those assets.
  - a. Personal property assets are to be disposed of in the same manner as capital assets, in accordance with Section C of this chapter.
  - b. Departments should periodically inventory personal property assets to ensure that the assets are used in the conduct of County business and that adequate control is maintained over the assets.
2. The Information Services Department will be responsible for maintaining an inventory of computers, laptops, PDAs, printers and fax machines for all County departments.

C. Disposition of Capital and Personal Property Assets

1. Capital and personal property assets which are surplus to the County's needs will be disposed of expeditiously under the centralized supervision of the Management Services Director in accordance with the provisions of Lane Manual 60.405.
2. Prior to disposition of such property, the appropriate Department Director will certify to the Management Service Director that the property is surplus to the needs of the department.
  - a. Certification will be made using the form provided on the County Intranet.
  - b. The certification will include an estimate as to the fair market value of the asset.
3. At the time of disposition of capital assets, the Department disposing of the asset will report the disposition to Financial Services Division using the form provided on the County intranet.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 20 5/10/2011  
Issue 6 Date

## SUBJECT: INVESTMENT PROCEDURES

### I. Purpose

The purpose of this procedure is to provide specific direction to the Director of Management Services of Lane County in the investment of public funds in accordance with federal, state, and other legal requirements, including the provisions of Lane Manual 4.015 to 4.020.

### II. Scope

This procedure is applicable to the investment of all funds under the management of the County Treasurer, including funds held in a fiduciary capacity, unless directed otherwise.

### III. Delegation of Authority

In accordance with Lane Manual 4.020(3), authority to manage the investment program is granted to the Director of Management Services. The Director of Management Services shall be responsible for all investment transactions undertaken, and shall establish a system of controls to regulate investment activities. Only the Director of Management Services, or his/her designee, may engage in investment transactions on behalf of Lane County.

### IV. Investment Advisory Committee

- A. The Director of Management Services shall appoint an Investment Advisory Committee to which the Financial Services Division shall provide staff support. The committee will be composed of three Lane County employees, drawn from departments who are major stakeholders in the investment portfolio.
- B. The Investment Advisory Committee is charged with providing investment advice to the Director of Management Services. The committee will communicate quarterly and meet annually to perform the following additional functions:
  - 1. Review the investment portfolio for safety, liquidity, and yield in light of current market conditions;

2. Make recommendations regarding investment vehicles;
3. Review benchmarks and compare to the Lane County investment portfolio;
4. Review the list of authorized financial institutions, depositories, and broker/dealers for compliance with these Investment Procedures;
5. Review internal controls over investments;
6. Review and recommend modifications and changes to these Investment Procedures and submit them to the County Administrator for approval; and
7. Review the annual investment report prior to submission to the Finance & Audit Committee.

V. Amendments

The County Administrator may amend this procedure.

VI. General Objectives

The general objectives of investment activities, in priority order, shall be safety, liquidity, and yield. Although ranked, these three objectives represent factors that interrelate and should be considered together when managing the investment portfolio. No objective supersedes another, but all three objectives should receive adequate consideration, as prioritized, before making investment decisions.

A. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest risk.

1. Credit Risk

Lane County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- a. Limiting investments to the types of securities listed in Section XI of these Investment Procedures;

- b. Pre-qualifying the financial institutions, depositories, and brokers/dealers with which Lane County will do business in accordance with Section IX; and
- c. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Interest Rate Risk

Lane County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- a. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- b. Investing funds primarily in shorter-term securities, money market funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this Section XIII.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet the daily operating requirements that may be reasonably anticipated by the Director of Management Services or her/her designee. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should favor securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market accounts or the Local Government Investment Pool of the State of Oregon, which offer same-day liquidity.

C. Yield

The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles that is typical of market conditions for similar portfolios, taking into account the investment risk constraints and liquidity needs of Lane County. However, return on investment is of secondary importance compared to the safety and liquidity objectives previously described. The core of investments shall be limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security swap would improve the quality, yield, or target duration in the portfolio.
3. Liquidity needs of the portfolio require that the security be sold.

VII. Standards of Care

A. Prudence

The standard of prudence to be used by employees and investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Employees and investment officials shall act in accordance with these Investment Procedures and exercise due diligence. Deviations from expectations regarding credit risk or market price changes shall be reported in a timely fashion to the County Administrator and the liquidity and the sale of securities shall be carried out in accordance with the terms of these Investment Procedures.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

B. Ethics and Conflicts of Interest

Employees and investment officials involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS 244.040, and the limitations regarding use of an employee’s office or position set forth in Lane County’s administrative procedures manual, chapter 1, section 8.

VIII. Pooling of Funds

Except for cash in certain restricted accounts and funds, Lane County will consolidate cash balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation.

IX. Selection of Broker/Dealers

- A. The Director of Management Services shall authorize the use of broker/dealers prior to the use of any of their services.

The County will maintain a list of broker/dealers authorized to provide investment services. To qualify for the list, they must meet the following requirements:

1. Be certified by the Financial Industry Regulatory Authority (FINRA) or similar organization;
2. Be registered to do business in the State of Oregon;
3. Have an active, unsuspended certification;
4. Be able to provided services without impairment;
5. Have signed an agreement stating they have read Lane County's investment procedures and will comply with them.

The authorized list of broker/dealers shall be six. Concentration of trading activity within any one broker/dealer should be avoided.

X. Custody and Safekeeping

A. Custody

All trades of marketable securities will be executed in accordance with ORS 294.145(4) to ensure that securities are delivered to Lane County or its custodial bank, or in the case of book-entry transactions, upon the crediting of purchased securities to the custodian's Federal Reserve System account, prior to the release of payment.

B. Safekeeping

Securities will be held by an independent third-party custodian selected by Lane County as evidenced by safekeeping receipts in Lane County's name. Any insured institution that is authorized to accept deposits within the State of Oregon may serve as custodian in accordance with ORS 295.001 to ORS 295.108. A written contract shall be obtained between Lane County and the custodian bank for services performed.

C. Internal Controls

The Director of Management Services or his/her designee shall establish a system of internal controls over investments managed in accordance with this policy. The controls should be designed to prevent the loss of public funds arising from

fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of Lane County.

XI. Authorized Investments

The Director of Management Services may invest any surplus funds in his/her custody in the depositories, classes of securities at current market prices, insurance contracts, and other investments listed in this section.

A. Depository Investments

1. Time deposit open accounts, certificates of deposit, money market accounts, and savings accounts in insured institutions, in credit unions, or in federal credit unions in accordance with the limitations of ORS 294.035(3)(d) if the institution or credit union maintains a head office or a branch in the state of Oregon;
2. The Local Government Investment Pool of the State of Oregon in accordance with the limitations of ORS 294.810;

B. Non-depository Investments

1. Lawfully issued general obligations of the United States, its agencies, instrumentalities, or enterprises in accordance with the limitations of ORS 294.035(3)(a) and 294.040;
2. Repurchase agreements for general obligations of the United States, its agencies, instrumentalities, or enterprises in accordance with the limitations of ORS 294.035(3)(j);
3. Lawfully issued debt obligations of the State of Oregon, its agencies, instrumentalities, or political subdivisions in accordance with the limitations of ORS 294.035(3)(b) and 294.040;
4. Lawfully issued debt obligations of the States of California, Idaho, and Washington and their political subdivisions in accordance with the limitations of ORS 294.035(3)(c) and 294.040;
5. Banker's acceptances in accordance with the limitations of ORS 294.035(3)(h);
6. Corporate indebtedness in accordance with the limitations of ORS 294.035(3)(i);
7. Fixed or variable life insurance or annuity contracts and guaranteed investment contracts within the limits of ORS 294.035(3)(f).

XII. Insurance, Collateralization, and Guarantees

A. Depository Investments

1. Depository investments are limited to:
  - a) Depositories that participant in the Public Funds Collateralization Program and have a signed agreement pursuant to ORS 295.008 and maintain collateral pursuant to ORS 295.015.
  - b) Credit unions complying with insurance limits established by the National Credit Union Administration.
  - c) Certificate of Deposit Account Registry programs that meet the requirements of ORS 295.004.

B. Non-Depository Investments

1. Investments in lawfully issued general obligations of the United States, its agencies, instrumentalities, or enterprises shall be guaranteed by the United States, its agencies, instrumentalities, or enterprises in accordance with ORS 294.035(3)(a);
2. Banker's acceptances shall be issued and guaranteed by a qualified financial institution and eligible for discount at the Federal Reserve System in accordance with ORS 294.035(h)(A)).

XIII. Investment Parameters

A. Diversification

1. The investment portfolio should be diversified by:
  - a) Avoiding an over-concentration of securities from a specific issuer or business sector (excluding general obligations of the United States).
  - b) Investing in securities that have varying maturities; and
  - c) Continuously investing a portion of the portfolio in readily available funds such as the Local Government Investment Pool of the State of Oregon, money market accounts, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. The following diversification limitations shall be imposed on the portfolio:
  - a) Time certificates of deposits in a single institution shall be limited to not more than 10% of the total deposits of that institution;
  - b) General obligations of the United States, its agencies, instrumentalities, or enterprises shall be limited, by agency, to not more than 33% of the moneys available for investment;
  - c) Banker's acceptances shall be limited to not more than 25% of the monies available for investment on the settlement date (ORS 294.035(h)(C));
  - d) Corporate indebtedness shall be limited to not more than 35% of the monies available for investment on the settlement date (ORS 294.035(3)(i)(D));
  - e) Corporate indebtedness of any single corporate entity and its affiliates or subsidiaries shall be limited to not more than 5% of the monies available for investment on the settlement date (ORS 294.035(3)(i)(D), and;
  - f) Investments in the Local Government Investment Pool of the State of Oregon shall be limited in accordance with ORS 294.810.

B. Investment Maturity

1. With the exception of investments made to specifically meet long-term future cash flow requirements in accordance with ORS 294.135, the market value of the investment portfolio will be maintained within the following liquidity parameters:
  - a) 183 days or less            20% minimum
  - b) 365 days or less            30% minimum
  - c) 730 days or less            50% minimum
  - d) 1,095 days or less        100% minimum

C. Investment Ratings

1. The following minimum ratings, or their equivalent, must be maintained for the following investments:
  - a) State of Oregon, its agencies, instrumentalities, and political subdivisions:
    - (1) "A" by Moody's Investor Service, or

- (2) “A” by Standard & Poor’s Corporation
- b) States of California, Idaho, and Washington and their agencies, instrumentalities, and political subdivisions:
  - (1) “Aa” by Moody’s Investor Service, or
  - (2) “AA” by Standard & Poor’s Corporation
- c) Bankers Acceptances – Highest rating available
- d) Corporate indebtedness:
  - (1) “P-1” or “Aa” by Moody’s Investor Service, or “P-2” or “A” if headquartered in Oregon or otherwise meets the requirements of ORS 294.035(i)(C), or
  - (2) “A-1” or “AA” by Standard & Poor’s Corporation, or “A-2” or “A” if headquartered in Oregon or otherwise meets the requirements of ORS 294.035(i)(C)

D. Maximum Maturities

To the extent possible, Lane County shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and approved by the Board of Commissioners, Lane County will not directly invest in securities maturing more than three years from the date of purchase.

E. Competitive Bids

The Director of Management Services, or his/her designee, shall obtain and review a list of investment offerings from at least three financial institutions, depositories, or broker/dealers prior to purchasing an investment on the secondary market, unless it is impractical to do so.

XIV. Reporting

- A. The Director of Management Services, or his/her designee, shall provide a monthly report to the Board of County Commissioners as required by ORS 208.090. Such report should also include, but not necessarily be limited to, the following:
  - 1. A summary of the investment portfolio at par value, book cost, and market value by type of investment;

2. Month-to-date and fiscal year-to-date summary of earnings;
  3. Month-to-date and year-to-date effective interest rate earned;
  4. Days to maturity, and;
  5. Yield to maturity (365 day equivalent)
- B. In January each year, or at such time as it is requested, the Director of Management Services, or his/her designee shall prepare and submit to the Finance and Audit Committee an annual investment report. This report shall include the following:
1. Analysis of safety, liquidity, and yield considerations of the portfolio;
  2. Analysis of custodial banking fees;
  3. Summary of investment activity for the previous calendar year, including a summary of investments by type, summary of investment earnings, and summary of yield to maturity on the current portfolio;
  4. The results of the annual independent audit as related to the investment program;
  5. Recommendations for changes to these Investment Procedures, if any; and
  6. Other issues the Director of Management Services deems appropriate.
- C. The Finance and Audit Committee shall review and approve the annual investment report and, if necessary, recommend amendments to these Investment Procedures.

XV. Performance Evaluation

The performance of the investment portfolio shall be measured against the performance of the local government investment pool yield. It is the goal of the County to maintain a yield that is at least equal to or higher than that of the local government investment pool. The County will also compare its yield to that of the City of Eugene.

XVI. Other

- A. Any investment currently held that does not meet the guidelines of these Investment Procedures shall be temporarily exempted from the requirements of these Investment Procedures. At maturity or liquidation, such monies shall be reinvested only as provided by these Investment Procedures.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 21  
Issue 1      09/25/06  
                    Date

## SUBJECT: DEBT PROCEDURES

### I.      Purpose

The purpose of this procedure is to establish guidelines for the issuance and management of debt. The procedures are intended to comply with Federal, State and local laws and regulations relating to issuance of municipal debt.

### II.     Scope

This procedure is applicable to any debt that obligates or encumbers County assets or resources. This procedure shall be administered in accordance with the authority delegated to the County Administrator in Lane Manual 4.025 and 4.030. Where any section, subsection, sentence, clause or phrase of these procedures is found to conflict with any state or federal law or administrative rule, the terms of such contracts, laws, or rules shall prevail.

### III.    Amendment

This procedure may be amended by the County Administrator.

### IV.    Definitions

These definitions are not intended to limit or restrict definitions provided in state or federal law. Rather, they are provided merely to enhance a general understanding of their use. ORS Chapter 288 provides additional guidance.

Advance Refunding. Refinance of bonds prior to call date. Proceeds are placed in escrow to be used to pay off the previous debt or calls.

Certificates of Participation/Lease Purchase Agreements. Debt secured by property and equipment.

Conduit Debt. Debt sponsored by the county on behalf of another entity.

Current Refunding. Sale of new bonds to refinance outstanding bonds prior to maturity, but after the call date.

General Obligation Bonds. Bonds backed by the full faith and credit of the county, carrying an unconditional pledge against unrestricted resources, including unlimited property tax.

Limited Tax Bonds. Bonds secured by available general fund revenues and the authorized taxing power of the county.

Revenue Bonds. Bonds backed by a pledge of revenues and receipts from certain projects.

V. Administrative Procedure

A. General Objectives

County debt will be managed with the goal of minimizing debt service requirements while maintaining adequate capacity for capital projects. The highest practical credit rating will be maintained in order to issue future debt at an affordable rate.

1. Current operations will generally not be funded from the proceeds of borrowed funds (with the exception of short-term cash flow requirements). Ongoing maintenance and reserves for replacement will be financed from current revenues.
2. Long-term borrowing will be confined to capital improvement or projects that cannot be financed from current revenues. “Pay as you” go financing will be encouraged for capital projects where feasible.
3. Repayment schedules for debt retirement will not exceed the useful life of the asset acquired through the debt issuance. To the extent possible, repayment will be shorter to recapture credit capacity as soon as possible.
4. Repayments should be scheduled so that debt service will be a predictable and manageable part of the operating budget. Any exceptions to a level payment schedule should be called to the attention of the Board at the time of debt issuance, together with a sound rationale for the payment schedule and a matching of the payment schedule to a predictable revenue source.
5. Debt will be eliminated by the most cost effective and equitable means, considering periodic re-evaluation of market rates to determine when refinancing is advantageous.

B. Affordability Targets and Limits

An analytical approach should be used to determine the amount of debt to be assumed by the County. The Management Services Director and Financial Services staff will use the target ratios in the Debt Affordability Report to ensure debt issued is within legal limits and is affordable to the County.

1. General Obligation Bonded Indebtedness.
  - a. Will not at any time exceed two percent of the real market value of all taxable property in the county (ORS 287.054).
  - b. Will be evaluated for affordability using the following benchmarks:
    - i. Debt per capita
    - ii. Debt service payments as a percent of current revenues
    - iii. Debt service payments as a percent of General Fund reserves
2. Limited Tax Bonded Indebtedness.
  - a. Will not at any time exceed one percent of the real market value of all property within the county (ORS 287.053)
3. Revenue Bonds. The capital needs for revenue producing enterprise activities may be provided through revenue bonds. The amount of revenue-secured debt obligations will be limited by the feasibility of an overall financing plan.
4. Certificates of Participation/Lease Purchase Agreements. Capital assets that meet “lease concept” criteria may be acquired through COPS or lease purchase agreements. Because higher total costs generally result from these arrangements than from other bonded debt, economic and cash flow projects will be calculated prior to issuance.
5. Other long-term debt. Notes payable may be issued to finance major projects in business-type activities in enterprise funds. Notes will be evaluated on a case-by-case basis and require approval of the Board of Commissioners.
6. Short-term debt and Interim Financing. The County may meet short-term cash needs through the following methods when deemed advantageous. Cash flow projections and approval of the Board of Commissioners is required. Bond anticipation notes and tax anticipation notes may be issued through either a negotiated or competitive sale, with Board approval.
  - a. Bond Anticipation Notes to provide interim construction financing.
  - b. Tax Anticipation Notes to provide for internal cash flow needs.
  - c. Line and Letters of Credit.

C. Structure and Term of Indebtedness

1. Term and repayments. Repayment schedules will not exceed the useful life of the improvement it financed. Shorter terms will be used where feasible to recapture debt capacity for future use. Generally, attempts will be made to repay 65% of the outstanding principal balance within 10 years of issuance.
2. Refunding. The County may issue refunding bonds as allowed by law to maximize savings and reduce debt services cash flow requirements.
  - a. Advance refunding bonds may be issued when the net present value of savings is a minimum of 3% of the refunding par amount.
  - b. Current refunding bonds may be issued when the net present value of savings is a minimum of \$100,000.
3. Use of Variable Rate Securities. The County may, where appropriate, choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from periodic remarketing of the securities.

- a. Variable rate bonds will be structured to protect to the greatest extent possible, against cyclical interest rate fluctuations.
  - b. Economic and cash flow projections for variable rate issues will be calculated prior to issuance. Projections will be updated at least annually to determine the advisability of converting the issue to fixed-rate debt.
  - c. Variable rate debt will not exceed 15% of total outstanding debt.
4. Conduit Financing. The County may sponsor conduit financing for activities that have a general public purpose and are consistent with the County's goals as defined in the strategic plan. All conduit financings must insulate the County completely from any credit risk or exposure and must be approved by the Management Services Director and the Board of County Commissioners.

#### D. Method of Sale

1. The Management Services Director or designee will establish a solicitation and selection process to secure the professional services that are required to develop and implement the county's debt program. The solicitation and selection process for such services will be in compliance with applicable law.
  - a. Bond Counsel. External bond counsel will be retained for all bonded debt issues. Such issues will include a written opinion by bond counsel affirming that the County is authorized to issue the debt, that all statutory requirements for issuance have been met and determining the debt's federal income tax status.
  - b. Financial Advisors. The County will retain an external financial advisor. Use of the services of the financial advisor is required for a negotiated sale or private placement.
2. It is the general policy of the County to issue its debt obligations through competitive sales. When the Management Services Director or designee determines that such a sale method will not produce the best results, an alternate method may be used with authorization of the Board of County Commissioners.
  - a. Negotiated Sale. Debt obligations may be sold through a negotiated sale when authorized by the Board of County Commissioners. Selection of the underwriting team will be made in a manner designed to insure a fair process and will be in compliance with applicable law.
  - b. Private Placement. Debt obligations may be sold through a private placement or limited public offering. Selection of a placement agent will be made in a manner designed to insure a fair process and will be in compliance with applicable law.

#### E. Reporting

1. Rebate Reporting. The Financial Services Division will establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirement of the federal tax code.
2. Bond covenants will be monitored to ensure that all financial reporting and certification requirements are met and all covenants are complied with.

3. Annual Debt Affordability Report. In January each year, or at such time as it is requested, the Management Services Director or designee will prepare and submit to the Finance and Audit Committee an Annual Debt Affordability Report. The report will include the following:
  - a. A summary of debt activity for the prior fiscal year.
  - b. A schedule of future maturities of long-term debt.
  - c. A detail of arbitrage rebates, if any.
  - d. Standard benchmarks for general obligation debt including:
    - i. Debt as a percentage of real market value
    - ii. Debt per capita
    - iii. Debt service payments as a percentage of current revenue
    - iv. Level of overlapping net debt for all local taxing jurisdictions
    - v. Other benchmarks as deemed appropriate for analytic purposes
  - e. A narrative analysis detailing any changes to the current debt structure or policies that are recommended by the Management Services Director.

VI. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the Management Services Director, who is delegated the responsibility to interpret and implement this procedures.

Approved: \_\_\_\_\_  
County Administrator

\_\_\_\_\_  
Effective Date

This on-line version of the Administrative Procedures Manual is a copy of the original signed by the County Administrator on 9/25/06.



# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 22  
Issue 1      12/2/2010  
                    Date

SUBJECT: MERCHANT CARD PROCESSING

## I.     Purpose

The purpose of this policy is to establish guidelines for receiving and processing merchant card transactions. The guidelines are developed with the following in mind:

- A.     Ensure cardholders that sensitive account and personal cardholder information is protected against theft and/or improper usage.
- B.     Ensure compliance with all credit and banking industry security regulations related to payment card processing and reporting.
- C.     Ensure proper financial controls in the receipt and processing of payment card transactions.

## II.    Scope

This procedure is applicable to all County departments, divisions, and employees that process, transmit, handle, or store cardholder information in any physical or electronic format. This procedure complements and should be read in conjunction with Administrative Procedure Chapter 5, Sections 2 and 3 regarding electronic information security management. This procedure shall be administered in accordance with the authority delegated to the County Administrator in Lane Manual 2.182 and 4.220. Where any section, subsection, sentence, clause or phrase of these procedures is found to conflict with any state or federal law, administrative rule, or Payment Card Industry Data Security Standard, the terms of such contracts, laws, rules, or standards shall prevail.

## III.   Amendment

This procedure may be amended by the County Administrator.

#### IV. Administrative Procedure

##### A. Definitions

1. Account Number – see Primary Account Number.
2. Acquirer – a bankcard association member that initiates and maintains relationships with merchants that accept debit or credit cards such as Visa, MasterCard, or Discover cards. (Also referred to as “acquiring bank” or “acquiring financial institution.”)
3. Branded Card – see Payment Card.
4. Cardholder Information - any personally identifiable data associated with a cardholder. Examples include but are not limited to: account number, expiration date, card type, name, address, social security number, service code, and card validation code.
5. Card Validation Code – also called CVC, is the three or four digit code on front or back of payment card.
6. Credit Card – see Payment Card.
7. Debit Card – see Payment Card.
8. E-Commerce – those transactions where the payment card is not present, the customer is often offsite with respect to the merchant, and the authorization and settlement are processed through a computer over the Internet.
9. Hardcopy – material that is not in electronic form.
10. Hosting Provider – Service providers who offers various services to merchants including shared space on a server, shopping card options, payment applications, and connections to gateways and processors.
11. Issuer – Entity that issues payment cards directly to consumers and non-consumers. (Also referred to as “issuing bank” or “issuing financial institution.”)
12. Magnetic-Stripe Data - Data encoded in the magnetic strip or chip used for authorization during payment transactions. (Also called Track Data.)

13. Merchant – that unit (Department, Division, or Employee) of Lane County that accepts payment cards for goods or services provided.
14. Merchant Card – see Payment Card.
15. Merchant Card Processor – the vendor selected by the Department of Management Services through competitive selection to process payment cards on behalf of Lane County (i.e., Elavon).
16. Merchant Identification Number – or MID, is a unique number assigned to each terminal location or E-Commerce site that is used to track financial activity.
17. No Signature Program – A program which does not require a customer signature or PIN number on transactions of \$25 or less. To enroll in the program, the Merchant must register each participating MID with the Merchant Card Processor
18. Payment Card – also called Branded Card, Credit Card, Debit Card, and Merchant Card, are those cards used to pay for goods or services with a logo on the face of the payment card – e.g., Visa, MasterCard, and Discover.
19. Payment Card Brand Members – those companies that issue Payment Cards – e.g., Visa, MasterCard, and Discover.
20. Payment Card Industry Data Security Standard – also called PCI-DSS or PCI Compliance, defines a series of requirements for handling, transmitting, and storing sensitive data.
21. Payment Card Processor – see Merchant Card Processor.
22. PCI Compliance Manager – the County Treasurer or designee responsible for developing, implementing, and updating the procedures required by this chapter, as well as other duties specified within.
23. PIN – stands for Personal Identification Number and is required on all Debit cards not run like credit cards requiring signature.
24. Point of Sale Transactions – also called POS, are those transactions where the payment card is present or the number is manually entered by the merchant. POS transactions do not occur at internet sites.

25. Primary Account Number – also called PAN, is the unique payment card number that identifies the issuer and the particular cardholder account. Most often located on the face of the payment card.
26. Service Code – three or four digit code value in the magnetic-stripe used for various things such as defining service attributes and identifying usage restrictions (e.g., used on medical Benny credit cards to restrict purchases to medical supplies).
27. Service Provider – business entities that are not payment card brand members or merchants and are directly involved in the processing, storage, transmission, and switching of transaction data or cardholder information or both. This includes companies that provide services to merchants, other service providers, or payment card brand members that control or could impact the security of cardholder data.
28. Terminal – also called a TID or Payment Card Terminal, is a POS device used to gather the magnetic strip data from the payment card. The terminal prints a receipt to be signed by the customer.
29. Track Data – see Magnetic-Stripe Data.
30. Truncation - is the practice of removing data from the payment card number. Commonly, when account numbers are truncated, the first 12 digits are deleted, leaving only the last 4 digits.

B. Responsibilities:

1. Departments, Divisions, and Employees of Lane County (herein after called Merchants):
  - a) Are responsible for making application to the PCI Compliance Manager to accept payment cards as payment for goods and services provided. Applications can be found on the County Intranet or by contacting the PCI Compliance Manager.
  - b) Will pay for all costs in maintaining the card processing machines and internet programming, if applicable.
  - c) Are responsible for the equipment in their possession and for following this APM and all PCI compliance requirements regarding handling, transmitting, and storing sensitive data.

- d) May adopt their own policies that comply with the PCI compliance requirements, or may rely on those in this chapter. If a department does not adopt their own policies, the procedures in this Chapter 2, Section 22 will apply.

2. The PCI Compliance Manager:

- a) Is responsible for approving all merchant applications to provide payment card services to the public.
- b) Will coordinate with the merchant and Information Services to work through any technical requirements that may exist.
- c) Will coordinate with the merchant card processor to obtain merchant identification numbers (MIDs) and facilitate communication between the merchant and the merchant card processor.
- d) Will coordinate the annual PCI Compliance certification process with each merchant.
- e) Will review this chapter not less than annually and in response to significant operational and legal changes, and will be modified as needed to continue reasonable and appropriate protection of cardholder information.

3. Information Services (IS):

- a) Is responsible for approving or implementing all computer networking, computer programming, and information system services and security necessary for the merchant to provide payment card services to the public.
- b) Will work with Merchant to meet PCI-DSS requirements related to information systems and provide documentation to the PCI Compliance Manager as necessary.

C. Becoming a Merchant

1. Application

- a) The PCI Compliance Manager requires each department wishing to become a merchant to complete an application. The application will be in the form specified by the PCI Compliance Manager, and signed by the Department Director requesting merchant status. An

application will be required for each merchant identification number (MID) requested.

- b) The PCI Compliance Manager will approve applications based on the department's ability to comply with this APM and PCI compliance requirements.
- c) Once approved, the PCI Compliance Manager will work with the payment card provider and obtain MIDs for the merchant.

D. Common Requirements of all Merchants

- a) The following are the only acceptable vehicles for accepting payment cards:
  - (1) Internet
  - (2) Card present – swiped
  - (3) Card present – not swiped
  - (4) Card not present – phone, mail, or fax
- b) Internal Controls
  - (1) Merchant will develop and maintain operational procedures for each MID and submit to the PCI Compliance Manager for review. These operational procedures should address the following areas:
    - (a) Segregation of duties: To the extent possible, all duties related to data processing of payment cards should be separated. Specifically, merchants should establish segregation of duties between payment card processing, the processing of refunds, and financial reconciliations. Merchants should also require supervisory approval for any refund transactions.
    - (b) Reconciliation procedures: All payment card terminals and website applications should be closed out and reconciled as often as practical.
    - (c) Physical security of cardholder information.

(d) Disposal of cardholder information.

- (2) Merchants will be held responsible for any losses, penalties, or punitive expenses due to inadequate internal controls.
- (3) Merchant agrees to train all employees involved in processing payment card transactions to protect cardholder information, and require them to review this APM annually and when business processes change.

c) Security of Cardholder Information

- (1) Merchant agrees to not store, process, or transmit cardholder information on the County's network.
- (2) Merchant will never transmit cardholder information; especially account numbers, by end-user messaging technologies such as email, instant messaging, or chat.
- (3) Merchant agrees to not create an electronic file containing cardholder information (database, spreadsheet, word processor, image, etc.). For internet transactions, files received from the acquiring bank will not contain any cardholder information other than the name of the customer.
- (4) Merchant will never store cardholder information on portable devices, including laptops, external hard disks, and memory keys.
- (5) Merchant agrees to never store any cardholder information, in any physical form that is not required for business operations.
- (6) If cardholder information needs to be physically retained in hardcopy (paper) form for business operations:
  - (a) All hardcopy material containing cardholder information is to be physically secure and retained, stored, or archived only within secure Lane County office environments.

- (b) All hardcopy material containing cardholder information must be stored in a secure and locked container (e.g. locker, cabinet, desk, storage bin).
- (c) Hardcopy material containing cardholder information should never be stored in unlocked or insecure containers or open workspaces.
- (d) All hardcopy material containing cardholder information must be easily distinguishable as “confidential” through labeling or other methods.
- (e) Distribution of all confidential or sensitive hardcopy material must be sent or delivered by a secured courier or other delivery methods that can be accurately tracked.
- (f) At no time is hardcopy material containing cardholder information to be removed from any Lane County secured storage area without prior authorization from management. Management may give blanket approval for the routine movement of hardcopy material between locations within the County for business and operational purposes.
- (g) Custodians of hardcopy media containing cardholder information must perform an inventory of the media at least annually. Results of inventories shall be recorded in an inventory log.

d) Destruction of cardholder information

- (1) All media containing cardholder data must be destroyed after the minimum time deemed necessary for their use has passed, or when it is no longer needed for business or legal reasons.
- (2) Hardcopy media must be destroyed by cross-cut shredding, incineration, or pulping so that cardholder data cannot be reconstructed.

e) Other

- (1) Merchant agrees that terminals will be programmed to truncate payment card numbers on both merchant and customer copies of receipts.
- (2) Pin-based debit cards can be accepted in over the counter (face-to-face) transactions through a terminal or POS system.
- (3) If merchant accepts debit cards and a valid PIN is not required to complete the transaction, the debit card must be run like a credit card and a valid signature obtained, unless the transaction is \$25 or less and the Merchant ID in use is enrolled in the No Signature Program.
- (4) Merchant will comply fully with the PCI Standard, including any new provisions added to it.

4. Annual Certification

- a) On an annual basis, for each MID, merchants shall complete an annual self-assessment questionnaire provided by the PCI Compliance Manager.
- b) The PCI Compliance Manager will prepare the appropriate reports to obtain a PCI-DSS Certificate of Compliance for the merchant.

5. Fees

- a) Each merchant will pay for the actual costs incurred to process their transactions, including setup and monthly fees, and hardware and software costs when applicable. Fees automatically deducted from the Lane County main bank account will be recorded in the accounting records by the Lane County Financial Services Division (Central Finance). Central Finance will work with each merchant to determine the correct account coding for these costs.

6. Breach of Security

- a) If a merchant suspects a breach of security that could impact the County's network, computers, or data, the merchant should follow the Breach of Security procedures in Chapter 5, Section 2, Part IV. D. of the Administrative Procedures Manual.

7. Sanctions/Violations

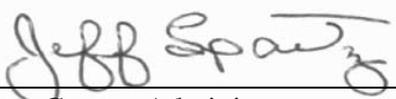
- a) Merchants not complying with the APM will lose the privilege of serving as payment card merchants if compliance is not achieved in a time deemed reasonable by the PCI Compliance Manager. In addition, each department engaged in payment card processing will be responsible for any financial losses due to poor internal or inadequate controls or negligence/neglect in adherence to the PCI Standard.

8. Prohibited transactions

- a) Prohibited transactions include:
  - (1) Cash advances.
  - (2) Amounts over a sale amount (cash back options).
  - (3) Adjustment of the price of goods or services based upon method of payment.
  - (4) Convenience fees in card present transactions.
  - (5) Providing discounts to a customer for paying with cash.
  - (6) Setting low-dollar or high-dollar limitations on transactions.

VI. Interpretation and Implementation

Any questions relative to the intent or application of this procedure should be directed to the County Treasurer, or designee, who is delegated the responsibility to interpret and implement these procedures.

Approved:   
County Administrator

\_\_\_\_\_  
Effective Date

# ADMINISTRATIVE PROCEDURES MANUAL



Chapter 2  
Section 23  
Issue 2 9/26/2012  
Date

## SUBJECT: REIMBURSEMENT FOR REPAIR OR REPLACEMENT OF DESTROYED OR DAMAGED PERSONAL PROPERTY

### I. Purpose

In accordance with Lane Manual 2.235(9), the purpose of this procedure is to define the extent to which County employees may be reimbursed for the repair or replacement of items of personal property that are destroyed or damaged in the course of carrying out official County business, and to establish a standard process for requesting such reimbursement.

### II. Scope

This procedure is applicable to all County departments and County employees. Where any section, subsection, sentence, clause, or phrase of this procedure is found inconsistent with properly negotiated and ratified labor agreements concluded through collective bargaining between Lane County and duly certified or authorized representatives, the terms of such agreements shall prevail. Exceptions to this procedure shall only be allowed when written documentation of an overriding agreement is provided to the Risk Manager.

In the case of damage or destruction of personal property that is covered by a clothing or equipment allowance provided by the County, no reimbursement will be made.

### III. Amendment

This procedure may be amended by the General Administrator.

### IV. Guidelines

The County will reimburse employees for damage or destruction of personal property that is worn or carried by the employee to perform their duties while conducting official County business, when such damage or destruction could not have been prevented by reasonable and prudent action by the employee. In most cases reimbursable personal property will include but not be limited to such items as clothing, eyeglasses, dentures, and hearing aids. Reimbursement for damage to other personal property such as tools,

cameras, and briefcases will be considered only if the property was needed to perform the employee's specified duties, the property was being used with the explicit approval of the employee's department director, and the property was not furnished by the County.

Reimbursement shall not be made for damage to jewelry or motor vehicles. In accordance with state law, employees must carry insurance on their own vehicles. Jewelry such as watches, rings, bracelets, earrings, necklaces, pins, brooches, etc., are not covered by this procedure. These items are ornamental and not required in one's job.

No County reimbursement shall be made for personal property that is stolen from an employee while conducting County business. It is expected that employees will exercise care in safeguarding personal property from theft.

Reimbursable Incidents - Reimbursement approval may be given for any incident that can be classified in one of the following categories:

- A. Assault by another person where the assault took place without wrongful provocation by the employee.
- B. Attack by an animal even though care and caution were exercised.
- C. Malfunction of equipment which could not have been predicted by any reasonable, prudent person or which was not caused by improper operation of the equipment.
- D. An emergency situation in which the employee could not both protect their personal property and still deal with the emergency.
- E. Miscellaneous incidents not under employee's direct control in which an employee, in conducting official duties, suffers damage or destruction of their personal property with no negligence on their part.

V. Procedure

A. Reporting an Incident

A Lane County Employee's Claim for Damaged or Destroyed Personal Property form (see Attachment I for an example) shall be submitted by the employee to their supervisor or department director within three (3) working days of the incident in order to receive any reimbursement for a loss. Blank forms may be obtained from the Risk Manager.

Any substantiating material such as an industrial accident report, police, or incident report shall be attached. The damaged property is to be retained by the employee until the request for reimbursement is approved or denied.

B. Reimbursement from Another Source

In the event an employee receives full or partial reimbursement from any other source, the following procedure shall be followed:

1. The employee shall indicate the amount of reimbursement from other sources in the space provided on the claim form.
2. The Risk Manager will reduce the County's reimbursable amount by the amount of reimbursement from the outside source(s).
3. If the employee receives reimbursement from outside sources after receiving payment from the County, the employee shall reimburse the County up to the amount previously received from the County.

C. Authorization and Payment

1. Review by Department Director: The department director or delegate will review the employee's claim and recommend approval or denial. That recommendation will be noted on the claim form; the original and one copy of the claim form shall be forwarded to the Risk Manager. The department shall place one copy in the employee's file and shall give one copy to the employee.
2. Review by Risk Manager: The Risk Manager shall be responsible for reviewing and considering all claims for payment and shall make a determination on reimbursement within fifteen (15) working days of receiving the request.
  - a. If the claim is approved for payment, an approved copy of the form will be returned to the department. The original claim will be processed by the Risk Manager who will submit the proper documents to obtain reimbursement for the employee from the County Self-Insurance Fund.
  - b. If denied, the reason will be noted on the claim form and returned to the department. The department director shall be responsible for informing the employee of the denial. The employee may then discuss the reason for denial with his/her department director. If the matter is not resolved to the employee's satisfaction, the employee may contact the Risk Manager.

D. Determining the Amount of Reimbursement

The amount of reimbursement will be the total of the current market value of items damaged beyond repair or the repair cost of items that are repairable, less

any amount received as reimbursement from other sources. In determining current value for clothing, the original cost will be depreciated over five (5) years. Reimbursement value for personal items such as eyeglasses, hearing aids, and other personal property of that nature is current replacement value. Cost of repairing items not totally destroyed will be determined on an individual basis. The Risk Manager will make the final determination of the amount of reimbursement to be authorized in each case.

The following are three examples of determination of reimbursement amounts in different sets of circumstances:

1. A two-year-old suit that originally cost \$150.00 is totally destroyed.

| <u>Item</u> | <u>Original Cost</u> | <u>Use % Remaining</u> | <u>Current Value</u> | <u>Reimbursement Amount</u> |
|-------------|----------------------|------------------------|----------------------|-----------------------------|
| Suit        | \$150.00             | 60 %                   | \$90.00              | \$90.00                     |

2. An eight-year-old pair of eyeglasses that originally cost \$25.00 but now costs \$35.00 to buy is totally destroyed:

| <u>Item</u> | <u>Original Cost</u> | <u>Estimate to Repair or Replace</u> | <u>Use % Remaining</u> | <u>Current Value</u> | <u>Reimbursement Amount</u> |
|-------------|----------------------|--------------------------------------|------------------------|----------------------|-----------------------------|
| Eyeglasses  | \$25.00              | \$35.00                              | 100 %                  | \$35.00              | \$35.00                     |

3. A five-year-old hearing aid that originally cost \$150.00 is damaged; the cost of repair is estimated to be \$25.00.

| <u>Item</u> | <u>Original Cost</u> | <u>Estimate to Repair or Replace</u> | <u>Use % Remaining</u> | <u>Current Value</u> | <u>Reimbursement Amount</u> |
|-------------|----------------------|--------------------------------------|------------------------|----------------------|-----------------------------|
| Hearing Aid | \$150.00             | \$25.00                              | 100%                   | \$25.00              | \$25.00                     |

#### VI. Interpretation and Implementation

Any question relative to the intent or application of this procedure shall be directed to the Risk Manager who is delegated the responsibility to implement and interpret this administrative procedure.

Authorized:   
County Administrator

9/26/2012  
Effective Date