



WRIGHT COUNTY
MINNESOTA

FINANCIAL POLICIES & PROCEDURES

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Introduction

These financial policies set forth the basic framework for the overall fiscal management of Wright County. With ever changing circumstances and conditions, these policies assist the decision-making process of the County Board and the administration of County affairs. These policies provide guidelines for evaluating both current activities and proposals for future programs.

Most of the policies represent long-standing principles, traditions and practices which have guided the County in the past and have helped maintain financial stability over the years. These policies shall be reviewed annually, and changes authorized by County Board action.

Copies of these rules and policies shall be made available to all employees and appointing authorities and will be made available on the County's SharePoint Site. Printed copies of these policies shall be made available for public review upon request.

Wright County Mission Statement:

“Wright County provides fiscally responsible, quality services through innovation, leadership, and compassion.”

Deleted: To provide its Citizens with responsive government and quality services in a fiscally responsible manner through innovation, leadership, and dedication

A. ACCOUNTING, AUDITING AND FINANCIAL POLICIES

Wright County will establish and maintain a high standard of accounting practices to assure continued public trust.

1. Accounting standards will conform to Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB).
2. An audit of the County's financial records will be conducted annually and a financial opinion, pursuant to Minn. Statutes 6.481 and a management and compliance report will be obtained from the audit firm performing the work.
3. The financial data maintained by the Finance Office will be the official Wright County books. All subsystems will reconcile to the official County system monthly.
4. The Finance Office is responsible for the central accounting function for all County Departments.
5. The County will maintain a fixed asset system to identify and protect all County assets.
6. Wright County will maintain an integrated financial system with electronic financial reports/queries for internal management purposes.
7. The County Board, at its discretion, may assign fund balance for a specific purpose to be spent in future years. The County Board delegates the authority to assign fund balance, as required for prudent fiscal management, to the Finance Office. All assignments will be disclosed in the annual financial statements.
8. Annually, the Finance Office will prepare a comprehensive annual financial report. This report shall be made available to the elected officials, County management, bond rating agencies, largest employers, creditors and citizens via the County website and in printed form upon request.
9. The County will annually submit its comprehensive annual financial report to the Government Finance Officers Association (GFOA) to determine its eligibility to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.
10. The Finance and Capital Improvement Committee of the Wright County Board of Commissioners has jurisdiction over these Wright County Financial Policies and is responsible for recommending Policy amendments to the County Board.
11. At the end of each fiscal year, the County will report the portion of the fund balance that is not in spendable form as Non-Spendable Fund Balance on the financial statements.
12. At the end of each fiscal year, the County will report restricted fund balance for amounts that have applicable legal restrictions per GASB No. 54. In addition, funds required by enabling legislation will be reported as restricted.
13. Prior to the end of each fiscal year, the County Board will determine any committed fund balance.

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14. At the end of each fiscal year, the County will report assigned fund balance for equipment replacement and construction projects according to the County's Capital Improvement Plan.
15. The fund balances for each fund shall be maintained at sufficient levels to provide for adequate cash flow. At the end of each fiscal year, the County will maintain:
 - a. Spendable
Assigned portion of the fund balance for cash flow in all Special Revenue Funds.
 - b. Spendable
Unassigned portion of the fund balance in the General Fund for Cash Flow in a range equal to 35 to 50% of the following year's budgeted expenditures. In addition to cash flow needs this accommodates emergency contingency concerns.
16. If amounts maintained for cash flow fall above or below the desired range, the Finance Director shall report such amounts to the County Board after the end of the fiscal year. Should the actual amount maintained for cash flow fall above or below the desired range, the County shall create a plan to restore the appropriate levels.
17. The resources classified as unassigned can be used to cover expenditures for revenues not yet received.
18. When both restricted and unrestricted resources are available for use, it is the County's Policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the County's Policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

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B. STANDARDS OF FINANCIAL MANAGEMENT SYSTEMS FOR FEDERAL AWARDS

In accordance with 2 Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Wright County maintains a financial management system that provides for the following. Specific procedures to carry out these standards are detailed in the appropriate sections of this manual.

1. Identification, in all its accounts, of all federal awards received and expended and the federal programs under which they were received.
2. Accurate, current, and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Financial Reporting, 2 CFR § 200.327, and Monitoring and Reporting Program Performance, 2 CFR § 200.328, and/or the award.
3. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be fully supported by source documentation.

4. Effective control over and accountability for all funds, property, and other assets. Wright County must adequately safeguard all such assets and ensure they are used solely for authorized purposes.
5. Comparison of outlays with budget amounts for each award.
6. Information that relates financial data to performance accomplishments and demonstrates cost effective practices as required by funding sources Performance Measurement, 2 § CFR 301.
7. Written procedures to minimize the time elapsing between the transfer of funds and disbursement by the County. Advance payments must be limited to the minimum amount needed and be timed to be in accordance with actual, immediate cash requirements Payment, 2 CFR § 200.305.
8. Written procedures for determining the reasonableness, allocability, and allowability of costs in accordance with the provisions of Cost Principles, 2 CFR § 200(e), and the terms and conditions of the award.

C. OPERATING BUDGET POLICY

The formal budgeting process provides the mechanisms by which key decisions are made regarding the levels and types of services to be provided, given the anticipated level of available resources. When new programs or services are proposed, or the existing ones are expanded, the Board requires documentation and explanation when Departmental or agency budgets are submitted.

1. At the start of each budget cycle, the County Board shall identify budgetary targets.
2. Using forms and processes established at the start of each budget cycle, Departments identify programs or services mandated by the state or federal governments, those programs or services required for the health and welfare of citizens, and those which are discretionary and voluntary. The County Board carefully reviews all programs which do not include administrative reimbursement along with program delivery resources.
3. Expenditure budgets must reflect actual projected annual costs of operations. Departments are asked to address uncertainties in an open manner so that the County Board is the deciding factor in the dollars to be levied and allocated to Departments.
4. The County Board will continue to recognize efforts by Departments to increase value and improve efficiencies during the budget year.
5. The County Board encourages short and long-range planning as a proactive measure when faced with service demands and federal/state funding shortfalls.
6. The Wright County Board's goal is to approve a budget which is balanced in terms of the total available resources equaling the projected use of funds.

7. The operating budget, authorizing expenditures of County monies, will be adopted annually by the County Board.
8. The County will budget to maintain an unassigned fund balance for cash flow and contingencies in the General Fund to support operations and unforeseen items and events until current tax revenues are received. Based upon the semi-annual collection of local taxes and the associated state County Program Aid revenues, the General Fund shall maintain an unassigned fund balance at year end equaling 35-50% of total budgeted operating expenditures.
9. The County Board, at its discretion, may assign fund balance for a specific purpose to be spent in future years. Programs may budget for the use of the committed or assigned fund balance during the annual budget process.
10. Amendments to the annual budget will be processed when the operating budget would be more effective or accurate when the amendment is applied. All budget adjustments during the year which utilize fund balance require County Board approval.
11. Budget carry-forward requests will be identified on an annual basis. The following requirements must be met for a request to be considered:
 - a. The reason for the carry-forward request must have been budgeted during the previous year.
 - b. The amount requested must not exceed the available budget of the line item.
 - c. The amount must have been committed to by December 1, either by purchase order or contract.
 - d. Circumstances beyond the Department's control must exist.
 - e. All carry-forward requests must be approved by the County Board.
12. Unspent operating budget, also known as turn back dollars from previous years, may be utilized to reduce or restructure debt, for unplanned or unbudgeted capital expenditures, and to increase or maintain fund balance.
13. The County monitors its financial performance by comparing and analyzing actual results with budgeted results. This is accomplished through monthly financial reports comparing actual year-to-date revenues and expenses to budgeted year-to-date amounts, as well as ad hoc reports, queries and reporting systems.
14. Appropriations will be monitored at the major account code level (i.e., employee compensation, Departmental expenses, operating expenses, contracts and fees, capital outlay, debt service, grants and purchase of services, miscellaneous appropriations, and other financing uses) within each program.
15. The County will coordinate development of the Capital Improvement Plan (CIP) with the development of the annual operating budget.

D. CAPITAL IMPROVEMENT POLICY

The Wright County Capital Improvement Plan (CIP) is a tool to assist in long range planning and communicating the priorities and future needs of the County. The CIP promotes the County Board's Mission. It allows the County Board to balance its investments and assists with long-term fiscal stability and efficient use of resources. It provides the level of services necessary to meet mandates and citizen expectations. Furthermore, it assists in stabilizing costs and avoiding significant fluctuations in the annual property tax levy, minimizing impacts to County residents.

1. Utilizing the Capital Improvement Plan (CIP) will, in coordination with the budgetary process, provide the following benefits to the County:

- a. Focus attention on County-wide goals and needs

A CIP ensures that the projects that are being funded are the highest priorities that will best serve the needs of the County. Most significant funding decisions will be decided during a limited time by the Finance/CIP Committee with a County-wide perspective. Departments are ensured that their projects will be reviewed and considered prior to a recommendation to the Budget Committee of the Whole.

- b. Improve inter- and intra-governmental cooperation and communication

A CIP enhances coordination of capital projects between Departments and perhaps even other governmental agencies. If all Departments are aware of the proposed schedule of capital projects, opportunities may exist to schedule projects from different Departments in such a manner as to ensure an effective use of resources. If a unit of local government communicates its long-range plans to another unit of government, the opportunity may exist to reduce duplication of programs and share in joint efforts that could reduce the costs to all residents and improve the services to the residents in the common jurisdiction.

- c. Enable the County to maintain updated fund balances by identifying project expenses that have been approved and scheduled, but not yet incurred

Prior to the start of the upcoming budget year, the County will have established the capital improvement projects to be funded. This will allow staff to keep a running balance of funds that are committed to capital improvement projects in the CIP. Staff will be able to update the CIP and fund balances as project costs change, allowing the County to minimize reliance on other funds. The CIP incorporates strategy and long-range planning into the funding process, however, when necessary, it can be modified and updated to allow the County to take advantage of opportunities that are not known in advance.

When a project is completed any unspent budgeted dollars will be moved to the "Unallocated CIP Funds" account.

Funds shall not be shifted to another project unless authorized by County Board action.

- d. The Board, at its discretion, may set specific annual budget funding for specific Departments, in efforts to meet the needs of the County overall.

If it is determined that another Department's priority is of higher value to the County, or a project appears to be stalled due to various circumstances, the Board may reassign funds from one Department to another, or the Board may allow a Department to borrow ahead to complete a project, and then restrict their funding level in future years.

- e. Encourage decision makers to establish annual funding goals aimed at achieving long-range plans.

By having a multi-year focus on projects, leaders can schedule multiple projects over the course of several years that will move the organization towards achievement of its overall goals. The reality is that not every project can be funded in the year that funding is requested. Projects will not be jeopardized by having to wait until a subsequent year for funding, but priorities may change. Identifying time lines and costs helps leaders stay on track when scheduling multi-phased projects.

- f. Serve as a tool for Departments to effectively communicate priorities and funding needs with the Board.

Departments that embrace use of the CIP will be able to demonstrate to the Board their rationale for funding various projects at certain times and over time will demonstrate their due diligence by analyzing alternative options and funding sources. Commissioners will be more informed when making funding decisions.

2. A capital improvement shall be defined as a project, including lease-purchase agreements, and single purchase items that are valued at \$10,000 or more, and have a useful life of five years or more. The Plan excludes general operating expenses, as these items will be funded through the annual general operating budget. Highway Road and Bridge projects are also excluded from this Plan.
3. The CIP procedures are established by the Administration Department and provided to the Departments annually prior to the development of the CIP budget.
4. The Technology Committee was established to serve as a platform for Departments to discuss technology needs and trends, evaluate and prioritize projects, establish enterprise business goals, and project alignment to facilitate strategic IT planning. In order to be considered for placement within the CIP, technology projects must be evaluated and approved through the Technology Committee process. This evaluation includes considerations of cost, business alignment, effort, and impact.

E. INVESTMENT POLICY

This document specifically outlines the investing philosophy and practices of Wright County and has been developed to serve as a reference point for the management of County assets. It is the Policy of the County to invest public funds in a manner which will provide the highest investment return with minimum risk while meeting the daily cash flow demands of the County and conforming to all federal, state and local regulations governing the investment of public funds.

Investment portfolio risk will be minimized to ensure that liquidity and marketability are maintained. The

County will not invest in instruments that it cannot hold until maturity. Although investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The County will invest in securities that match the County's cash flow needs and debt service requirements.

1. Scope

This Investment Policy applies to all financial assets of the County. These funds are accounted for within the County's Comprehensive Annual Financial Report and include the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, Trust and Agency Funds, and any new fund created by the County, unless specifically exempted by the County Board.

2. Prudence

Investments shall be made with judgment and care, under circumstances existing at the time the investment is made, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their capital as well as interest yield to be derived.

The standard of prudence to be used by investment officials 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, and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse situations. Investment procedures must be complied with by those with access to and management responsibilities for County investments.

3. Objective

The primary objective of Wright County investment activities shall be:

a. Safety

Safety of principal is of critical importance to the investment program. Investments of the County 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 rate risk.

i. Credit Risk

The risk of loss, due to failure of the security issuer or credit enhancement, will be minimized by:

1. limiting investments to the type of securities listed in Section 11 of this Investment Policy.
2. diversifying the investment portfolio so that the impact of potential losses from any type

of security or from any one individual issuer will be minimized.

ii. Interest Rate Risk

The risk that the market value of securities in the portfolio will fall due to change in market interest rates will be minimized by:

1. 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.
2. investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools with an average maturity of 5 years or less.

b. Liquidity

The County investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements that might reasonably be anticipated. The portfolio will be structured so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

Alternatively, a portion of the portfolio may be placed in money market mutual funds, commercial paper accounts, or local government investment pools which offer same-day liquidity for short-term funds.

c. Yield (Return on Investment)

The County's investment portfolio shall be designed with the objective of attaining a market rate return. The core of investments is limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity, except for the following exceptions:

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

d. Trading

Portfolio purchases will focus on holding investments until maturity to maintain securities at amortized cost. Excessive investment portfolio turnover commonly referred to as "trading" or "overtrading" to obtain short-term gains is not consistent with the stated investment objectives of the County and will be prohibited.

4. Delegation of Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements. Authority to manage the County investment program is derived from Municipal Funds, Minn. Stat. 118A and the designations within this Policy as adopted.

Management responsibility for the investment program is hereby delegated to the Auditor/Treasurer, who shall establish written procedures for the operations of the Investment Program consistent with this Investment Policy. The Auditor/Treasurer, with assistance from finance staff will monitor performance of the investment portfolio; and ensure that proper internal controls are developed to safeguard investments assets. Procedures should include reference to: safekeeping, delivery versus payment (DVP), investment accounting, Public Securities Association (PSA) repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

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No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Auditor/Treasurer/ Finance Director. The Auditor/Treasurer/ Finance Director shall be responsible for all investment transactions and shall establish a system of controls to regulate the activities of subordinate staff.

The selection of banking Services shall be made by the Auditor/Treasurer/ Finance Director with input from the Investment Review Committee (See section VII). The Auditor/Treasurer/ Finance Director shall disclose all bank depositories annually to the Investment Review Committee and County Board as established within the guidelines set forth by the Investment Review Committee. In selecting depositories, the credit worthiness, experience, and past performance shall all be considered.

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5. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall annually disclose to the Finance Director any material financial interests as required by State statute on an annual Statement of Economic Interest form. Employees and officers shall subordinate their personal investment transactions to those of the County, particularly with regard to the time of purchases and sales and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the County.

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6. The Investment Review Committee (IRC)

The County Board has designated that the IRC provide oversight and review of the County investment and banking program. The IRC will consist of one County Board Member designated annually by the Chair of the County Board, the County Administrator, and the Auditor/Treasurer.

IRC Board members will be required to disclose any conflicts of interest as outlined in section VI of the Wright County Financial Policies.

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The IRC shall meet quarterly or as needed to:

- a. review updates and changes to the Investment Policy.
- b. review the overall County investment activities and current portfolio positions.
- c. evaluate compliance with the Investment Policy and all investment guidelines.
- d. review selection and authorization of all broker/dealers used for investment transactions.
- e. review selection and performance of all third-party contracted asset managers.
- f. evaluate banking services and depositories, making recommendations to Investment Review Committee and County Board.
- g. consider any other matters related the County's investment and banking program.

7. Authorized Broker/Dealers

Wright County will conduct investment transactions only with authorized broker/dealers that:

- a. act as primary or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule).
- b. submit annually to the Finance & Central Services Division Manager a Minnesota State Auditor Broker Certification Form.

All broker/dealer relationships, providing they meet the above requirements, will be approved by the IRC and maintained at the discretion of the Auditor/Treasurer. The County will maintain no less than three broker/dealers in order to seek to diversify and allow for comparable quotes on investment transactions.

8. External Investment Managers

Wright County may enter into contracts with third-party investment advisory firms when their services are deemed to be beneficial to the County's Investment Program. The contract must be reviewed and approved by the IRC. The advisor must comply with this Investment Policy.

9. Authorized and Suitable Investments

Based on the investment objectives as defined in section IV of this Policy, the County will limit investments to:

- a. United States Securities including bonds, notes, bills, mortgages or other securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress. Mortgage-backed securities that are defined as high risk or in certificates of deposit secured by letters of credit issued by federal home loan banks are not permissible investments.
- b. General Obligation Bonds of state or local governments rated A or better by a national bond rating service.
- c. Revenue obligations of state or local governments rated AA or better by a national bond rating agency.
- d. General Obligation Bonds of the Minnesota Housing Finance Agency rated A or better by a national bond rating service.
- e. General obligations of the Housing Finance Agency of any state rated AA or better and if it includes the moral obligation of the state.
- f. Certificates of Deposits (Time Deposits) that are fully insured by the Federal Deposit Insurance Corporation (FDIC).
- g. Bankers acceptances of United States banks, eligible for purchase by the Federal Reserve System, that mature in 270 days or less. Evaluation of the financial strength of the accepting bank is necessary through purchasing acceptances only from banks with a minimum A (very strong bank) rating by a nationally recognized rating agency.
- h. Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated A-1, P-1, or F-1 or better by at least two nationally recognized rating agencies and matures in 270 days or less.
- i. Money Market Mutual Funds which are rated AA or higher, by at least one nationally recognized statistical rating organization, invests in securities with a final maturity no longer than 13 months, and are generally government backed.
- j. The Minnesota Association of Governments Investing for Counties (MAGIC) is a local government investment pool that is a joint powers entity for the purpose of allowing Minnesota Counties and instrumentalities of Counties to pool their investment funds to seek the highest possible investment yield, while maintaining liquidity and preserving capital.
- k. Repurchase agreements consisting of collateral allowable in Minn. Stat. 118A.04, and reverse repurchase agreements may be entered into with:
 - i. a financial institution qualified as a depository of public funds of the government entity.
 - ii. any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000.

- iii. a primary reporting dealer in the United States government securities to the Federal Reserve Bank of New York.
- iv. a securities broker-dealer licensed pursuant to Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40 million or more, exclusive of subordinated debt.
- v. reverse agreements only for a period of 90 days or less, and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in State and Local Securities, Minn. Stat. 118.04, Subd. 3.

l. Guaranteed investment contracts

Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

m. Mortgage-backed securities, which include any collateralized mortgage obligations (CMOs) or real estate mortgage investment conduits (REMICs) that pass a three tier Federal Financial Institution Examination Council (FFEIC) stress test:

- i. no average life greater than 10 years
- ii. the security may not be shorter than 6 years in a down 300 basis points parallel shift in interest rates, nor lengthen more than 4 years in an up 300 basis point shift in rates
- iii. the price cannot change more than 17% in a +/- 300 basis point shift

10. Concentration of Credit Risk

The County will substantially reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, institution, or class of securities. No more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution, except for the investment of bond proceeds. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S Government and its agencies or an external investment pool.

11. Collateralizations

Collateralization will be required on the following types of investments:

- a. Certificates of Deposits (Time Deposits) / Demand Deposits > \$250,000
- b. Repurchase agreements for investments held beyond seven days
- c. Bank Deposits held over \$250,000 in each institution

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. The underlying securities will be subject to monthly market valuations to ensure there is no market exposure.

The County chooses to limit collateral to the following U.S. Government securities:

- a. Treasury Bills
- b. Treasury Notes
- c. Treasury Bonds
- d. Federal National Mortgage Associations (FNMA)
- e. Federal Home Loan Bank (FHLB)
- f. Student Loan Marketing Association (SLMA)
- g. Federal Farm Credit Bank (FIRCB)
- h. Government National Mortgage Association (GNMA)
- i. Federal Home Loan Mortgage Corporation (FHLMC)

For cash deposits on hand, collateral will always be held by an independent third party with whom the entity has a current custodial agreement. Clearly marked evidence of ownership (safekeeping receipt) must be supplied by the entity and retained. Collateralization shall be in the form of specific securities held for the County. The only exceptions are Federal Depository Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) and pre-approved insurance coverage. The County may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity. The right of collateral substitution is granted, subject to approval from the Finance & Central Services Division Manager or their designee.

12. Safekeeping and Custody

Investments, contracts, and agreements may be held in safekeeping with:

- a. any Federal Reserve Bank.

- b. any bank authorized under the laws of the United States or any state to exercise corporate trust powers including, but not limited to, the bank from which the investment is purchased.
- c. primary reporting dealer in the United States government securities to the Federal Reserve Bank of New York.
- d. a securities broker/dealer licensed under Chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission, provided that the government entity's ownership of all securities is evidenced by written acknowledgements identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.
- e. County ownership of all securities in which the fund is invested should be evidenced by written acknowledgements identifying the securities by:
 - i. the names of the issuers.
 - ii. the maturity dates.
 - iii. the interest rates.
 - iv. any serial numbers or CUSIP number.

The County may not invest in securities that are both uninsured and not registered in the name of the County and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of the County.

13. Maximum Maturities

To the extent possible, the County will attempt to match investment maturities with anticipated cash flow liquidity demands. A majority of County reserve funds will be invested in securities maturing in 10 years or less, with no more than 5% of the County's reserve funds being invested in securities maturing 15 years or more. Portfolio maturities shall be staggered to provide for reasonable liquidity.

Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools, money market funds, bank checking and savings to ensure that appropriate liquidity is maintained to meet ongoing obligations.

14. Internal Control

The Auditor/Treasurer / [Finance Director](#) is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management.

Accordingly, the Auditor/Treasurer / Finance Director shall establish a process for an annual review of the procedures by the IRC and an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

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a. Control of collusion

Collusion is a situation where two or more employees are working in conjunction to defraud the employer.

b. Separation of transaction authority from accounting and recordkeeping

By separating the person who authorizes the recording of the journal transaction from the person who performs the purchase of the transaction, a separation of duties is achieved.

c. Custodial safekeeping

Securities purchased from any bank or dealer including appropriate collateral, as defined by State law, may be placed with an independent third party for custodial safekeeping.

d. Clear delegation of authority to subordinate staff members

Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

e. The addition of new accounts to the approved wire and electronic transfer list

These shall require written authorization of the Auditor/Treasurer / Finance Director and shall be reviewed by the IRC.

f. Development of a wire or electronic transfer agreement with the lead bank or third-party custodian

This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire or electronic transfers.

15. Performance Standards

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs. The County will strive to have at least 96% of its cash funds earning interest, or an earnings credit. The reporting method chosen to report interest rate sensitivity in a manner consistent with the portfolio's risk guidelines is segmented time quarterly distributions. The County accounting system will provide quarterly information concerning cash position, investment performance, and percentage that is invested short term for less than one year; medium term for one to five years; or long term for greater than five years.

16. Reporting

The Auditor/Treasurer is charged with the responsibility of preparing a quarterly investment report that includes a management summary providing an analysis of the current investment portfolio and including return analysis and investment income with all gains and losses reported year to date.

17. Investment Policy Adoption

The County's Investment Policy shall be reviewed by the IRC, which shall recommend its adoption by the County Board. The Policy shall be reviewed annually by the IRC and any modifications made must be approved by the County Board.

F. DEBT POLICY

Wright County desires to establish guidelines for debt decisions. There are no absolute rules or formulas in determining the level of County debt. Each situation requires a thorough review of the County's debt position, financial health and economic forecast. The limitations of this Policy refer to Wright County debt only.

1. Debt will be incurred only for those purposes as provided by Minnesota State Statutes.
2. Strong financial management is a key credit rating factor. The County will maintain good communications with bond rating agencies and will seek to improve or maintain its current bond rating to minimize County borrowing costs and preserve access to credit.
3. The County will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency which is beyond the ability of County officials to control or reasonably forecast.
4. The issuance of long-term debt is limited to capital improvements or projects that cannot be financed from current revenues or resources. For purposes of this Policy, current resources are defined as that portion of fund balance in excess of appropriate required restrictions, commitments and assignments. Wright County will only pledge indebtedness to outside agency financing when the deemed benefit of the project is primarily for Wright County residents.
5. Wright County will limit the amount of total general obligation debt according to Minn. Statutes 475.53, Subd. 1, Limit on Net Debt: Debt shall be limited to 3% of the estimated market value of taxable property within the County.
6. Every effort will be made to limit the payback period of the bonds or notes to the estimated useful life of the capital asset constructed or purchased.

The County will conservatively project the revenue sources that will be utilized to repay the debt, i.e., taxes for General Obligation (GO) debt are levied at 105% of the required debt service.

7. Capital notes and leases may be used to finance equipment purchases anytime the total cost of the purchase exceeds \$10,000, the useful life of the equipment is greater than five years, and the purchase is of a non-recurring nature.
8. The County will follow a Policy of full disclosure on every Comprehensive Annual Financial Report and official statement.

Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds

Wright County, Minnesota (County) issues tax-exempt governmental bonds to finance capital improvements. As an issuer of tax-exempt governmental bonds, the County is required by the terms of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (Code), and the Treasury Regulations promulgated thereunder (Treasury Regulations), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds. In addition, Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, impose record retention requirements on the County with respect to its tax-exempt governmental bonds. This Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds (Policy) has been approved and adopted by the County to ensure that the County complies with its post-issuance compliance obligations under applicable provisions of the Code and Treasury Regulations.

1. Responsible Parties

The Auditor/Treasurer / Finance Director of the County shall be the party primarily responsible for ensuring that the County successfully carries out its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations. The Auditor/Treasurer / Finance Director will be assisted by other County staff and officials when appropriate. The Auditor/Treasurer / Finance Director will also be assisted in carrying out post-issuance compliance requirements by the following organizations:

- a. Bond Counsel: the law firm primarily responsible for providing bond counsel services for the County
 - b. Municipal Advisor: the organization primarily responsible for providing municipal advisor services to the County
 - c. Paying Agent: the person, organization, or County officer primarily responsible for providing paying agent services for the County, and
 - d. Rebate Analyst: the organization primarily responsible for providing rebate analyst services for the County
- #### **2. The County**

The Auditor/Treasurer / Finance Director shall be responsible for assigning post-issuance compliance responsibilities to staff of the County, Bond Counsel, Paying Agent, and Rebate Analyst. The

Auditor/Treasurer / Finance Director shall utilize such other professional service organizations as necessary to ensure compliance with the post-issuance compliance requirements of the County. The Auditor/Treasurer / Finance Director shall provide training and educational resources to County staff who are responsible for ensuring compliance with any portion of the post-issuance compliance requirements of this Policy.

3. Post-Issuance Compliance Actions

The Auditor/Treasurer / Finance Director shall take the following post-issuance compliance actions or shall verify that the following post-issuance compliance actions have been taken on behalf of the County with respect to each issue of tax-exempt governmental bonds issued by the County:

- a. The Auditor/Treasurer / Finance Director shall prepare or cause to be prepared a transcript of principal documents. This action will be the primary responsibility of Bond Counsel.
- b. The Auditor/Treasurer / Finance Director shall file or cause to be filed with the Internal Revenue Service (IRS) within the time limit imposed by Section 149(e) of the Code and applicable Treasury Regulations, an Information Return for Tax-Exempt Governmental Obligations, Form 8038-G. This action will be the primary responsibility of Bond Counsel.
- c. The Auditor/Treasurer / Finance Director shall prepare or cause to be prepared an Allocation Memorandum for each issue of tax-exempt governmental bonds in accordance with the provisions of Treasury Regulations, Section 1.148-6(d)(1), that accounts for the allocation of the proceeds of the tax-exempt bonds to expenditures not later than the earlier of:
 - i. eighteen (18) months after the later of either the date the expenditure is paid, or the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - ii. the date sixty (60) days after the earlier of either the fifth anniversary of the issue date of the tax-exempt bond issue, or the date sixty (60) days after the retirement of the tax-exempt bond issue.

Preparation of the Allocation Memorandum will be the primary responsibility of the Auditor/Treasurer / Finance Director in consultation with the Municipal Advisor and Bond Counsel.

- d. The Auditor/Treasurer / Finance Director, in consultation with Bond Counsel, shall identify proceeds of tax-exempt governmental bonds that must be yield-restricted and shall monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted.
- e. In consultation with Bond Counsel and/or the Rebate Analyst, the Auditor/Treasurer / Finance Director shall determine whether the County is subject to the rebate requirements of Section 148(f) of the Code with respect to each issue of tax-exempt governmental bonds. In consultation with Bond Counsel, the Auditor/Treasurer / Finance Director shall determine, with respect to each issue of tax-exempt governmental bonds, whether the County is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Auditor/Treasurer / Finance Director shall contact the Rebate Analyst prior to the

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fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds of the County and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds. If a rebate payment is required to be paid by the County, the Auditor/Treasurer / Finance Director shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, and submit such Form 8038-T to the IRS with the required rebate payment. If the County is authorized to recover a rebate payment previously paid, the Auditor/Treasurer / Finance Director shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

4. Procedures for Monitoring, Verification, and Inspections

The Auditor/Treasurer / Finance Director shall institute procedures as the Auditor/Treasurer / Finance Director shall deem necessary and appropriate to monitor the use of the proceeds of tax-exempt governmental bonds issued by the County, to verify that certain post-issuance compliance actions have been taken by the County, and to provide for the inspection of the facilities financed with the proceeds of such bonds. At a minimum, the Auditor/Treasurer / Finance Director shall establish the following procedures.

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- a. The Auditor/Treasurer / Finance Director shall monitor the use of the proceeds of tax-exempt governmental bonds:
 - i. to ensure compliance with the expenditure and investment requirements under the temporary period provisions set forth in Treasury Regulations, Section 1.148-2(e).
 - ii. to ensure compliance with the safe harbor restrictions on the acquisition of investments set forth in Treasury Regulations, Section 1.148-5(d).
 - iii. to ensure that the investments of any yield-restricted funds do not exceed the yield to which such investments are restricted.
 - iv. to determine whether there has been compliance with the spend-down requirements under the spending exceptions to the rebate requirements set forth in Treasury Regulations, Section 1.148-7.
- b. The Auditor/Treasurer / Finance Director shall monitor the use of all bond-financed facilities in order to:
 - i. determine whether private business uses of bond-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons.
 - ii. determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such bond-financed facilities.

The Auditor/Treasurer / Finance Director shall provide training and educational resources to any County staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to bond-financed facilities.

- c. With respect to each outstanding issue of tax-exempt governmental bonds of the County, the Auditor/Treasurer / Finance Director shall undertake:
 - i. an annual review of the books and records maintained by the County with respect to such bonds.
 - ii. an annual physical inspection of the facilities financed with the proceeds of such bonds, conducted by the Auditor/Treasurer / Finance Director with the assistance with any County staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

5. Record Retention Requirements

The Auditor/Treasurer / Finance Director shall collect and retain the following records with respect to each issue of tax-exempt governmental bonds of the County and with respect to the facilities financed with the proceeds of such bonds:

- a. audited financial statements of the County
- b. appraisals, demand surveys, or feasibility studies with respect to the facilities to be financed with the proceeds of such bonds
- c. publications, brochures, and newspaper articles related to the bond financing
- d. trustee or paying agent statements
- e. records of all investments and the gains (or losses) from such investments
- f. paying agent or trustee statements regarding investments and investment earnings
- g. reimbursement resolutions and expenditures reimbursed with the proceeds of such bonds
- h. allocations of proceeds to expenditures, including costs of issuance, and the dates and amounts of such expenditures, including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to such expenditures
- i. contracts entered into for the construction, renovation, or purchase of bond-financed facilities
- j. an asset list or schedule of all bond-financed depreciable property and any depreciation schedules with respect to such assets or property

- k. records of the purchases and sales of bond-financed assets
- l. private business uses of bond-financed facilities that arise subsequent to the date of issue through leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons and copies of any such agreements or instruments
- m. arbitrage rebate reports and records of rebate and yield reduction payments
- n. resolutions or other actions taken by the governing body subsequent to the date of issue with respect to such bonds
- o. formal elections authorized by the Code or Treasury Regulations that are taken with respect to such bonds
- p. relevant correspondence relating to such bonds
- q. documents related to guaranteed investment contracts or certificates of deposit, credit enhancement transactions, and financial derivatives entered into subsequent to the date of issue
- r. copies of all Form 8038-Ts and Form 8038-Rs filed with the IRS
- s. the transcript prepared with respect to such tax-exempt governmental bonds

The records collected by the Auditor/Treasurer / [Finance Director](#) shall be stored in any format deemed appropriate by the Auditor/Treasurer / [Finance Director](#) and shall be retained for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected, which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds, plus three (3) years.

6. Remedies

- a. In consultation with Bond Counsel, the Auditor/Treasurer / [Finance Director](#) shall become acquainted with the remedial actions under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the *de minimus* limits under Section 141(b)(1) of the Code. If, as a result of the procedures described in Section 4(b) of this Policy or otherwise, the Auditor/Treasurer / [Finance Director](#) (in consultation with Bond Counsel) determines that a remedial action is or will be needed in order to prevent governmental bonds from meeting the private use test or the private loan financing test, the Auditor/Treasurer / [Finance Director](#) will work with Bond Counsel to take a remedial action with respect to those bonds.
- b. The Auditor/Treasurer / [Finance Director](#) shall also become acquainted with the Tax- Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31, 2008-11 I.R.B. 592, to be utilized as a means for an issuer to correct any post-issuance infractions of the Code and Treasury Regulations with respect to outstanding tax-exempt bonds.

7. Continuing Disclosure Obligations

In addition to its post-issuance compliance requirements under applicable provisions of the Code and Treasury Regulations, the County has agreed to provide continuing disclosure, such as annual financial information and material event notices, pursuant to a continuing disclosure certificate or similar document (Continuing Disclosure Document) prepared by Bond Counsel and made a part of the transcript with respect to each issue of bonds of the County that is subject to such continuing disclosure requirements. The Continuing Disclosure Documents are executed by the County to assist the underwriters of the County bonds in meeting their obligations under Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (Rule 15c2-12). The continuing disclosure obligations of the County are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Auditor/Treasurer / [Finance Director](#) is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.

8. Other Post-Issuance Actions

If, in consultation with Bond Counsel, the Municipal Advisor, the Paying Agent, the Rebate Analyst, the County Attorney, or the Board of Commissioners, the Auditor/Treasurer / [Finance Director](#) determines that any additional action not identified in this Policy must be taken by the Auditor/Treasurer / [Finance Director](#) to ensure the continuing tax-exempt status of any issue of governmental bonds of the County, the Auditor/Treasurer / [Finance Director](#) shall take such action if the Auditor/Treasurer / [Finance Director](#) has the authority to do so. If, after consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, the County Attorney, or the Board of Commissioners, the Auditor/Treasurer / [Finance Director](#) determines that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the County, the Auditor/Treasurer / [Finance Director](#) shall recommend to the Board of Commissioners that this Policy be so amended or supplemented.

9. Taxable Governmental Bonds

Most of the provisions of this Policy, other than the provisions of Section 7, are not applicable to governmental bonds if the interest on which is includable in gross income for federal income tax purposes. However, if an issue of taxable governmental bonds is later refunded with the proceeds of an issue of tax-exempt governmental refunding bonds, then the uses of the proceeds of the taxable governmental bonds and the uses of the facilities financed with the proceeds of the taxable governmental bonds will be relevant to the tax-exempt status of the governmental refunding bonds. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, the Auditor/Treasurer / [Finance Director](#) shall treat the issue of taxable governmental bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Auditor/Treasurer / [Finance Director](#) shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental bonds.

10. Qualified 501(c)(3) Bonds

If the County issues bonds to finance a facility to be owned by the County but which may be used, in whole or in substantial part, by a nongovernmental organization that is exempt from federal income taxation under Section 501(a) of the Code as a result of the application of Section 501(c)(3) of the Code (501(c)(3) Organization), the County may elect to issue the bonds as qualified 501(c)(3) bonds the interest on which is exempt from federal income taxation under Sections 103 and 145 of the Code and applicable Treasury Regulations. Although such qualified 501(c)(3) bonds are not governmental bonds, at the election of the Auditor/Treasurer / Finance Director, for purposes of this Policy, the Auditor/Treasurer / Finance Director shall treat such issue of qualified 501(c)(3) bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such qualified 501(c)(3) bonds. Alternatively, in cases where compliance activities are reasonably within the control of the relevant 501(c)(3) Organization, the Auditor/Treasurer / Finance Director may determine that all or some portion of compliance responsibilities described in this Policy shall be assigned to the relevant organization.

G. RECEIPTING AND REVENUE POLICY

Wright County will maintain a Policy which will standardize the aspects of County cash handling, receipting and accounts receivable activities. This Policy will also establish guidance to Departments on cash handling and accountability.

1. All multiple means of value exchange will be accepted, including but not limited to coin, currency, checks, credit/debit cards, and forms of electronic settlement approved by the County. These payment types may be used in receipt of all settlements due the County, e.g., taxes and tax revenue, fees, reimbursements, grants, sale of property, settlements from other governments, etc.
2. The Finance Office shall:
 - a. be responsible for establishing and enforcing a reasonable cash receipting procedure to provide the necessary controls and accountability for cash receipts.
 - b. establish rules and guidelines for acceptable levels of control for cash collection and which facilitate the prompt collection of funds/monies owed the County.
 - c. work to address risks related to banking activity, cash handling and payment settlement. Where possible, preventative measures shall be taken to identify and limit the occurrence of and implement the best defenses to deter these risks.
 - d. review policies and procedures of authorized Departments and assess the Department's compliance to County policies. This may include:
 - i. conducting investigations or cash control reviews where necessary.
 - ii. assisting Departments in the assessment of existing controls.
3. Departments must be authorized to receive payments on behalf of Wright County.

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9. The County will periodically review fees and charges in order to keep pace with the cost of providing the service or that percentage of the total cost deemed appropriate by the County and will conduct a public hearing, as required by law, prior to setting fees or charges.
10. The County will consider market rates and charges levied by other public and private organizations for similar services in establishing tax fees and charges.
11. Donations of property and or goods to the County must be approved by the County Board of Commissioners. An annual approval of donations is allowable when individual donations are valued less than \$500.
12. Grants

A Department Head is delegated the authority to sign grant applications if allowed by the grant agreement. The delegation of grant contracts/awards follows the signature delegation outlined in the Procurement and Contracting Policy. The grant award value includes commitments of in-kind contributions of staff time and/or materials. County Board approval is required for any increase in staffing levels.

H. COLLECTION POLICY

Wright County will follow an aggressive Policy to maximize the collection of revenues to avoid shortfalls that may impact cash flow and prevent imposing additional taxes.

1. Real property will be sold to satisfy non-payment of property taxes.
2. Billing customers for services provided is performed by several County Departments. Numbered invoices must be used. Second notices or reminders shall be sent if payments are not received within a reasonable period. An accounting of invoices remaining unpaid at the end of the fiscal year (calendar year) shall be reported to the Finance Office.
3. Extension of Credit
 - a. It is preferred that Departments accept payment before or upon delivery of a good or service. However, it may be necessary to provide services prior to payment creating an accounts receivable credit transaction.
 - b. The inability to pay by any other method does not necessitate the extension of credit, as refusal of service or merchandise is a feasible alternative.
 - c. Extension of credit is generally the last alternative as a method of payment.
4. Billing for Credit Accounts

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- a. Accounts Receivable will be billed at regular intervals.
- b. The total amount of invoice will be included in the Accounts Receivable account.
- c. An aging schedule should be prepared regularly which distinguishes accounts as current or past-due.

5. Past-due Credit accounts

- a. All revenue producing operations of the County must establish and use a method of bad debt recognition including an allowance for uncollectible accounts.
- b. Reasonable fees and/or service charges may be assessed to the debtor as provided by state law.

6. Returned Checks

- a. The bank will send returned checks to the Finance Office for collection efforts.
- b. Finance Office staff will coordinate all inquiries and activities relating to returned checks.
- c. Reasonable fees and/or serviced charges will be assessed to the debtor as provided by state law.

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7. Bad Debt Recognition and Uncollectible Accounts

- a. Revenue operations must recognize potential losses due to bad debts and reflect this estimated amount in the Allowance for Uncollectible Accounts on the General Ledger at the end of the fiscal year.
- b. Estimates of bad debt expenses are based either on:
 - i. past documented figures.
 - ii. a percentage of total revenue.
 - iii. a percentage of total accounts receivable.
- c. This estimate is adjusted to the calculated uncollectible balance at year end.

8. Write-Offs

- a. Write-off may be considered when all avenues of collection have been exhausted and collection is improbable. Factors contributing to this assessment may include:
 - i. The cost of collecting the debt may exceed the potential recovery.
 - ii. The debtor has died and there are no known assets remaining in the debtor's estate.
 - iii. The debt is discharged in bankruptcy.

- iv. Insufficient information is available in locating the debtor.
 - v. Statute of limitations precludes collection.
 - b. The Finance Office may assist in the identification of uncollectible debts through coordination with the Departments. Departments identifying their own write-offs must have a Policy in place which has been approved by the Finance Office.
 - c. Approval for write-offs on accounts will be delegated to the Finance Director or designee.
 - d. Write-offs will be reported as program expense.
 - e. If a debt is paid after it has been written off, any Payment received by the Department is immediately forwarded to the Finance Office for processing.
9. Where reasonable and applicable, the County will charge a collection fee to recover County resources used in the collection process.

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I. CREDIT CARD ACCEPTANCE

Credit card acceptance as a payment method via nationally recognized credit cards has become nearly universal within the private sector, where cards are now accepted at point of sale for even small transactions. Credit card transactions can also be of benefit to governmental entities by improving certainty of collection, accelerating payments and availability of funds, lowering costs and enhancing customer service. There are advantages and disadvantages to accepting credit card payments which governmental entities must weigh when deciding whether to accept payments by credit cards.

- 1. Acceptance of credit cards by Wright County as a payment option or as an alternative to cash or check will be considered on an individual Department basis. Departments must demonstrate the viability of the acceptance of alternative forms of payment. Minimum standards for consideration should include:
 - a. The Department regularly receives payment for goods and/or services in routine operations.
 - b. The Department can provide justification that acceptance of cards will enhance convenience to public and increase net revenues, enhance collection rates, and encourage prompt payment.
 - c. The Department has the ability to ensure that it follows the procedures as laid out in this Policy, particularly regarding being Processing Card Industry (PCI) compliant.
 - d. Credit card payment may only be accepted for the amount of the purchase, plus any convenience fees if applicable. Cash back and cash advances are prohibited.
 - e. Adequate security and record-keeping processes are established and properly monitored.

2. Government charge types can be broadly categorized as mandatory or discretionary. Each charge type possesses unique characteristics which will weigh on the assessment of whether acceptance of credit card payments may be appropriate or economically feasible.
 - a. Mandatory charge types are generally those for which full payment is required. Typically, these charges are those which are fixed by statute, law or board action. Examples of these are taxes, licenses and permits. Attributes of these charge types include the following:
 - i. Acceptance of Credit cards will not increase the expected amount of revenue, i.e., create or induce additional purchases of these types of services.
 - ii. A convenience fee or transaction fee is permitted and authorized by the card issuer allowing the County to recover costs associated with collection by credit card.
 - b. Discretionary charge types are those for which payment is elective. Examples of this type include recreation fees, admissions and merchandise. Attributes of this charge type include:
 - i. Acceptance of credit cards for these types of sales may increase gross revenues by facilitating quicker and easier collection of fees for those goods and services.
 - ii. Acceptance of credit cards may improve revenues by facilitating additional impulse purchasing and offering additional payment options to potential purchasers.
 - iii. Credit Card acceptance costs, including transaction and fixed costs, can be built into the pricing formula for the merchandise or fees to facilitate the recovery of these costs. This method of collection is called fee absorption.

Thorough assessment of these aspects may be made when the option of providing this service is to be considered, to avoid subsidizing the sale and distribution of those goods or services for card users.

3. Credit Cards can be accepted in the following access methods:
 - a. At the customer service counter where the County employee is conducting the transaction through the vendor system and the vendor's encrypted devices are used for card data retrieval
 - b. Through any web-enabled software provided to the public:
 - i. The customer must initiate the transaction on devices of their choosing, which cannot include any device attached to the Wright County network or any device provided by Wright County. Entry of credit card data on a County device via a keyboard subjects the entire County to Processing Card Industry (PCI) violations and is expressly prohibited.
 - ii. The transaction must be conducted through the vendor's integrated system for credit card data entry needed to complete the transaction.

iii. This includes both blind pay sites, where the customer enters data identifying the transaction (invoice or billing number) and interactive pay sites, where the application provides identifying data.

iv. The credit card collection portion must be embedded in compliant vendor software.

c. Field collection through phones or tablets using vendor encrypted devices for credit card data collection and submission. County employees accepting credit card payments in the field should have a hot spot connection to ensure immediate transmission of the data.

d. Over-the-phone data card collection is allowed with Finance Office written approval, under these rules:

i. County employees may never speak back the card data to the customer; if verification is needed the employee must ask the caller to repeat the data.

ii. If County employees write down any credit card information for any reason, it must be destroyed/shredded immediately.

iii. If entering credit card information manually, the credit card information must be entered directly into the encrypted device provided by an approved vendor.

iv. It is County Policy that credit card information is never entered via keyboard on a County device that is attached to the County network. Citizens should be directed to access websites through devices of their own choosing in these situations.

v. Finance Office retains the right to audit Departments at will if this collection method is approved.

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4. Credit Cards are NOT allowed to be accepted in the following access methods:

a. Credit card data is never allowed to be left on a voicemail.

b. Credit card data is never allowed to be collected through email, instant messaging, or text.

c. Credit card data is never allowed to be collected through written forms unless specifically authorized by the Finance Director.

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5. Point of Sale (POS) devices used to collect credit card information may only be purchased through the authorized vendor. These devices are unique to the vendor's system in terms of encryption and support. POS devices may not be purchased from Amazon, Walmart, or other similar retail vendors.

6. All paperwork, records, receipts, card imprints, electronic data, etc. containing cardholder account numbers and information shall be treated as private information. That private information must be protected against unauthorized disclosure. With the exception of the payer's name and the amount paid, any credit card information obtained for the purposes of accepting a credit card payment must be destroyed

via permanent deletion or shredding immediately after the payment transaction has been completed. Exceptions to this provision must be expressly authorized in writing in advance by the Finance Director.

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7. The application and implementation of any electronic capture of sales and funding transactions must be coordinated with the Finance Office to ensure adherence to proper banking procedures to confirm that satisfactory controls and security are maintained and that economies of scales are realized through coordination with existing programs. As recommended by the Government Finance Officers Association (GFOA), the credit acceptance agreement should be treated as a bank services agreement and administered by the Finance Office.

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- a. Departments are only allowed to use the processing vendors authorized by the County.
- b. Departments will be responsible for regularly reconciling their credit card receipts. Each Department shall reconcile the listings of receipts to bank deposits on the monthly credit card transaction statement, if applicable. Any discrepancies shall be investigated immediately. The staff member who completes the reconciliation must not have the ability to prepare the initial cash receipts listing.

- c. Only the Finance Director is authorized to establish a merchant account associated with Wright County for the purposes of credit card acceptance.

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- d. All fees related to the processing of credit and debit cards are the responsibility of the user Departments. Consideration should be given to these costs to determine whether the advantages of card acceptance warrant the expense or can be incorporated into the price of the product. Departments determine whether they are going to absorb credit cards fees as part of their cost or whether they are going to assess convenience fees for the credit card service. Some Departments must charge a convenience fee due to limitations set by state statutes.

- e. The Finance Office is responsible for:

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- i. the inventory and tracking of all devices that accept credit cards in the County. Additionally, the Finance Office is responsible for organizing the replacement of devices for any reason.
- ii. the annual inspection of each credit card device to ensure that the device has not been tampered with.
- iii. ensuring that annual training on credit card security is conducted to those employees that accept credit cards as part of their job duties.

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8. Card issuers promulgate specific regulations which determine how the cards may be used in relation to the type of charges, how and in what manner the card is presented and used at the time of purchase, the process by which fees and discounts are handled and recovered, the level of security of data at time of sale and during the proper storage, and maintenance of this information, all of which are firmly enforced.

9. Credit card issuers mandate that precautions be taken to eliminate unauthorized on-line access to data, and proper security must be in place to control access to equipment. Additionally, some cards also serve as

ATM cards and or debit cards, necessitating that location and accessibility of equipment is properly planned and monitored.

- a. Costs beyond acquisition of equipment, which is either necessary or required by agreement, may be incurred when electing to provide this service.
- b. Budgetary capability is necessary to offset the net expense of this service. Costs for credit card processing are charged monthly to the Department/unit initiating the charge. Costs can include discounts, fees, chargebacks, unanticipated losses due to fraud, procedural errors or other types of loss and fines for misuse. Statement costs related to minimum service levels or seasonality will also be a responsibility of the user Departments.
- c. Occasional pilot programs for certain transaction types may alter the requirements of particular card issuers as new markets or products are investigated. These programs are controlled processes which ultimately may result in revised fees and procedures for new charge types and market areas. Resulting fees may be stratified, bundled, unbundled and dependent on volume.
- d. Risks and exposures to Wright County through the use of credit card acceptance and payment processes and operation of related equipment must be minimized through proper handling of transactions.
- e. Rules which focus on the security of the data while it is handled by the enterprise, whether on or offsite, should be established and adhered to at all times. Credit Card data used in transactions must be entirely handled by the credit card vendor in their systems. Storage of any credit card data is strictly prohibited by Wright County. The Finance Office, will work with the vendor on an ongoing basis to provide continued assurance that data is properly secured and compliant.

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J. PROCUREMENT AND CONTRACTING POLICY

This Policy has been developed to ensure proper accountability of the public funds entrusted to Wright County and to maintain controls necessary for the County to operate efficiently. Wright County requires the practice of ethical, responsible, and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities. The goal of these policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and grant requirements. Failure to comply with the policies and guidelines could result in disciplinary action and/or personal financial liability.

1. Wright County will maintain a sound and responsive purchasing and contracting system which:
 - a. enhances public confidence through ethical and fair dealings, honesty and good faith between the County, the business community and other governmental jurisdictions.

- b. promotes accountability and maintains controls necessary for efficient and effective use of local government resources.
 - c. allows impartial and open competition protecting the integrity of the public contracting process and competitive nature of public procurement.
 - d. promotes affirmative steps to assure that minority business, women business enterprise, and labor surplus firms are used.
 - e. provides a public contracting structure that can take full advantage of evolving procurement methods as they emerge while preserving competitive bidding as the standard for public contracting.
 - f. is consistent with federal, state, and local laws, statutes and rules that pertain to public entity procurement and contracting.
 - g. the Wright County Board expects full compliance with this Policy to avoid disciplinary action or personal financial liability of its employees and officials.
2. The ultimate responsibility for an audit trail is with the Department Head. The Finance Office is responsible to ensure that a complete audit trail and proof of purchase (i.e. purchase orders, invoices, payments vouchers, etc.) is maintained, in compliance with the Minnesota Record Retention Schedule, with the appropriate authorized signatures.
 3. All Department heads or their designees shall have the authority to initiate purchases on behalf of their Department, within the guidelines described here.
 4. County staff is responsible for developing all contracts in accordance with this Policy and to ensure a full awareness and understanding by affected employees. The Department will designate an employee as the Contract Monitor for each individual contract, who will be responsible for ensuring all requirements are being complied with from the negotiation phase through contract completion, 2 CFR § 200.318. This individual will ensure that an original or copy of all contracts and subsequent amendments are supplied to the Centralized Contract repository on a timely basis.
 5. If there is a discrepancy between this Policy and state/federal law or rule, the latter governs.

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Methods of Procurement

The Uniform Municipal Contract (UMC) Law governs contracts entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property. Procurement of all goods or services, including professional services, using any federal funds must follow Procurement Standards, 2 CFR § 200 Subpart D.

The County follows the dollar requirements as established under Uniform Municipal Contracting Law, Minn. Stat. 471.345, and Office of Management and Budget (OMB) Governmentwide Guidance for Grants and Agreements, Uniform Guidance, 2 CFR. If the dollar amounts are different between this Policy and these laws, the most restrictive amounts and requirements of law or Policy should be followed.

Any law or guidance referenced in this Policy are the legal minimums.

Wright County will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources per 2 CFR § 200.318(h).

Best value procurement may be used as outlined in the Uniform Municipal Contracting Law, Minn. Stat. 471.345 and described in Minn. Stat. 16C.28, Subd.1(a) 2(c), as well as federal laws such as 2 CFR § 200.318(g).

- a. Wright County may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals.
- b. The specifications for request for proposals and the price and performance criteria must be described in the solicitation document.

Contact price should be estimated prior to determination of the method of procurement.

a. Estimating the Contract Price

The estimated contract price is determined to be over the dollar limitations set forth above if the individual contract price to be paid or received is over the amount. In multi-year contracts, the estimated contract price is determined to be over the dollar limitations set forth above if the total contract amount is over the limitations, i.e., does not divide into a per year amount. The contract may not be divided into phases to avoid the competitive bidding process.

b. Estimating the Contract Price for Emergency Contracts

A per unit cost (or per hour cost) should be negotiated with the vendor. While a not-to-exceed dollar amount is typically identified regarding contractual efforts, this is not the case in the event of a “Declared State of Emergency,” because the costs will vary depending on the type of event and may limit a critical service during an emergency. The costs will be contained through the discretion of the Incident Management Team which includes the County Administrator.

Additional signature authority related to contracts can be found within item 4.c. of the Contract Development section of this Policy. All staff members with the authority to approve purchases are required to be familiar with Cost Principles, 2 CFR § 200.400 – 475.

Wright County will use one of the following methods of procurement:

1. Procurement by Micro-Purchase < \$10,000

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000, or the amount listed for micro-purchase in the Federal Acquisition

Regulation at 48 CFR Subpart 2.1, whichever is higher, or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act.

Threshold Less than \$10,000

Signature Authority Department Head or Designee

Award Requirements May be awarded without soliciting competitive quotations if the non-federal entity determines the price to be reasonable per 2 CFR § 200.404.

The assessment of reasonableness must be documented.

To the extent practicable, purchases must be distributed equitably among qualified suppliers per Minn. Stat. 471.345, Subd. 5.

2. Procurement by Small Purchase Procedures \$10,000 – \$175,000

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Threshold \$10,000 – \$25,000

Signature authority Department Head or Designee

Award Requirements May be awarded by direct quotation or in the open market

Documentation of a minimum of two quotations must be retained per 2 CFR § 200.320.

Competitive proposals may be solicited even though not legally required; once competitive bids are solicited the County must follow the bid specifications in the selection process.

Threshold \$25,001 - \$100,000

Signature Authority Department Head and County Administrator

Award Requirements All purchases shall be made by obtaining oral or written quotations from at least three responsible vendors.

Contract may be made either upon sealed bids or by direct negotiation by obtaining two or more quotations per Minn. Stat. 471.345, Subd. 4.

Note exceptions in Minn. Stat. 373.01, Subd. 2.

Competitive proposals may be solicited even though not legally required; once competitive bids are solicited the County must follow the bid specifications in the selection process.

Threshold \$100,001 - \$175,000

Signature Authority Department Head, County Administrator and County Board.

Award Requirements All purchases shall be made by obtaining oral or written quotations from at least three responsible vendors.

Contract may be made either upon sealed bids or by direct negotiation by obtaining two or more quotations per Minn. Stat. 471.345, Subd. 4.
Note exceptions in Minn. Stat. 373.01, Subd. 2.

Competitive proposals may be solicited even though not legally required; once competitive bids are solicited the County must follow the bid specifications in the selection process.

3. Procurement by Sealed Bids (Formal Advertising)

Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

Threshold Greater than \$175,000
Federal grant awarding agency may require sealed bids at a lower threshold.

Signature Authority County Administrator and County Board

Award Requirements Sealed bids must be solicited by public notice.

A performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for the doing of any public work. The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid. The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.

4. Procurement by Competitive Proposals/Bids

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

Threshold Greater than \$175,000

Signature Authority County Administrator and County Board

Award Requirements Competitive proposals must be solicited from at least four responsible vendors.

To promote open and full competition, purchasers will, per 2 CFR § 200.319:

- a. be alert to any internal potential conflicts of interest.
- b. be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- c. not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- d. award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
- e. issue solicitations that contain:
 - i. a clear and accurate description of the technical requirements for the material, product, or service to be procured. Descriptions shall not contain features which unduly restrict competition per 2 CFR § 200.319(c)(1).
 - ii. requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals per 2 CFR § 200.319(c)(2).
 - iii. technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards per 2 CFR § 200.319(c) (1).
 - iv. the specific features of brand name or equal descriptions that bidders are required to meet when appropriate per 2 CFR § 200.319(c) (1).
 - v. a description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals

should be sent.

- vi. the date by which proposals are due.
 - vii. the required delivery or performance dates/schedules.
 - viii. the quantity(ies) requested and unit(s) of measure.
 - ix. the right to reject any and all bids when it is in the best interest of the Organization if there is sound documented reason.
 - x. nothing about a preference to state or local geographical areas unless such preference is mandated by federal statute per 2 CFR § 200.319(b).
- f. Additional statutory requirements will be followed:
- i. Minn. Stat. 373.01, which delineates the powers and duties of a County, including requirements for bidding on contracts for the sale, lease or conveyance of personal property over \$15,000 and real property owned by the County
 - ii. Minn. Stat. 375.21, addressing bid requirements for County contracts for work or labor, or to purchase furniture, fixtures or other property, or to construct or repair roads, bridges or buildings
- g. Solicitations are required for:
- i. work or labor, or to purchase furniture, fixtures or other property, or to construct or repair roads, bridges or buildings per Minn. Stat. 375.21.
 - ii. the sale or purchase of supplies, materials, equipment or the rental thereof (except see iii. below), or the construction, alteration, repair or maintenance of real or personal property per Minn. Stat. 471.345, Subd. 2.
 - iii. competitive bidding which must generally be solicited for the sale, lease, or conveyance of real estate owned by the County per Minn. Stat. 373.01, Subd. 1(4). Exceptions are provided in certain circumstances.
 - iv. competitive bidding which must be solicited for rental of equipment to be more than \$60,000 per Minn. Stat. 471.345, Subd. 5(a). Rental includes lease, lease-purchase agreements or any other arrangement whereby actual title to the property does not automatically pass to the County upon payment of all sums due.
- h. Competitive proposal procedures can only be used in procurement of A/E professional services where:

- i. competitors' qualifications are evaluated.
- ii. the most qualified competitor is selected.
- iii. it is subject to negotiation of fair and reasonable compensation.
- iv. price is not used as a selection factor.
This method cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

A performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for the doing of any public work. The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid. The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.

5. Procurement by Noncompetitive Proposals

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, and may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source.
- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- c. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity.
- d. After solicitation of a number of sources, competition is determined inadequate.

Covered Transactions

Transaction Type	Contracts for the rental of equipment
Threshold	Less than \$60,000
Signature Authority	Department Head and County Administrator

Award Requirements May be awarded by direct quotation or by obtaining two or more quotations when possible per Minn. Stat. 471.345, Subd. 5(a)

Documentation of quotations must be retained per 2 CFR § 200.320.

Transaction Type Sale, lease or conveyance of real property owned by the County

Threshold None unless identified below

Signature Authority Follow signature authority found above under previously stated procurement method thresholds.

Award Requirements The transaction must meet one of the following criteria per Minn. Stat. 373.01, Subd. 1(4):

- a. the lease is related to a residence acquired for the furtherance of an approved capital improvement project
- b. leases annually costing less than \$15,000
- c. when exchanging parcels of real property of substantially similar or equal value for the acquisition of real property for County highway right-of-way purposes

Transaction Type Cooperative Purchases

Threshold None

Signature Authority Follow signature authority found above under previously stated procurement method thresholds.

Award Requirements Cooperative purchasing agreements must be compliant with Minnesota rules and regulations.

Cooperative purchasing agreements must meet the requirements established under the Uniform Municipal Contracting Law.

Departments must document these purchases and ensure that the terms of the cooperative purchasing agreement are included in the County's purchase.

Departments should ensure membership in contractual cooperative.

Cooperative purchasing agreements currently available at Wright County:

- a. Joint Purchasing Cooperative with the State of Minnesota
- b. US Communities Government Purchasing Alliance

When appropriate, Wright County may participate in additional agreements. For contracts greater than \$175,000, a performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for the doing of any public work. The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials are paid. The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.

Transaction Type	Single Source Supplier
Threshold	None
Signature Authority	Follow signature authority found above under previously stated procurement method thresholds.
Award Requirements	<p>Supplier is the only acceptable vendor who is able to furnish a certain item of service per Minn. Stat. 471.36.</p> <p>The County Administrator is responsible for making single source contract determinations based on the consideration of the following factors:</p> <ul style="list-style-type: none"> a. a lack of responsible competition b. vendor possesses exclusive and/or predominant capabilities c. unique product or service and easily established as one of a kind d. program requirements cannot be modified so that competitive products or service may be used <p>For contracts greater than \$175,000, a performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for the doing of any public work. The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid. The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.</p>

Transaction Type	Professional Services
Threshold	None
Signature Authority	Follow signature authority found above under previously stated procurement method thresholds.
Award Requirements	Must be for services that are confidential, artistic, technical or professional in nature, including the services of an architect, attorney, computer programmer, counselor, or psychiatrist.

Professional services do not fall under the Minn. Stat. 471.345 and therefore do not have to follow those requirements. Questions about the requirements under the Minn. Stat. 471.345 should be directed to the County Attorney’s Office.

A professional services independent contractor should provide the following insurance requirements:

- a. It is understood and agreed that the County’s liability shall be limited by the provisions of Minn. Stat. 466 and/or other applicable law.
- b. The County will use as a standard the Minnesota Counties Intergovernmental Trust (MCIT) recommended insurance requirements (See Exhibit A).
- c. The County Risk Manager may approve insurance requirements based upon the level of specific risk as established.

For contracts greater than \$175,000, a performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for the doing of any public work. The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid. The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.

Suspension and Debarment

The County will review all grant purchases to verify that purchases will not be made against contractors that are on the Debarment or Suspension list supplied by the Government. The Department designated procurement person will review all requisition requests submitted for all grant accounts to make sure the contractor is not on the debarment list. This list is available at <https://www.sam.gov/>. If a match is found, the program manager will be notified directly that the will requisition shall not be processed. All results of searches will be attached to the filed paperwork for verification of search.

Purchase Requisitions and Purchase Orders

A Purchase Requisition (PR) is a formal request to buy a good or service. Requisitions are documented and routed for approval within the County system. Once the Requisition has received the appropriate level(s) of approval, a Purchase Order will be generated.

1. Purchase Requisitions shall include:
 - a. the vendor / contractor's name, address, contact information.
 - b. a description of services or goods being purchased.
 - c. the quantity and cost.
 - d. applicable shipping and handling fees.
 - e. special conditions as may be applicable.
 - f. the total amount of order.
 - g. an authorized purchaser.
 - h. the date the purchase order was prepared.

2. Purchase Orders (PO)

The purpose of a Purchase Order is to serve as a contract between the County and a vendor for the procurement of equipment, supplies, services, and materials.

Purchase Orders will NOT be required for:

- a. attendance at Conferences, Seminars or Training events that are approved by the Department Head or designee and are included in the Department's operating budget.
 - b. materials, supplies and goods under \$3,000 for either a single item cost or aggregate purchase.
 - c. purchases that have a completed contract for services.
 - d. payments made to clients or their providers in accordance with federal, state and County programs.
3. Purchase Orders shall be created through the County's electronic purchase order process.

4. Roles, Responsibilities and Authorities

Each Department will be responsible for the management of their own purchase requisitions and shall adhere to purchasing policies as set forth by Wright County.

The Department shall identify staff that shall have authority to:

- a. generate Purchase Requisitions. This person can create a PR but cannot approve Purchase Requisitions.
 - b. approve Purchase Requisitions. This person can approve a PR.
5. Purchase Requisitions shall be directed through the County electronic process to the designated purchasing authority to be processed in accordance with the signatory authority found above under previously stated procurement method thresholds.

Contract Development

The purpose of a written contractual agreement is to protect the County from adverse legal and financial exposure among other things. In most cases a formal written agreement shall be required. Depending on the scope of work, the amount to be expended and the associated risk, the contract originator may follow one of five methods outlined within this Policy.

1. Conflict of Interest

- a. This significant delegation of contracting authority carries with it the equally significant responsibility of exercising sound judgment and discretion. In particular, authorized officials must exercise sound discretion to recognize circumstances in which a proposed contract should be brought to the specific attention of the County Board through the use of a Board Action.
- b. No Department head, elected official, County employee, or agent shall participate in the selection or administration of a contractor if a real or apparent conflict of interest would be involved per 2 CFR § 200.318 (c)(1).
- c. No Department head, elected official, or County employee shall have a financial interest in the procurement of goods and services for the County unless allowed by law per Minn. Stat. 421.88. No County official, elected or appointed, should accept or receive from a vendor any promise, obligation, or contract for future reward or compensation. Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.

2. Required Best Practices

- a. Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services per

2 CFR § 200.318(e).

- b. Wright County shall not utilize the cost-plus-a-percentage-of-costs method of contracting Per 2 CFR § 200.323(d).
- c. Wright County shall avoid purchasing items that are not necessary or duplicative for the performance of the activities required by a federal award per 2 CFR § 200.318(d).
- d. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government per 2 CFR § 200.318(d). This analysis should only be made when both lease and purchase alternatives are available to the program.
- e. Purchasers are encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs per 2 CFR § 200.318(f).

3. Misappropriation

- a. Misappropriation of County funds by any Department head, elected or appointed, or a County employee is a criminal offense. A Department head or an employee who participates in a violation is individually responsible for restitution and personally subject to legal action.
- b. If a Department head, elected or appointed, or a County employee purchases for contracts for goods and services contrary to County Policy, the purchase may be void in accordance with Minn. Stat. 375.76 and the person who orders the goods or services may be held personally liable for the purchases.

4. Contract Approval Authority

a. Signature Delegation

Signature authority found above under previously stated procurement method thresholds should be followed.

b. Annual Contract Renewals

Contracts renewed annually where there is substantially no change in the provisions of the contract except the contract is updated to reflect the current rate and financial terms is delegated to the County Administrator or his/her designee.

c. Contract Amendments

Individual amendments to a contract which are:

Threshold	Total contract including the amendment is \$25,000 or less
Signature Authority	Department Head or Designee
Threshold	Total contract including the amendment is \$100,000 or less, or Amendment is less than 10% of the original contract amount or \$25,000, whichever is greater, and No change the intent and/or scope of the project.
Signature Authority	County Administrator and the respective Department Head
Threshold	Total contract including the amendment now exceeds \$100,000 or The total original contract exceeded \$100,000 and the amendment exceeds 10% of the original contract or is greater than \$25,000, or any increase in the net program budget.
Signature Authority	Department Head, County Administrator and the County Board
Threshold	Building construction/maintenance contract change orders exceeding \$10,000, or in excess of the remaining contingency balance.
Signature Authority	Advance approval by the County Administrator or designee
Threshold	Building construction/maintenance contract change orders exceeding \$20,000, or in excess of the remaining contingency balance.
Signature	Advance approval by the County Board

d. Grants

A Department Head is delegated the authority to sign grant applications if allowed by the grant agreement. The delegation of grant contracts/awards follows the signature delegation outlined in the Procurement and Contracting Policy. The grant award value includes commitments of in-kind contributions of staff time and/or materials. County Board approval is required for any increase in staffing levels.

e. Expert Witnesses

These services are exempt from the contract policy and subject to the Minnesota Statutes and the Minnesota Rules of Civil and Criminal Procedure.

f. On-Call Services Work Orders

If the County enters into an on-call services agreement, as in types of agreements in section 5(b) below, the Department Head is delegated the ability to sign the work orders.

g. Request for Proposal/Bid (RFP/B)

A Department Head is delegated the authority to authorize the RFP/B process after reviewing the solicitation document with the County Attorney's Office and Risk Management. The contract that results from the process must follow the contract authority outlined in this Policy.

h. Sheriff Off Duty Contracts

If no substantive changes are made with the exception of date, parties, location, etc., these contracts do not have to go through the normal contract review process and can be approved by the Sheriff or the Sheriff's designee. The contract form will be reviewed on an annual basis by the County Attorney's Office and Risk Management.

i. Vehicle Titles and Manufacturers Statement of Origin (MSO)

The County Administrator or his /her designee is delegated the ability to sign vehicle titles for County owned vehicles. The titles and MSOs do not have to go through the contract review process if purchased off the state bid list or other cooperative ventures the County has authorized. All titles and MSOs shall be kept by the Finance Office.

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5. Departments should contact the County Attorney's Office for assistance in determining the most appropriate contractual course of action to take. It is expected that standard contracts will be developed as the need arises. Further, there will be periodic contractual language updates to the standard professional services contract. These standard contracts will be developed by Administration with guidance from the County Attorney's Office.

a. Professional Services Agreement

This is the most common contract type and can be used for a variety of professional services.

b. On-call Services

On-call services are driven by a professional services contract which is written in such a way that allows for work orders to be performed within the scope of the contract.

Examples of On-call (but not limited to) Professional Services contracts are:

- i. engineering consultants
- ii. plumbers

iii. electricians

iv. small architectural service contracts

v. HVAC

Typically, a minimum of three vendors should be selected to be on-call for each area. This creates competition among consultants, allows for flexibility in scheduling, and the appropriate consultant can be chosen based on expertise.

The County and each vendor shall enter into a standard general professional service agreement. Once these documents pass through the normal internal contract review process, the terms of the contract shall govern the work orders issued. For example, the County would enter into a broad professional services agreement with an electrician. When the County needs the services of an electrician, a work order, instead of a contract, can be agreed upon and work can commence.

A work order should include the scope of work to be performed, including the timeline, and the agreed cost to perform such work.

On-call consultants should be chosen based on pre-qualifying criteria such as similar work performed, technical expertise, availability, references, etc. Further, a not-to-exceed dollar amount should be established in the contract per year. The contracts will be reviewed annually for the calendar year beginning January 1 of each year to ensure open competition.

c. Joint Powers Agreement (JPA)

Joint Powers Agreements are intended to be used when two or more governmental units enter into an agreement. This authority is granted under Minn. Stat. 471.59.

The Statute defines a government unit to include every city, county, town, school district, or other political subdivision of this state or another state, as well as another state, University of Minnesota, nonprofit hospital, an agency of the State of Minnesota or of the United States of America, and any instrumentality of a government unit. Instrumentality of a government unit means an instrumentality having independent policy making and appropriating authority.

Examples of different types of Joint Powers Agreements are:

i. Joint Powers Entity

The joint operation is governed by a joint board, which has the power to receive and expend funds, enter contracts, etc.

ii. Service Contract

One governmental unit purchases a service from another.

iii. Mutual Aid

Two or more governmental units agree to assist each other when needed.

iv. Shared Resources

Two or more governmental units share the use of facilities.

Departments are encouraged to contact the County Attorney's Office early in the JPA development process.

JPAs shall be reviewed by Risk Management to ensure that all insurance requirements are being met, when applicable.

At a minimum, a JPA should include the contractual elements as found in Minn. Stat. 471.59.

d. Contract Amendment

All contract amendments shall be reviewed by the County Attorney's office for form and legality. The intent of a contract amendment is to add similar work that is not covered in the original contract and/or extend the duration of the contract.

When routing the amendment through the approval process, a copy of the original contract and an up to date certificate of insurance should be attached.

In order to amend a contract, the contract must be current and have a similar scope.

5. All contracts will be reviewed and approved by the County Attorney's office prior to final approval.

- a. No illegal contract may be entered into, however, an imperfect contract may be entered, if there is a strong business case for doing so, at the discretion of the Department Head.
- b. The Department Head is held responsible for any negative effects of imperfect contracts.

6. Development of the Contract

The initiating Department shall develop the scope of services and include all pertinent information and attachments. Contracts received from the vendor/provider shall be substituted using the County's format whenever possible. An insurance certificate with information regarding the type of coverage a vendor/provider carries is required for all agreements except for select Letters of Agreements.

- a. Provisions to be Included in All Contracts

It is the Policy of the County to include all of the following provisions, as applicable, in all contracts, including small purchases, with contractors and subawards.

i. Remedies

All contracts in excess of the current small purchase threshold of \$175,000, fixed at 41 U.S.C. § 403(11), shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

ii. Termination

All contracts in excess of \$10,000 shall contain suitable provisions for termination by the County, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

iii. Equal Employment Opportunity

All contracts shall contain a provision requiring compliance with Equal Employment Opportunity, E.O. 11246, and the Amending Executive Order 11246 Relating to Equal Employment Opportunity, as amended by E.O. 11375, and as supplemented by regulations related to Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, 41 CFR § 60.

iv. Davis-Bacon Act, as Amended by 40 U.S.C. § 3141-3148

If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by the County and its subrecipients shall include a provision for compliance with the Davis-Bacon Act, 40 U.S.C. § 276(a) to a(7), and as supplemented by Department of Labor regulations, notably Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction, 29 CFR § 5. Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the Policy of the County to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The County shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. the County shall report all suspected or reported violations to the federal awarding agency.

v. Contract Work Hours and Safety Standards Act, 40 U.S.C. § 327-333 [Where applicable]

All contracts awarded by the County in excess of \$100,000 for contracts that involve the employment of mechanics or laborers shall include a provision for compliance with 40 U.S.C. §

3702 and 3704, as supplemented by Department of Labor regulations 29 CFR § 5. Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

vi. Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the County in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

vii. Clean Air Act (42 U.S.C. 7401-7671q and the Federal Water Pollution Control Act (33 U.S.C. 1251 -1387), as amended

Contracts and subawards of amounts in excess of \$250,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act. 42 U.S.C. § 7401 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

viii. Debarment and Suspension, E.O.s 12549 and 12689

For all contracts, the County shall obtain from the contractor a written certification that neither the contractor nor any of its principal employees are listed on the Excluded Parties List System in SAM.

ix. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352

For all contracts or subgrants of \$100,000 or more, the County shall obtain from the contractor or sub-grantee a certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, the County shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.

x. Procurement of Environmentally Preferable Products and Services

- Wright County shall comply with the environmentally preferable procurement and paper use provisions of Minn. Stat. §16C.073.
- Wright County supports the procurement of goods and services that have a lesser or reduced impact on human health and the environment when compared with competing products and services serving the same purpose.
- Wright County will encourage suppliers and vendors to offer environmentally preferable products, supplies and equipment at competitive prices.
- When procuring goods and services, Wright County will apply and promote the preferred waste management practices listed in Minn. Stat. §115A.02 that, in priority order, result in:
 - i. Waste and toxicity reduction,
 - ii. Reuse, and
 - iii. Recycled materials.
- Environmental factors to be considered when selecting products and services include: pollutant releases, waste generation, environmental cost of entire product or service life cycle, recyclability, recycled content, energy consumption, depletion of natural resources and potential impact on human health and the environment. The County shall apply procurement practices in employee operations and vendor contracts for goods and services that result in:
 - i. Reduction of Waste
 - Wright County shall implement practices that result in reducing the amount of waste generated that do not reduce safety or quality, including those that:
 - Support extending the useful life of products and supplies,
 - Reduce materials used in production and packaging, and
 - Reduce waste at County-sponsored meetings and functions and result in the procurement of fewer products whenever practicable, but without reducing safety or workplace quality, including use of electronic communications instead of printing, and use of reusable, recyclable and/or compostable products.
 - ii. Reduction or Elimination of Toxins and Pollution
 - Wright County shall implement practices that reduce toxins and pollution through the use of products and supplies whose production, use, and disposal involve fewer hazardous wastes or compounds that have an adverse impact on human health and the environment.
 - iii. Reuse

- Wright County shall implement practices that support the longevity of products and supplies or service life cycle, including those that:
 - Use durable, reusable items over disposable items, and
 - Reuse items and assets in good condition rather than dispose of them.
- iv. Strong Recycling Markets
 - The County shall implement practices to minimize the use of virgin materials in products and supplies or service life cycle, including:
 - Whenever practicable, products and supplies with a specific minimum amount or percent of recycled content based on criteria established by governmental or widely respected third-party authorities will be specified and procured, and
 - Products and supplies that can be recycled at the end of their useful life.
- v. Reward Manufacturer Responsibility
 - The County shall support companies or manufacturer product responsibility through the procurement of products and services from companies that take financial and/or physical responsibility for collecting, recycling, reusing, or otherwise safely disposing of their products at the end of their useful life.
- vi. Reduce water and energy use
 - As practicable, energy-efficient and water-saving products and supplies will be procured.
- The County Administrator shall establish and disseminate Environmentally Preferable Procurement procedures that identify standards for priority products and services based on performance, price and availability.

Advertising Requirements

All advertising for bids must be coordinated by the Department originating the contract.

Transaction Type	Contracts of the County Board
Threshold	As required for the dollar limitations of section Minn. Stat. 471.
Timing	Two weeks
Statutory Guidance	Minn. Stat. 331A.03; Minn. Stat 375.21.
Requirements	Published notice

Notice must state the time and place where proposals will be received.

Transaction Type Purchase of personal property or for work and labor

Threshold Greater than \$175,000

Timing Two weeks

Statutory Guidance Minn. Stat. 331A.03; Minn. Stat 375.21

Requirements Published notice on the County's website

Notice must state the time and place where proposals will be received.

Transaction Type Construction or repair of roads, bridges, or buildings

Threshold Greater than \$175,000

Timing Three weeks

Statutory Guidance Minn. Stat. 331A.03; Minn. Stat § 375.21

Requirements Published notice on the County's website

Notice must state the time and place where proposals will be received.

Transaction Type Sale, lease, or conveyance of real estate owned by the County

Threshold Greater than \$15,000

Timing Three consecutive weeks

Statutory Guidance Minn. Stat. 373.01, Subd. 1(4)

Requirements Published notice on the County's website

Published in the official newspaper of the County

Must be published once in a newspaper of general circulation in the area where the property is located.

Notice must state the time and place of considering the proposals, contain a legal description of any real estate and a brief description of any personal property.

Transaction Type	Sale, lease, or conveyance of real estate owned by the County
Threshold	Greater than \$15,000
Timing	Two consecutive weeks
Statutory Guidance	Minn. Stat. 373.01(1)(c); Minn. Stat. 373.01, Subd. 1(4); 375.21 (1)
Requirements	Published notice on the County's website Published in the official newspaper of the County or published in a recognized industry trade journal Publication via newspaper or trade journal requires a parallel notice in the paper in the area where the property is located must be given for the sale of personal property. Notice must state the time and place of considering the proposals and contain a brief description of any personal property.

Transaction Type	Emergency contracts for purchase or repairs
Threshold	N/A
Timing	No publication required.
Statutory Guidance	Minn. Stat. 375.21 (1)
Requirements	Emergency arising from the destruction or impassability of roads or bridges by floods, rain or snow, or another casualty Emergency arising from the breaking or damaging of any property in the County if the public health, safety, or welfare would suffer by delay

Transaction Type	Emergency contracts for repairs
Threshold	N/A
Timing	No publication required

Statutory Guidance	Minn. Stat. 375.22
Requirements	<p>Emergency arising from breakage, damage or decay in County property that cannot be allowed to wait for the time required to advertise for bids.</p> <p>The work is authorized by a majority of the County Board of Commissioners.</p> <p>The action is ratified and recorded in the official proceeding of the board at its next meeting.</p>

Publication of Request for Bids

i. Newspaper

Official County Newspaper and qualified legal newspaper are defined by Minn. Stat. 331A.01, Subd. 8. Each year the County Board designates an official County newspaper.

ii. Successive Weeks

Publication for successive or consecutive weeks means publication on any day of a calendar week for the number of weeks specified. There must be at least five days between each weekly publication. At least the number of weeks specified in successive weeks must lapse between the first publication and the day of the event for which publication is made per Minn. Stat. 645.13.

iii. Timing

Unless otherwise specified by statute the last publication must occur not more than 30 days or less than 7 days before the event per Minn. Stat. 331A.05, Subd. 2(b). Nothing in the statutes prohibits exceeding the weeks for publication outlined above.

Insurance and Indemnification Requirements

Any and all claims that arise or may arise against the Contractor, its agents, servants or employees as a consequence of any act or omission on the part of the Contractor or its agents' servants or employees while engaged in the performance of the Contract shall remain the obligation or responsibility of the Contractor. The Contractor agrees it will defend, indemnify and hold harmless the County, its officers and employees against any and all liability, loss, costs, damages, consequential damages, expenses, claims or action including attorney fees which the County, its officers or employees may hereafter sustain, incur, or be required to pay arising out of the Contractor's acts, omission, performance or failure to adequately perform its obligations pursuant to this contract.

A professional services independent contractor should provide insurance as identified within the Procurement by Noncompetitive Proposals method within this Policy.

Waiver of Insurance and Indemnification

When an agreement is submitted for approval and there is a reasonable basis to believe that the standard insurance requirements may not be able to be met by the entity the County is contracting with, specific reasons as to why standard contract insurance requirements cannot be met should be included with the agreement submitted to the County Attorney's Office for approval. The County Attorney will then determine whether or not a waiver of some part or all of the insurance requirements may be appropriate in any particular instance. If a third party is unable to meet the insurance standards set by County Policy, it is up to the Department seeking waiver of those requirements to obtain such authorization. When an entity is providing a valuable service, yet cannot meet the insurance requirements, the County Attorney shall advise the initiating Department of such risk. The County's Risk Manager shall determine when it is in the best interest of the County to waive any or all components of standard insurance requirements. An example of Insurance Waiver is attached as Exhibit A.1.

Retention of Procurement Documents

All documentation referred to shall be retained pursuant to the Wright County Documents retention schedule.

Documentation of the cost and price analysis associated with each procurement decision in excess of the simplified acquisition threshold of \$175,000 for Wright County shall be retained in the procurement files pertaining to each federal award per 2 CFR § 200.323.

Wright County will maintain records sufficient to detail the history of procurement per 2 CFR § 200.318(i), including:

- (1) the rationale for the method of procurement
- (2) selection of contract type
- (3) contractor selection or rejection
- (4) the basis for the contract price.

Wright County shall make all procurement files available for inspection upon request by a federal awarding agency.

Quote/Bid/Proposal Protest

Wright County recognizes the need to review and resolve complaints about its purchasing practices and procedure and has adopted this Policy to provide for any complaints. Any actual or prospective vendor or contractor who is aggrieved in connection with the solicitation or award of contract may protest to the County Administrator.

a. Bid Protest

Each protest must be in writing and delivered by a certified letter to the County Administrator within five (5) business days of the County's notice of award and must include:

- i. a notice of protest
- ii. a statement of facts and the reasons for the protest

iii. all supporting documentation

Address all correspondence to:

Bid Protest
County Administrator
Wright County Government Center
10 2nd St. NW, Room 235
Buffalo, MN 55313

b. Notification of Bid Protest

As soon as a bid protest is received, all award activity will be suspended. The Department Head and Contract Monitor will gather all relevant information about the solicitation, evaluation, and award of the bid and provide it to the County Administrator within five (5) business days of being notified of the Bid Protest by the County Administrator.

c. Decision

The County Administrator will review the information relevant to the solicitation and will decide on the merits of the protest, in a prompt manner but not longer than ten (10) days after the bid protest was received. The decision will be mailed to the protestor at the address set forth in the bid protest. A copy of the decision will be posted on the County Website. All documentation concerning the bid protest and the decision will be retained in [Finance Office](#).

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d. Appeal Process. An appeal of the County Administrator decision may be in writing and delivered by a certified letter by the protestor to the County Administrator within five (5) business days of the release of the County Administrator decision and must include:

- i. a notice of an appeal to the County Administrator.
- ii. a statement of the nature and the reasons for the appeal, including claimed errors.
- iii. all supporting documents.
- iv. A fee to cover the County's cost for determining a bid protest will be made in the form of a certified check payable to the Wright County Treasurer, in the amount of \$1,000. All fees will be returned if the protest is upheld, otherwise the fee is non-refundable.

e. The County Administrator will deliver the protest and all relevant information about the solicitation, evaluation, and award of the bid to the County Attorney or designee.

f. Hearing date will be set by the Wright County Attorney or designee for the appeal to commence, which date should not be later than thirty (30) days from the notice of appeal. The complainant will be presented with an opportunity to present their case to the County Attorney or designee.

g. Appeal Decision

Upon the conclusion of the appeal, the County Attorney or designee will issue a decision within thirty (30) days of the conclusion of the appeal. Wright County personnel will track all costs including wages, expenses, etc. spent in the appeals process. The total cost will be subtracted from the \$1,000 deposit. Any remaining balance will be returned to the vendor. If the appeal is upheld, the total deposit will be returned.

K. PROCUREMENT CARD POLICY

The Wright County Procurement Card Program is intended for purchase of items and services. The Procurement Card promotes better service by allowing the cardholder to obtain goods and services quickly and conveniently. It also reduces the amount of paperwork needed to obtain, and make payment on, those goods and services.

1. Wright County Board authorized the Finance Director or designee to administer and maintain the Wright County Procurement Card Purchasing Program.
2. A Department Head may request a card for any staff member by submitting, in writing to the Finance Office, the proper form which will identify the control limits or strategy for each cardholder. The strategy chosen will place limits on the following activities:
 - a. the dollar limit per transaction.
 - b. the dollar limit per month.
 - c. the number of transactions per day.
 - d. the authorized commodities, goods, and services.
3. The Finance Office is responsible for training staff on proper Procurement Card protocol. Upon completion of training, the new cardholder must sign the Procurement Card User Agreement acknowledging their responsibilities.
4. Supervisors are responsible for reviewing the proper use of the card as well as any specific Departmental rules with the cardholder before issuing the card to the employee.

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The Procurement Card may be used to purchase goods or services that are an obligation of the County. Certain products or services may be excluded when the card is programmed.

5. Use of the Procurement Card for personal purchases, including reimbursable meals per the Personnel Policy, are prohibited. Cardholder privileges may be suspended if inadvertent personal charge is deemed a problem.

6. The Finance Office must be notified immediately upon to employee termination.

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7. Failure to comply with this Policy may result in disciplinary action, cancellation of card privileges and possible termination of employment. As with any County purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate County funds.

L. DISBURSEMENT POLICY

Wright County has adopted Resolutions #17-38 and #21-14 designating authority for County Warrant payment to the Finance Director, thereby complying with Minn. Statutes 375.18 Subd. (1)b. This Policy is established to ensure consistent documentation and approval to support all County disbursements.

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1. Elected or appointed Department heads or appointed division managers, or their designees with appropriate separation of duties, shall validate pertinent claims against the County.

a. At a minimum, validation shall include:

- i. acknowledgement of satisfactory receipt of the goods or services invoiced.
- ii. confirmation of agreement with the terms appearing on the invoice including quantities and prices. Inconsistencies shall be resolved prior to approval.
- iii. sufficient documentation to identify the claim.

A. Provide a description of purchase if not clearly presented by claimant.

B. Employee expense reimbursement should include receipts, public purpose of expenditure (required for reimbursement of meals), and/or travel/training forms (when applicable).

iv. Provide correct General Ledger Account Coding.

v. Provide an original Authorized signature, on file in the Finance Office, and date of approval.

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2. The Finance Office shall maintain a record of authorized original signatures of each division/Department.

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3. The Finance Office shall validate and process payments of invoices and claims against the County as authorized by the appropriate Department head, or authorized designee.

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4. Payments to vendors shall be made according to Minn. Stat. 471.425, contract, or special authorization.

a. In accordance with Minn. Stat. 471.425, Subd. 2, a municipality must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the Standard Payment period unless the municipality in good faith disputes the obligation. Standard Payment period is defined as within 35 days of the date goods or services is received.

- b. Vendors who offer discounts for early payment shall be paid within the discount terms whenever possible.
 - c. Vendors who have contracts with Wright County shall be paid in accordance with the contract terms.
 - d. Payments for utilities (including telephone and pagers), may be paid within the vendors terms to avoid service fees and billing complications.
5. Payment of interest on late payments will be made:
- a. In accordance with Minn. Stat. 471.425, Subd. 4, interest must be calculated and paid to vendors who do not receive payment within the Standard Payment period (see 3.a.), or within terms of contract.
 - i. The rate of interest shall be 1-1/2 percent per month or part of a month.
 - ii. No interest penalty is due if payment is delayed due to a good faith dispute with the vendor regarding the fitness of the product or service, contract compliance, or any defect, error or omission.
 - iii. The minimum interest payment for obligations of \$100 or more is \$10. For unpaid balances of less than \$100, the actual interest penalty shall be calculated.
 - b. The Finance Office will calculate and pay interest penalties on overdue obligations for payment, unless written documentation is provided indicating that payment was delayed due to a good faith dispute, or that the vendor has been notified of late payment and agrees to waive the interest penalty fee.
6. The Finance Office shall be authorized to electronically transfer funds to satisfy claims against the County, when the option is available, and when economically beneficial or required.
- a. Adequate security procedures must be maintained for approval processes.
 - b. A monthly reconciliation shall be conducted on electronic transfers.
 - c. Settlement arrangements for vendors desiring to use electronic payment methodology shall be authorized by and coordinated within the Finance Office. Automatic debit transactions are not permitted by vendors unless approved by the Finance and CIP Committee.
 - d. Funds may not be released without the appropriately approved documentation prior to settlement.
7. The Chair of the Board and the Finance Director or their respective designees shall electronically sign County checks.
8. The Finance Office shall print authorized checks and process them through an electronic check signing system under its control.

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9. The Finance Office shall mail checks in a timely manner.

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10. The Finance Office shall conduct monthly check reconciliation,

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11. The Finance Office shall conduct regular and frequent accounts payable audits.

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12. The Finance Office shall present a list of paid vendor claims to the County Board at each regular Board meeting.

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13. Each year the Finance Office shall report unclaimed checks, as required and defined by Minn. Stat. 345.41 to the State of Minnesota and prepare subsequent remittance.

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14. The Finance Office must be notified if a taxable purchase was made and tax was not collected or if sales tax was paid but should not have been. Sales and use tax will be calculated and remitted to the State when required.

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M. MERCHANDISE PURCHASED FOR RESALE

All items purchased for resale should be coded and accounted for appropriately, including the taxability of those transactions.

1. Purchases for resale are exempt from sales tax. Tax is collected when taxable-merchandise is subsequently resold by the County.

a. If requested, the County may provide the vendor with a properly completed Exemption Certificate or ST3 form. Copies may be obtained from the Finance Office with requests for a purchase of materials for resale.

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b. If a vendor does charge sales tax, the County may:

i. request an adjusted invoice.

ii. adjust the invoice amount to remove sales tax and submit the Exemption Certificate to the vendor with the check.

c. The Finance Office must be notified if a taxable purchase was made and tax was not collected or if sales tax was paid but should not have been. Sales and use tax will be calculated and remitted to the State when required.

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2. If sales are made to an exempt purchaser, a Certificate of Exemption or ST-3 form must be provided by the purchaser at the point of sale, or already be on file.

3. Infrequent/non-recurring purchases for resale:

- a. A purchase for resale under a unique circumstance may be reimbursed directly into the expense account where purchased. This procedure can only be used when the following circumstances are met:
 - i. The purchase and resale is an infrequent and non-recurring event.
 - ii. The sales or use tax obligation is met at point of purchase.
 - iii. Full cost is reimbursed, including tax and freight.
 - iv. No additional revenue is collected in addition to the actual cost.
 - v. Reimbursement is received in the same calendar year as the original expenditure.
- b. Examples of when this procedure is acceptable:
 - i. County purchase on behalf of another governmental agency
 - ii. refund due to overpayment of invoice
 - iii. refund due to return of merchandise

N. CAPITAL ASSET AND INVENTORY POLICY

The establishment and maintenance of a Capital Asset System is essential to provide a standard system of control for all capital assets owned by Wright County.

1. The County shall establish and maintain a Capital Asset System which incorporates adequate accounting procedures and records, provides management with data for physical and dollar value control of assets, permits the fixation of responsibility for custody and proper use of specific capital assets to individual public officials, and serve as a prerequisite to the preparation of satisfactory and complete financial reports.
2. To be considered a capital asset, an item must have an estimated useful life of greater than two years, and a value greater than \$5,000. For software to be considered a capital asset it must have a value greater than \$50,000, this includes any professional services paid to place the asset into service. Land valued at any cost is considered a capital asset.
3. Controlled assets, sometimes called sensitive assets, are defined as those assets that need to be tracked regardless of the cost of the asset.
 - a. Examples of controlled assets are credit card devices, weapons, two-way radios, cell phones, cameras, computers, chain saws, portable generators, etc., as identified by the Departments and reviewed with the Administration Department and Finance Office.

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- b. Controlled assets will be tracked and safeguarded by the Department responsible for that asset.
 - c. Control over the asset will include a written definition of the asset, responsibility, data elements such as description, location, quantity, serial number, tag number, etc., verification, annual reporting, maintenance of the database, and the completion of an annual inventory.
4. Capital assets should be recorded and reported at their historical costs, which include the vendor's invoice, plus the value of any trade-in or allowance, if reflected on the invoice, plus sales tax, initial installation cost, excluding in-house labor, modifications, attachments, accessories or apparatus necessary to make the asset useable and render into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs, professional fees, legal claims, and legal claims directly attributable to asset acquisition.
 5. Donated capital assets should be recorded and reported at fair market value at the time of donation.
 6. In cases where the original purchase documents are not available or would require an inordinate amount of resources to obtain, an estimated cost basis will be used. An estimate of the original cost of an asset introduces some margin of error into the Capital Asset Accounts as compared with proper recording at the time of acquisition. However, such errors will have only short-run significance because, as older assets are retired and replaced, estimated costs are replaced by properly recorded actual cost amounts. The extent to which capital asset costs have been estimated, and the methods of estimation, will be disclosed in the notes to the financial statements.
 7. Depreciation expense is reported as a direct expense of the functional levels of the County as identified herein, with the exception that the entire depreciation expense for the Courthouse building is reported within General Government.
 8. Depreciation will be calculated using the straight-line method using the full-month convention over the estimated useful lives of assets. The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.
 9. All capital asset retirements or dispositions, including sale, trade, obsolescence, abandonment and impairment, must be reported to the Finance Office to ensure that changes are entered in the system and that the master file is updated. When assets acquired with federal funds are disposed, the Department is responsible for following the requirements of 2 CFR § 200.311(c).
 10. Departments will complete and submit to the Finance Office an Insurance Schedule/Fixed Assets Update form. This form can be found on the County's Intranet.
 - a. This submission should include all source documents, such as purchase orders, invoices and payment vouchers.
 - b. This form should be completed with adequate documentation to allow for accurate entry of the asset into the system and allow for tracking of all assets purchased with federal funds.
 - c. Source documents will be maintained by the Finance Office per retention schedule.

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11. Departments should exercise control over their non-capitalized tangible capital-type inventory items by establishing and maintaining adequate control procedures at the Department level.

O. PUBLIC PURPOSE OF EXPENDITURE

The purpose of this Policy is to define types of expenditures which are deemed, by the County Board, to serve a public purpose or promote activities that promote objectives that benefit the public by way of public health, safety, general welfare and security. The expenditure shall provide a positive return to the County and its residents by increasing employee morale, fostering economic development, encouraging citizens to volunteer services to County programs or which improve the County's business relationship with those with whom we deal.

1. Funds will not be expended for any purpose which is specifically forbidden by federal regulation, state law, or County Policy. Expenditures made under this section shall be approved, authorized and documented according to established County financial procedures.
2. The County Board determines that the following expenditures are for a public purpose:

- a. Meals and Refreshments

Meals and refreshments may be deemed appropriate when they are reasonable and necessary. See Attachment H for examples.

For employee reimbursements, see 506 Business Related Expense Reimbursement of the Personnel Policy.

- b. Employee Training

Funds may be expended for reasonable registration, tuition and travel expenses for approved conferences, seminars, workshops, tuition and approved County employment-related course work. Based on IRS regulations and state statute, tuition assistance amount may be taxable to the employee. Determination should be coordinated with the Payroll Department at the time of reimbursement.

- c. Memberships and Dues

When the primary purpose of the membership is for public benefit and not personal interest or gain, County funds may be used for memberships and dues as defined by Minnesota State Statute.

- d. Clothing and other Sundry Items

Employees may be supplied with uniforms, clothing, boots and other gear necessary for the performances of their job, in accordance with bargaining unit agreements, Personnel Policies, or established Departmental procedures. Based on IRS regulations, cash payments to employees for uniforms will generally be taxable to the employee. Reimbursement for clothing or uniforms purchases that are required by the County will not be taxable.

b. Employee Recognition

Employees will be recognized for their length of service and retirement, as well as their achievements. See 309 Employee Recognition of the Personnel Policy.

P. SURPLUS EQUIPMENT

When equipment is rendered ineffective or inefficient due to age, disposal will be required in a consistent and authorized manner.

1. The County Board has authorized the disposition of surplus property and equipment, including computer equipment, via:
 - a. public surplus online auction process.
 - b. live auction.
 - c. trade-in value.
2. In determining the disposal method, the interests of Wright County shall take precedence.
3. Proceeds from the sale of surplus property and equipment shall be credited to the County's General Fund, except for trade-ins and disposal of vehicles and heavy equipment. Trade-in values will be used to reduce the cost of the new or used acquisitions.
4. It is the responsibility of Divisions, Departments, and Units to complete the Insurance Schedule/Fixed Asset form located on the County Intranet. The completed form shall be forwarded to Risk Management and the Finance Office.
5. Departments are responsible for contacting the federal grant administrator when assets purchased with federal dollars are to be disposed. The Department is required to communicate, in writing, the disposition decision of the grant administrator including any disposition documentation to the Finance Office.
6. Sale of surplus real property must be approved by resolution of the County Board.
7. The Administration Office will be responsible to organize the final disposition of assets when any method of disposition other than abandonment is sought. Departments are responsible to communicate, to the Administration Office, the intent of disposal of any surplus equipment, including when trade-in is determined to be the most advantageous method.

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Q. COUNTY VEHICLE AND MOTOR POOL POLICY

The purpose of this Policy is to establish a system of accountability to ensure County vehicles are used appropriately. This Policy provides guidelines for Department assigned vehicles and those assigned to the motor pool.

1. County-owned vehicles shall only be used for official business and when approved may be used for commuting to allow members to respond to office-related business in a more efficient manner or when the business is outside of their regular work hours.
 - a. Employees taking home County vehicles must have supervisor or Department head pre-approval.
 - b. County owned vehicles shall not be used for personal errands or other personal use.
 - c. Vehicles are to be locked when not attended.
 - d. Employees shall be responsible for inspecting the interior and the exterior of the assigned vehicle before putting the vehicle into service and after its use. Any damage or mechanical problems need to be reported immediately.
2. Use of County owned vehicles assigned to the Sheriff's office shall follow Policy 706, Vehicle Use of the Wright County Sheriff's Office.
3. Motor Pool Vehicle Usage

The County has created a motor pool for the purpose of allowing employees to utilize County owned vehicles when performing duties required of them by their employment with the County.

All County staff within a Department that does not have a designated pool of vehicles is to utilize a County vehicle when available for all County-related business, training, conferences, and meetings. When a County-related event occurs closer to the home of the employee, or, due to the timing of the event, renders use of a County vehicle less efficient, then the employee may seek mileage reimbursement at the rate set by the County Board.

All County Health and Human Service non-exempt staff is required to drive an HHS designated vehicle, when available, for all County-related business of 50 miles or more round trip per day.

When an employee is seeking reimbursement, they must complete a Mileage Reimbursement Form. On that form they must identify that they made reasonable attempts to request a County vehicle, but one was not available, or indicate why the use of the County Vehicle was not applicable to their situation. See Attachment F: Motor Pool Process and Procedure.

R. CONFLICT OF INTEREST

This conflict of interest Policy is designed to help Commissioners, Department Heads and employees of the County identify situations that present potential conflicts of interest and to provide the County with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a Commissioner, Department Head, or employee has or may have an interest with respect to the transaction. In the event there is an inconsistency between the requirements and the procedures prescribed herein and those in federal or state law, the law shall control.

1. Conflict of Interest Defined

For purposes of this Policy, the following circumstances shall be deemed to create conflicts of interest:

a. Outside Interests

- i. a contract or transaction between the County and a responsible person or family member
- ii. a contract or transaction between the County and an entity in which a responsible person or family member has a material financial interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative

b. Outside Activities

- i. a responsible person competing with the County in the rendering of services or in any other contract or transaction with a third party
- ii. a responsible person who has a material financial interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity or individual that competes with the County in the provision of services, or in any other Contract or Transaction with a third party

c. Gifts, Gratuities and Entertainment

A responsible person accepting gifts, entertainment, or other favors from any individual or entity that:

- i. does or is seeking business with or is a competitor of the County.
- ii. has received, is receiving, or is seeking to receive or to secure financial commitments from the County, and
- iii. is a charitable organization
- iv. under circumstances where it might be inferred that such action was intended to influence or

possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of the County.

d. Employee conduct

An employee shall not enter into a business transaction when it uses confidential information gained in the course of employment.

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An employee shall not provide financial assistance to a client.

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An employee may not accept compensation in any form from any person or organization for his/her work for the County. Compensation does not include awards, plaques or mementos recognizing the employee's contribution in their profession or to a charitable organization; honoraria or other expenses in conjunction with a presentation or demonstration in the employee's field or expertise or scholarships/financial grants for schooling.

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An employee shall not knowingly:

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i. Use his/her position to secure benefits, privileges, exemptions or advantages for the employee, the employee's family or friends.

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ii. Accept other employment, enter into a contractual relationship or public office where it will affect the employee's independence of judgment or require use of confidential information gained in the employee's duties as an employee for the County or vice versa.

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iii. Act as an agent or attorney for any matter pending before the County of Sherburne or its boards or agencies except in the proper discharge of its duties or if such action is personal in nature to the employee or the employee's family.

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iv. Use his/her position for private gain or advantage.

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v. Conduct personal business while working his/her regularly scheduled hours.

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vi. Use County facilities or equipment for personal use.

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vii. Accept rebates or procure any financial gain through the letting of bids or employment of outside personnel.

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8. Permissible Contracts

The County may contract for goods or services with an interested officer of the governmental unit in any of the following cases:

a. In the designation of a bank or savings association in which the officer is interested as an authorized depository for public funds and as a source of borrowing, no restriction shall apply to the deposit or

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borrowing of any fund, or the designation of a depository by such authority or governmental unit in any bank or saving association in which a member of an authority or officer of a governmental unit shall have an interest if such deposited funds are protected in accordance with Chapter 118A; provided, however, that any member or officer having such an interest shall disclose that he or she is a director or employee of the bank or savings association which disclosure shall be entered upon the minutes of the authority or governmental unit, such disclosure shall be made when such bank or savings association is first designated as a depository or as a source of borrowing, or when such member or officer is elected, whichever is later, and such disclosure shall serve as notice of such interest and need not be made with each successive transaction.

- b. The designation of an official newspaper or publication of official matters in which the officer is interested, when it is the only newspaper complying with statutory or charter requirements relating to the designation or publication.
- c. A contract with a cooperative association of which the officer is a shareholder or stockholder but not an officer or manager.
- d. A contract for which competitive bids are not required by law.
- e. A contract with a volunteer fire Department for the payment of compensation to its members or for the payment of retirement benefits to those members.
- f. A contract with a volunteer ambulance service for the payment of compensation to its members or for the payment of retirement benefits to these members.
- g. A contract with a municipal band for the payment of compensation to its members.

The exceptions provided above shall apply notwithstanding the provisions of any other statute.

9. Definitions

- a. A *Responsible Person* is any person serving as a County Commissioner, Department Head, or employee of the County.
- b. A Family Member is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- c. A Material Financial Interest in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation. The Board may wish to establish an amount that it would consider to be a material financial interest.
- d. A contract or transaction is any agreement or relationship involving the sale of purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any

other type of pecuniary relationship or review of a charitable organization by the County. A gift to the County is not a contract or transaction.

10. Disclosure and Abstention

- a. Before Board or committee action on a contract or transaction involving a possible conflict of interest, a Commissioner or committee member having a conflict of interest and who attends the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A Commissioner or committee member who plans to not attend a meeting at which he or she has reason to believe that the Board or committee will act on a matter in which the person has a possible conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a possible conflict of interest shall not participate in the Board or committee discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a possible conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Commissioners of the County has a conflict of interest when he or she stands for re-appointment as an officer.
- e. Responsible persons who are not Commissioners of the County or who have a possible conflict of interest with respect to a contract or transaction that is not the subject of Board or committee action, shall disclose to the Chair or the Chair's designee any conflict of interest that such responsible person has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest is known to the responsible person. The responsible person shall refrain from any action that may affect the County's participation in such contract or transaction.

In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine, after consulting with the County Attorney's Office, whether there exists a conflict of interest that is subject to this Policy.

11. Confidentiality

Each responsible person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the County. Furthermore, a responsible person shall not disclose or use information relating to the business of the County for the personal profit or advantage of the responsible person or a family member.

12. Review of Policy

- a. Each new responsible person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.
- b. Each new responsible person shall annually complete a disclosure from identifying any relationships, positions, or circumstances in which the responsible person is involved that he or she believes could contribute to a conflict of interest arising. Such relationships, positions, or circumstance might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to the County. Any such information regarding business interests of a responsible person or a family member shall be treated as confidential and shall generally be made available only to the Chair, the County Administrator, and any committee appointed to address conflicts of interests, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This Policy shall be reviewed annually by each member of the County Board. Any changes to the Policy shall be communicated immediately to all responsible persons.

Attachment A: MCIT Checklist of Minimum Coverages



100 Empire Drive, Suite 100, St. Paul, MN 55103-1885 • Ph: 651-209-6400 • 866-574-6516 • Fax: 651-209-6495 • www.mcit.org

Checklist of Recommended *Minimum* Coverage(s) and Liability Limits for Independent Contractors, Vendors and Service Providers

Date/Source: MCIT Regional Risk Management Workshops 2011 (Reviewed August 2013)

General Requirements

- Any insurance required to be carried by the contractor shall be primary and not excess to any other coverage carried by the Member.
- The contractor's insurance companies must maintain a financial rating that is acceptable to the Member. If the contractor is self-insured, review of financial information may be required.
- Coverage must be in force for the complete term of the contract. If insurance expires during the term of the contract, a new Certificate of Insurance must be received by the Member at least 10 days prior to the expiration date. This new insurance must meet the terms of the original contract.
- The Contractor must provide a minimum of 30 days advance notice to the member of any substantial change to or cancellation of any of the insurance Policy listed on the certificate. A 60-day notice is preferable.
- The member should be included as an Additional Insured on all liability policies. Professional Liability and Workers' Compensation are the exception.
- Contractor is responsible for any deductible or self-insured retention contained within the contractor's insurance program.
- In the event contractor fails to keep in effect at all times the specified insurance coverage, the Member may, in addition to any other remedies it may have, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.

Certificate of Insurance

- Contractor will furnish an original Certificate of Insurance as evidence of required coverage to the appropriate Member representative with their bid and/or with the executed contract and before work commences.
- A person authorized by the insurer to bind coverage should sign the Certificate of Insurance.
- The Certificate of Insurance should identify the Member as an Additional Insured for relevant coverages.

Minnesota Counties Intergovernmental Trust Resources—

The information contained in this document is intended for general information purposes only and does not constitute legal or coverage advice on any specific matter.

Insurance Requirements

- Members should determine appropriate insurance requirements for independent contractors, vendors and service providers on a case-by-case basis dependent upon various factors such as the scope of work and the potential risks involved. The following recommendations represent MCIT's recommended *minimum* liability limits. The recommendations are not all inclusive. The recommendations are not mandates or requirements of MCIT. The limits shown represent *minimum* recommended coverage limits and are not to be construed as adequate coverage. The information is intended to be used as an aid for Members to use in establishing their requirements and does not constitute legal or coverage advice on any specific matter.

Commercial General Liability Coverage

The minimum limits of liability should be:

- \$1,500,000 Each Occurrence
 - \$3,000,000 General Aggregate
 - \$3,000,000 Products and Completed Operations Aggregate
- The Policy should be written on an occurrence basis, not a claims-made basis.
The Member will be included as Additional Insured.

An Excess or Umbrella Liability Policy may be used in conjunction with primary coverage limits to meet the minimum limit requirements

Auto Liability Coverage

- The minimum limits of liability should be:
 - \$1,500,000 on a Combined Single Limit basis
- Auto coverage should include: Any Auto, including Hired and Non-owned
- The Member will be included as Additional Insured

Note: Auto coverage should be waived only when the contractor's work under the contract clearly does not involve the use of a vehicle on the Member's behalf.

Excess or Umbrella Liability Coverage

- An Excess or Umbrella Liability Policy may be used in conjunction with primary coverage limits to meet the minimum limit requirements for each line of coverage.
- The Policy should be written on an occurrence basis, not a claims-made basis.
- The Member should be listed as an Additional Insured.

Workers' Compensation and Employer's Liability Coverage

- Workers' Compensation limits are to be statutory per applicable state and federal laws.
- Employer's Liability Coverage with minimum limits of:
 - Bodily Injury by Accident: \$500,000 each accident
 - Bodily Injury by Disease: \$500,000 each employee
 - Bodily Injury by Disease: \$500,000 Policy limit

Professional Liability Coverage

- Professional liability should be required for individuals who perform professional or semi-professional services. Some examples of professionals who should obtain this type of coverage include, but are not limited to, individuals who are medical service providers, architects, engineers, attorneys and consultants.
- Minimum limits of liability should be:
 - \$2,000,000 per Wrongful Act or Occurrence
 - \$4,000,000 Annual Aggregate Level 1

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Hold Harmless and Indemnification Agreement

- A Hold Harmless and Indemnification provision favorable to the Member should be included in the contract.

- Following is sample language that will need to be modified or tailored to fit each individual situation:

The vendor agrees to defend, indemnify, and hold (Member name), its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney's fees and expenses arising out of any act or omission on the part of the vendor, or its subcontractors, partners or independent contractors or any of their agents or employees in the performance of or with relation to any of the work or services to be performed or furnished by the vendor or the subcontractors, partners, or independent contractors or any of their agents or employees under the agreement.

Recommended Additional Coverage: Consider on a Case-by-case Basis

Pollution Liability

Contractor shall maintain Pollution Liability, covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred, all arising out of the work or services to be performed under the contract. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials.

Recommended minimum limits of liability:

- \$3,000,000 per Occurrence
- \$6,000,000 Annual Aggregate

The Policy must include the Member, its officers, agents and employees as Additional Insured, but only insofar as the operations under the contract are concerned.

Builder's Risk/Installation Floater (Construction Projects)

During the term of the contract, Contractor shall maintain in force, at its own expense, Builder's Risk and/or Installation Floater insurance, covering labor, materials and equipment to be used for completion of the work performed under the contract against all risks of direct physical loss for an amount equal to the full amount of the contract improvements.

Fidelity Bond/Crime Insurance

Contractor shall maintain Employee Dishonesty and, when applicable, Inside/Outside Money and Securities coverages for Member-owned property in the care, custody and control of the contractor. Coverage limits shall not be less than the amount shown in the contract.

Performance/Payment Bond

A performance or payment bond might be required by statute. A performance bond provides a financial guarantee that the contractor will perform the work specified in the contract within the timeframe specified in the contract. A payment bond provides a financial guarantee that the contractor will pay all costs incurred, avoiding potential liens against the property or project.

Minnesota Counties Intergovernmental Trust Resources—

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Attachment A.1: Insurance Waiver Sample

WRIGHT COUNTY HEALTH & HUMAN SERVICES
Purchase of Service Contract

PROVIDER NAME

Effective DATE, the contract by and between Wright County doing business as Wright County Health & Human Services, located at 1004 Commercial Drive, Buffalo, MN 55313, hereafter referred to as the “Agency,” and **PROVIDER NAME**, located at **ADDRESS**, hereafter referred to as the, “Contractor,” effective for the period beginning **START DATE**, through **END DATE**, regardless of the date of the signatures hereunder, unless sooner terminated or unless extended, as provided herein, is being amended as follows:

DEFINE CONTRACT SECTION AND CHANGES/ADDITIONS APPROVED.

Insurance:

PROCUREMENT POLICY – WAIVER FOR REDUCED INSURANCE LIMITS

Insurance limits have been reduced per the Wright County Procurement Policy as defined below:

Insurance:

The Contractor agrees that in order to protect itself, as well as Agency and the Minnesota Department of Human Services, under the indemnity provisions set forth above, it will at all times during the term of this Agreement, keep in force the following insurance protection in the limits specified as marked with an :

- General Liability with contractual liability coverage in the amount of the County’s tort liability limits set forth in Minnesota Statute 466.04. The minimum limits should be:
 1. \$1.5 million each occurrence
 2. \$3 million general aggregate
 3. \$3 million products and completed operations aggregate
- Contractor shall name Agency as an additional insured.
- Worker’s Compensation in the statutory amount. The minimum limits should be:
 1. Bodily injury by accident \$500,000 each incident
 2. Bodily injury by disease \$500,000 each employee
 3. Bodily injury by disease \$500,000 Policy limit
- Professional Liability errors and omissions insurance coverage of:
 1. \$2,000,000 per wrongful act or occurrence
 2. \$4,000,000 annual aggregate
- Automobile liability coverage when transportation of eligible recipients is provided by the

Contractor. The minimum limits should be \$1,500,000 per occurrence and aggregate.

- Contractor shall name Agency as an additional insured.
- Contractor will be required to maintain at all times, during the term of this Contract, a fidelity bond or insurance policy covering theft or embezzlement by the organization's officers or employees. The minimum bonded amount must be enough to cover the average amount of money you handle for Social Security beneficiaries each month plus any conserved Social Security or SSI funds you are holding. A copy of the contractor's bond or insurance certificate shall be delivered to this County at the beginning of this Contract term and on an annual basis thereafter.

An excess or umbrella Policy may be used in conjunction with primary coverage limits to meet the minimum limit requirements for each line of coverage.

The contractor agrees as a condition subsequent to increase the required insurance coverage as the liability limits in Minn. Stat. 466.04 increase. Failure to abide by this provision shall be deemed a substantial breach of contract. Nothing in this Contract shall constitute a waiver by Agency of any statutory limits upon liability.

A Certificate of Insurance naming Wright County as certificate holder shall be furnished to Agency prior to commencement of services and shall specify Wright County as an additional insured. The Contractor will furnish an original Certificate of Insurance as evidence of required coverage, showing coverage meets liability limits for the independent contractor.

APPROVED BY:

Brian Asleson, Chief Deputy County Attorney
Wright County Attorney's Office

DATE: _____

Tim Dahl, Risk Manager
Wright County Administration

DATE: _____

Attachment B: Control Standards for Receipting and Cash Handling

1. Adequate cash handling and receipting procedures should be in place to ensure that all payments received are processed and may be traced from initial receipt to final disposition. This procedure for handling cash receipts shall be designed to provide accountability for all monies received by the County, in accordance with accepted standards of control and accounting practices. These procedures will be followed when accepting and receipting funds.
 - a. All acceptance of monies or payment, i.e. settlement of transactions, shall be documented, either by receipt or system recording. Areas not having receipting authority should direct payers to the Finance Office.
 - b. Receipt information will include the date issued, name of payer, net amount received, and sufficient information to identify the purpose of the payment. Also included should be any identifying number, form of payment, identification of person accepting payment and account to which payment is to be credited.
 - c. Mail is opened in an open area, in the presence of other employees.
 - d. Maintain proper care and control of all receipts and receipt stock or receipting systems.
 - e. Coins and currency should generally be accepted only when an official County receipt can be provided at the time of payment.
 - f. Upon receipt, checks should be restrictively endorsed promptly with the provided stamp which includes the following information: FOR DEPOSIT ONLY, WRIGHT COUNTY, DEPARTMENT NAME, PRIMARY BANK NAME and ACCOUNT NUMBER. Any supplementary information required to ensure subsequent collection should be requested, entered on the face of the check and proper acknowledgement obtained from the payer.
 - g. Checks accepted must be signed and have the payer's name and address on the check. When appropriate, identification data should be provided by the payer.
 - h. Postdated checks will not be accepted.
 - i. Checks may not be substituted for cash. Personal transactions with County funds are strictly prohibited. Monies will not be loaned from County funds, and no location is authorized to cash checks from County funds.
 - j. Credit cards may be accepted for payment. See Policy H: Credit Card Acceptance.
 - k. Electronic Fund Transfers (EFT) transactions will need to be coordinated and processed centrally under the administration and supervision of the Finance Office.
 - l. In compliance with federal law, all cash transactions received, \$10,000 or greater, will be reported to the US Treasury on the appropriate form.

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- m. Establish and use an over and short accounting code to adjust for over/short conditions.
2. Adequate control over the access to funds must be maintained at all times. General security guidelines for handling and receipting County funds should include:
- a. secure work areas for individuals handling cash.
 - b. no funds left unattended or unsecured.
 - c. a minimum number of persons in each Department required to actually handle County funds. Individual accountability should always exist in handling County funds and all exchanges of funds must be documented.
 - d. each cash fund maintained separately. County funds should not be commingled with non-County funds.
 - e. individual cash drawers assigned to each person responsible for receiving and/or receipting County funds when possible. A reconciliation of funds on hand to the change fund plus receipts issued should be done upon completion of the shift.
 - f. all County funds received are kept secured in a locked cash register, drawer or cash box. When not physically guarded, they are secured in a safe, room, or cabinet not commonly accessible.
 - g. vault combinations limited to the smallest number of individuals practicable, given the business needs of the work unit. Vault or safe combinations should never be written down in the cash-handling area.
 - h. employees having County funds in their custody should remain constantly aware of the possibility of the loss of funds due to theft, robbery, or error. Reasonable precautions to prevent losses should be taken. Safekeeping arrangements should be maintained for County funds and the amount of monies retained on-hand and subject to loss should be the absolute minimum necessary for that activity.
3. Accountability must be maintained through a proper chain of custody, whether transferring between work units, between locations or at a depository.
- a. A cash count shall occur whenever County funds change hands.
 - b. The relinquishing and receiving custodian will sign off on the cash count and reconciliation to complete the transfer of funds.
 - c. All cash payments are to be deposited in total and may not be used for any other purpose.
 - d. Each cash handler should reconcile on a daily basis. A formal reconciliation should be prepared by the cashier and then approved by another individual as designated by the supervisor. Furthermore, the supervisor or their designee should review and approve voids.

e. Cash receipts documents should be prepared promptly. All receipts shall be deposited on a weekly basis, daily when practicable, by the receiving Department to the assigned depository or when total receipts exceed \$20. Additionally, the documents should be forwarded to the Finance Office for prompt recording to the general ledger or according to Department procedure.

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4. All employees responsible for handling cash are required to have a criminal background check prior to being assigned.
5. Each Department within the County that is responsible for handling cash will perform a periodic self-assessment, annually at a minimum, to ensure procedures are up-to-date, understood and followed.
6. All County personnel handling County funds should be advised of the proper actions to take in the event of a robbery or actual loss of funds. Employees should not endanger themselves or others by attempting to resist. Generally, the instruction issued by persons attempting an armed robbery should be followed as precisely as possible. No more or less action than specified should be followed.
7. Cash collection sites are required to maintain supporting documentation. These requirements may vary dependent upon the form of exchange used for settlement. Specific requirements and responsibilities can be verified with the Finance Office. The record retention requirements identified in Minn. Stat. 384.14 and 138.17 will be followed where any specific requirements are not available.

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Attachment C: Capital Asset Categories

Land	Any parcel of land that is County owned whether developed or undeveloped. This includes legal fees, appraisal and negotiation fees, surveying fees, site preparation costs, demolition of unwanted structures, and damage payments. Land is to be capitalized but not depreciated. Recorded at historical cost until disposal.
Land Improvements	<p>Non-Exhaustible or Exhaustible</p> <p>Land improvements include such items as excavation, driveways, sidewalks, parking lots, flagpoles, retaining walls, fencing, outdoor lighting, and other items intended to make the land ready for intended use.</p> <p>Non-exhaustible improvements that do not require maintenance or replacement are additions to cost of land and are not depreciated.</p> <p>Exhaustible improvements such as parking lots, landscaping and fencing are subject to the appropriate threshold and are capitalized and depreciated.</p>
Buildings & Structures	Buildings and structures are recorded at cost. Buildings include components (e.g. roof, air conditioning systems, etc.) that should be recorded separately when significant because these building components have different useful lives. Building improvements that extend the useful life should be capitalized. Building improvements include roofing projects, major energy conservation projects, remodeling and replacing major building components. Building improvements basically include fixtures and any other necessary elements for the proper function of the building. This includes architect fees, legal fees, appraisers, costs of fixtures, damage claims, insurance premiums for construction, interest and unrelated costs during construction.
Infrastructure	Long-lived assets that normally can be preserved for a significant number of years more than capital assets and are normally stationary in nature. Examples include roads, bridges, walking and biking trails, etc.
Machinery & Equipment	This category includes assets such as machinery, equipment, office furniture and office equipment that meets the County's threshold amount.
Vehicle	This includes licensed and other vehicles that meet the threshold amount. Vehicles are classified as Machinery and Equipment.
Construction in Progress	Construction in progress should be capitalized but not depreciated.
Intangible Assets	Internally Generated Software An intangible asset is an asset that possesses all the following characteristics:

Can be created or produced by the government or an entity contracted by the government or acquired from a 3rd party and more than an incremental effort to customize to put in service.

Intangible Assets will be valued based on the criteria written in GASB 51. Typical examples are internally generated software, including websites, capitalized commercially software that is modified for County's use. Internally Generated Software will be amortized on the straight-line basis with a useful life three to seven years with costs over \$5,000 that benefit more than a single fiscal period.

Software

Software will be recorded at historical cost. Software valued at \$50,000 or greater will be capitalized and depreciated based on a three-year useful life. Software purchased before 2019 will continue to depreciate as originally scheduled.

An improvement/upgrade to existing software valued at \$50,000 or greater will be added to the value of the original software and depreciated as long as it increases the life of the software. All annual maintenance costs, in addition to improvement/upgrades valued at less than \$50,000, will be expensed in the year incurred.

Arts and Historical Treasures

Works of Art and Historical Treasures are valued at historical cost or fair value at the time of acquisition. Items that are diminished by display or use will be depreciated over their useful lives. Items that are inexhaustible will not be depreciated.

ATTACHMENT D:

CAPITAL ASSET USEFUL LIVES

Assets by Type

The useful (or depreciation) lives of Capital Assets conform to this generalized table:

<u>Asset by Type</u>	<u>Cost</u>	<u>Years</u>
Land	\$5,000	Not depreciated-indefinite
Infrastructure	\$5,000	15 to 75 years, depending on structure
Buildings	\$5,000	25 to 50 years, depending on structure
Improvements, other than buildings	\$5,000	20 to 35 years, depending on the item
Machinery and Equipment	\$5,000	3 to 15 years
Art and Historical Treasures	\$5,000	depends on the item
Construction in Progress	\$5,000	Not depreciated
Intangibles	\$5,000	3 to 7 years
Software	\$50,000	3 to 5 years

Attachment E: Performance Criteria for Requests for Proposals

May include, but are not limited to:

1. the quality of the vendor's or contractor's performance on previous projects.
2. the timeliness of the vendor's or contractor's performance on previous projects.
2. the level of customer satisfaction with the vendor's or contractor's performance on previous projects.
3. the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns.
4. results of communications with references supplied by vendor.
5. the vendor's or contractor's ability to minimize change orders.
6. the vendor's or contractor's ability to prepare appropriate project plans.
7. the vendor's or contractor's compliance with administrative requirements of the request for proposal (format, due date, etc.).
8. the vendor's or contractor's technical capacities.
9. the vendor's or contractor's ability to comply with technical specifications designated by the Department requesting proposals.
10. the individual qualifications of the contractor's key personnel.
11. the vendor's or contractor's ability to assess and minimize risks.
12. minority- or women-owned business status of vendor.
13. the contractor's financial stability.
14. the contractor's demonstrated commitment to the nonprofit sector.
15. other criteria as specified by the Department requesting proposal.

Attachment F: Motor Pool Process and Procedures

Staff should review all information before sending a request to reserve a vehicle.

1. All County vehicles will be operated under County policies. Vehicle reservation directions can be found on the last page of this document. Those making a request will be notified whether or not the request has been approved. The vehicle key may be obtained from the front lobby receptionist. At that time, the requestor will be required to sign a form indicating that they have received the keys and if applicable, the vehicle log.

That form will include the following statement:

By signing this form, I am declaring that I have a valid driver's license in the State of Minnesota. That I understand that this is a privilege to use a County vehicle and understand that privilege may be revoked by the County at any time.

Once inside the vehicle, confirm that the mileage listed in the logbook is correct. When the trip is concluded, enter the ending mileage into the logbook. In the event that the mileage does not correspond, please record the correct mileage and report that upon returning the vehicle to the County.

All vehicles must be reserved in advance. The vehicles may not be signed out by any party(ies) for more than five (5) days of sequential use.

2. Reporting Mechanical Defects

County staff is to report all vehicle mechanical defects immediately or upon return to the office. Health & Human Services (HHS) staff shall report defects to the Agency Support Unit/Office Manager. Government Center (GC) staff shall report defects to the lobby receptionist.

3. Refueling Vehicles

Staff reserving vehicles will be responsible for fueling County-owned vehicles at the Wright County Public Works site, 3500 Braddock Ave NE, Buffalo, MN 55313. Pumps are located on the east side of the main office building, facing Highway 25. Staff are able to fuel vehicles 24 hours a day, seven days a week.

Staff is required to refuel the vehicle at the Public Works site when the fuel indicator registers **½ of a tank or less** before returning the vehicle.

Laminated directions can be found in the glove box of each vehicle along with the gas key (FOB).

4. All reservations will be on a first come first-come, first-served basis. The follow exceptions apply:
 - a. Transporting clients will take precedence over group/individual use.
 - b. Group reservations will take precedence over individuals.
 - c. A reservation request by a Department that already has designated vehicles will be considered secondary.

The vehicles must be used by groups of staff when mutually going to the same destination. If a vehicle is not available for such group trips, the members of the group must carpool these trips in one staff vehicle, whenever possible. If two or more reservation requests are simultaneous, priority will be the greatest distance to be driven.

If any kind of reservation dispute arises, the designated vehicle reservation contact will request an available supervisor to resolve the dispute.

5. Vehicles will be parked in a designated parking space and must be returned to that same location upon completion of their use. The vehicle may be taken overnight to a staff person's home ONLY with a supervisor's prior approval. When a vehicle is taken home by a staff person, the vehicle may not be driven for any personal use. If returning a vehicle after hours, the keys with mileage log are to be deposited in the appropriate building's drop box or other arrangements made.
6. The vehicle will have insurance information and mechanical breakdown road service instructions in the glove compartment. The staff person utilizing the vehicle will be responsible for ensuring that they have adequate gas in the vehicle before leaving for their location. In the event that the driver requires additional gas, the driver should put in enough fuel to complete their trip and return to the Public Works site to fill the vehicle. The Staff person shall submit their receipt(s) with an Expense Reimbursement Form. Traffic violation citations are always the responsibility of the vehicle's driver. All occupants must wear seat belts. Vehicle lights will be on whenever driven. There will be NO SMOKING in the vehicles. Upon completion of use, the vehicle must be clean and cleared of all debris, wastepaper, etc. Any operational or damage problems must be reported to the Receptionist after returning the vehicle.
7. On the day when a vehicle is reserved, and a snow storm or icy conditions exist (or are threatening to occur, as notified by a warning or watch announcement from radio or television weather reports, staff may — with supervisory approval— cancel their vehicle reservation, and if preferred, drive their personal vehicle and claim mileage expense reimbursement. Preference would be that if the employee is uncomfortable driving the County vehicle the trip should be canceled.

WHEN INCLEMENT WEATHER CONDITIONS EXIST OR ARE LIKELY, THE PRUDENT DECISION MAY BE TO CANCEL THE TRIP.

CRASH OR MECHANICAL BREAKDOWN:

Please note: The following procedures apply to all County-owned vehicles.

Throughout the cold weather season (November 1 to March 30), each vehicle will be equipped with a winter emergency kit.

A driver of the vehicle is NOT to use or talk on a cell phone while driving the vehicle, unless an emergency 911 call must be made. Please refer to [Personnel Policy 711 Acceptable Use of Technology, 711.08, c, 1, iii.](#)

County insurance information, including an Incident Record form, is located in the glove compartment of each vehicle. This card instructs staff on what to do in the event of an accident. It is critical that staff follow these instructions.

If a staff person is driving a vehicle and it becomes immobilized because of a crash or mechanical failure, the driver will call the designated towing service. The contact information for the towing companies will be kept in the glove compartment of the vehicle.

- a. If the incident occurs within Wright County, the driver shall notify the closest towing service as identified on the list to have the vehicle towed to the County Highway garage in Buffalo.
- b. In the event that the incident occurs outside of Wright County, Junction Towing shall be utilized.

In situations where roadside assistance is needed, i.e. a flat tire or a dead battery, the driver should follow the same procedure in contacting the nearest towing service. Staff persons calling the towing company for assistance must specify that the services requested are for a County-owned vehicle.

Upon mechanical breakdown, County staff will have the option of riding back to Buffalo with the towing company. If an alternative method of transportation is required in order to reach their destination, staff must contact their Supervisor to discuss the situation and obtain supervisory approval regarding other transportation methods, such as securing a rental car to complete the trip. The cost of this alternative method of transportation may need to be covered by the staff person and submitted to the County for reimbursement.

VEHICLE RESERVATION PROCESS

The vehicle reservation process will be handled through SharePoint.

Health and Human Services Reservations

Follow link <http://wrightnet/Departments/humanservices/OfficeSupport/Lists/HSVehicleReservations>

If four or more HHS staff needs to ride together to a same location, and all Agency vehicles are currently in use, staff must check with the HSC receptionist to determine if the Highway Department van may be reserved for this trip. Upon availability, the receptionist will facilitate the scheduling of the van with the Highway Department and assure that van is delivered to the HSC parking lot in time for the scheduled trip.

Government Center Reservations

Follow link <http://wrightnet/Departments/administration/Lists/VehicleReservation/CurrentItems.aspx>

Click on Add New Item.

The Submit Vehicle Request screen will appear. Complete all required fields. When completed, hit Save. This will forward the request to the Department head and the receptionist.

A response will be sent with 15 minutes of submittal that the request has been successfully submitted and will indicate that the reservation has been approved or denied. If it is denied, a reason for denial will be provided.

In the event a request must be cancelled, go to the online form via the approved email by clicking on the [here](#) link to view the form. Click on the Edit Item button in the top left corner. This will allow cancellation of the request. If a request needs to be changed, first cancel the initial request and then submit a new reservation request.

Attachment G: CIP Process

1. The CIP sets forth the components of a capital improvement plan which includes a schedule, estimated costs, sources of funding, and specific details of each capital improvement project, including:
 - a. Department(s) proposing the project
 - b. Budget Year (s) in which the project is seeking funding, including start and end dates
 - c. Project Type
 - i. New
Construction or a project that did not previously exist within the Department or County.
 - ii. Acquisition
Purchase of land, facilities and/or equipment.
 - iii. Replacement
Purchase necessary to replace obsolete, outdated equipment.
 - iv. Remodel
Costs to reconfigure an existing work space without expanding the footprint.
 - v. Development
Improving and further developing an existing County property, i.e. park land.
 - d. Project Description
Description of the tasks to be undertaken to achieve intended result.
 - e. Project Rationale
Justification for why the project should be funded and why it is important that it is funded in the year specified.
 - f. Department Priority
Priority for the specific project when compared with all the CIP projects from this Department in that year.

g. Project Location

Where the work will occur or where new equipment will be permanently located.

h. Funding Sources

May be limited to the following categories:

i. Capital Project Levy

Money raised through the County's ability to levy taxes against property owners within the County. These dollars can be allocated to the following funds for the following purposes:

A. Technology CIP Fund

Funds designated by the County Board for specific purposes relating to technology that will enhance the operation of the County.

B. Asset Infrastructure CIP Fund

Funds designated by the County Board for specific purposes relating to building and property infrastructure, property acquisition, and park development.

ii. Bonds

General obligation municipal bonds that are issued by the County and secured by the County's ability to raise tax revenues to repay the bond holder.

iii. Recorder Funds

The County Recorder, by State Statute, has the authority to charge specific fees for services relating to indexing and recording various documents. Those fees, as defined by State Statute, are identified for specific uses, of which the following are available for capital improvement purposes:

A. Recorder Technology Fund

Per Minn. Stat. 357.18 (4), the \$10 fee collected under Subdivision 1 shall be deposited into a technology fund for obtaining, maintaining and updating current technology and equipment to provide services from the record system. The fund shall be disbursed at the County Recorder's discretion to provide modern information services from the land records system.

B. Recorder Compliance Fund

Per Minn. Stat. 357.182, unallocated fees collected by the Recorder are available at the County Board's discretion for supporting enhancements to the recording process, including electronic recordings, and for the use in undertaking data integration and aggregation projects.

iv. Grants

Funds that are received from outside organizations to support projects that are occurring within the County.

v. Equipment Note

A capital improvement note issued under Minn. Stat. 373.01, Subd. 3, specifically designated for funding equipment in the areas of public safety, ambulance, road construction or maintenance, medical equipment, and computer hardware and software.

vi. Miscellaneous Revenues

The County, at its discretion, may allocate miscellaneous revenues towards specific CIP projects or deposit those funds into either the Technology CIP Fund or the Stabilization CIP Fund.

i. Funding History

A record of the funding source and level of funding in previous years.

j. Depreciable Life - Estimated useful life of the asset

k. Cost

The direct and full expense associated with the project.

l. On-Going Cost

Indirect costs that will be incurred and or become routine following completion of the project. These costs become the responsibility of the Department through their annual budget.

m. Project History

A summary of the project history and past considerations.

n. Considerations

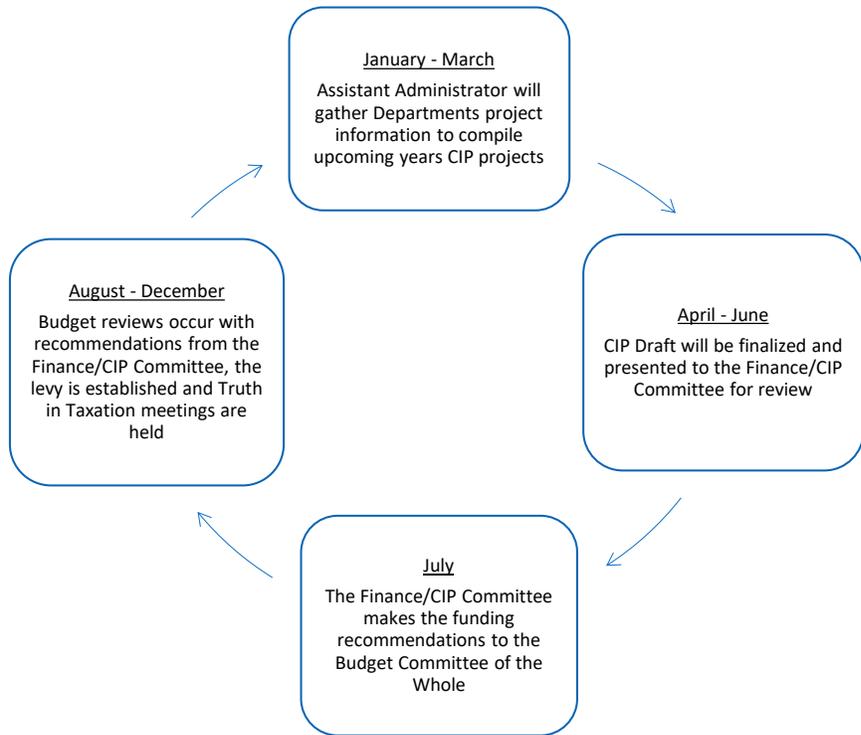
Further information that might impact or influence the costs, rationale or scope of the project.

o. Contact Person

Individual familiar with the project and able to answer any further questions.

Work on the Capital Improvement Plan (CIP) will start in the first quarter (January-March) of each year when five-year capital improvement project information is collected from Department Heads. This information will be researched and incorporated into a CIP document that is presented to the Finance/CIP Committee for review in April-June. The projects and their costs will be identified showing the total capital improvement projects, on a yearly basis, for the next five-year period.

- a. Once the CIP has been submitted to the Finance/CIP Committee, additional capital improvement projects will have to wait until the following year to be considered for funding with limited exceptions. This encourages Department heads to be proactive and identify capital improvement projects in advance. There may be extenuating circumstances surrounding a project that require it to be included in the CIP despite not making the final CIP deadline, but these late additions will be heavily scrutinized.
- b. Following presentation of the CIP, the Finance/CIP Committee will examine County revenues and review the projects to identify which ones the Committee believes can and should be funded in the upcoming budget cycle. If necessary, the Committee may request further information to aid the Committee in making their recommendations by contacting the individual listed as the Contact Person for the project.
- c. Recommendations from the Finance/CIP Committee will be forwarded to the Budget Committee of the Whole for inclusion in upcoming Department budget reviews. The Budget Committee of the Whole will give serious consideration to the Finance/CIP Committee recommendations, but is not obligated to fund the capital improvement projects recommended. Updated information may become available that changes a prior recommendation.
- d. Those projects that are funded through the CIP will be updated upon completion to reflect the final cost of the project and will be removed from the CIP and placed into a file documenting projects that were previously funded.
- e. Any project not recommended for funding in the Finance/CIP Committee's recommendations is eligible to be submitted for consideration again during the next CIP cycle or could be considered for inclusion in the Departments operating budget.



Attachment H: Refreshments and Meals

Scenarios when food is purchased within the County

Grant Reimbursed - Where grant explicitly states reimbursement - **Permissible per grant language**

- REP/EMPG – emergency management– 100% grant reimbursement for meals
- Grant - Dare to Lead. Grant covers snacks and meals for HHS Supervisor group for six sessions
- SHIP - HHS hosts a meal for community partners and HHS staff may have the meal with them.

Meetings where non-employees are expected to attend – **Light refreshments are permissible**

- Task Force Meetings
- Provider meetings - Include providers, community engagement
- Rapid Response – Still in the planning stages, so not sure what will be covered
- Vendor meetings with cookies/coffee provided if vendor staff are there

Client Meetings - **Permissible**

- Family Group Decision Making - Focus is on the family, but staff may be present
- Foster Care Christmas, Holiday Party - Recruitment/Recognition/promotion of foster care program

Training - **Permissible, Pending logistics and reasonableness**

- All Staff Training Days/Retreat
- Regional Meetings/Training - Including our employees and other County employees.

Public Relations - **Permissible**

- Open House (Sheriff/Highway)
- Media Day (Sheriff)
- Police week
- Swearing-in Ceremonies/– Employee Recognition Ceremonies
- Ribbon Cutting / Public Events – Media & Public invited to attend

Internal Meetings/Gatherings- **Not permissible**

- Baby Showers/celebration
- Retirement events
- Working meeting (normal hours)
- Working meeting (outside of normal hours)
- Leadership Team meeting
- **Sunshine funds are encouraged – (example attached)**

All permissible expenditures shall be reasonable and necessary

- The County benefits from retaining staff over a meal time, i.e. working lunch
- Requires Department head approval and budget availability
- Specific exclusion for personal life events

ADMINISTRATION'S SUNSHINE FUND (example)

The purpose of the Sunshine Fund is to allow Administration the ability to recognize employees on special occasions such as birthdays, weddings, and birth or adoption of a child. These funds may also be used for memorials in the event of a death of an employee's spouse, child/step child/in-law son or daughter; parent/step parent or spouse's parent.

An initial setup of the Sunshine Fund will require each employee to contribute \$15.00. Thereafter on an annual basis, on June 1st, each employee will be asked to contribute \$12.00 to the Sunshine Fund (\$1.00 per month). A new employee will be asked to contribute a prorated amount to the Fund based on their hire date.

Funds will be used to purchase food items, flowers, gift cards, miscellaneous supplies, etc. Funds will not be used to purchase birthday cards.

In the event that the fund becomes depleted, an additional contribution to the fund may be sought.

When an employee terminates their employment from the Administration Department of Wright County, they may request a prorated refund of the monies they contributed for that year.

Examples/Limits:

Birthdays – Food items not to exceed \$15

Weddings – Gift or Gift Card not to exceed \$40

Birth / Adoption – Gift or Gift Card not to exceed \$40

Memorial – Flowers or Donation not to exceed \$50

506 BUSINESS RELATED EXPENSE REIMBURSEMENT (Personnel Policy)

Policy Adopted: 11-16-04

Policy Amended: 01-10-17

Effective Date: 01-01-17

Policy Amended: 06-25-2019

803 CONFLICTS OF INTEREST (Personnel Policy)

Policy Adopted: 11-16-04

Policy Repealed: 06-25-2019 – Incorporated into the Finance Policies and Procedures – Section R of Financial Policies