City of Montgomery

Steven L. Reed, Mayor

Ethics and Fiscal Policy and Procedures Manual

OFFICE OF THE MAYOR
Steven L. Reed, Mayor

Post Office Box 1111
Montgomery, Alabama
36101-1111

PH 334.625.2000
FX 334.625.2600

City of **Montgomery,** *Alabama*

October 1, 2021

Council Members
Cabinet Members
Department Heads
City of Montgomery

RE: Ethics Policy and Fiscal Policy & Procedures Manual

Ethics in the workplace is an important issue. I know our employee body is hard-working and honest but we have to review, revise and update our policy at times to insure everyone knows the policy and that each employee is educated and aware of the policy.

It is the policy of the City of Montgomery to conduct government business fairly and ethically. As employees of the City, each of us has an obligation to act fairly and honestly at all times. Rules cannot guarantee ethical conduct, only the individuals who follow them can.

The residents of the City of Montgomery are our customers. Therefore, our community must be assured that we handle business in a fair and equitable manner. It is important that our citizens know that we use taxpayers' dollars wisely. Our citizens must have faith that we conduct business with transparency. It is important that everyone knows, understands and conforms to one standard. This will enhance our reputation in the community. Any questions concerning this policy should be directed to your supervisor.

Maintaining meaningful and well-considered policies and procedures is a critical component of a strong financial management system. As a fiduciary of public funds, it is also very important that the City of Montgomery be responsible and accountable for the management of taxpayers' dollars. Consequently, written standards on budgeting, revenue and receipts, expenditures and disbursements, purchasing, contracts, payroll/ personnel fixed assets, and inventory is now being provided to all department heads.

You will find enclosed a manual containing the City's Ethics Policy, the Alabama Code of Ethics, and the revised City's Fiscal Policy and Procedures. It is *imperative* that a copy of the ethics policies be distributed to every departmental supervisor in order for these documents to be made available to every employee. Additionally, all personnel that are involved with the operation of the accounting infrastructure in the City must have access to a copy of the City's Fiscal Policy and Procedures Manual. Should you have any questions, please contact the Office of the Finance.

The current revision includes all of the changes to the Ethics Code and new fiscal policy and procedures for cash receipts, accounts payable and disbursements, fixed assets, and other policies, such as tax abatement reporting. The Ethics Code change is the largest change -- as it applies to all City employees.

I appreciate your cooperation in these matters.

Sincerely,

Steven L. Reed, Mayor

TABLE OF CONTENTS

CITY ETHICS POLICY **1**

FISCAL POLICY AND PROCEDURES MANUAL
CHAPTER 1 - INTRODUCTION **66**
CHAPTER 2 - BUDGETING **68**
CHAPTER 3 – RECEIPTS AND ACCOUNTS RECEIVABLE **85**
CHAPTER 4 – PURCHASING AND CASH DISBURSEMENTS **102**
CHAPTER 5 – FIXED ASSETS **127**
CHAPTER 6 – OTHER FINANCIAL POLICIES **140**

CITY OF MONTGOMERY, ALABAMA
ETHICS POLICY

I. PURPOSE

The purpose of this policy is to provide all employees of the City of Montgomery with minimum standards of ethical conduct to help ensure that the business of government is free from improper influence, and also to help employees be aware of situations which may pose ethical problems, and give them some guidelines for resolution of these issues.

Our code of ethics is designed to put in place a policy to promote the prevention, detection, reporting and consequences of those who violate the policy. Consequences include disciplinary action up to and including dismissal.

II. POLICY

A. All employees are expected to maintain the highest possible ethical and moral standards and to perform within the laws of the State of Alabama and other rules and regulations as may be set forth by the City. It is important to remember that the compensation of all employees is paid through taxes and user fees. Therefore, each employee assumes the responsibility to serve the public in an honest, effective and friendly manner. The conflict of interest provisions of this policy apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City.

While it is impossible to identify every particular activity that might give rise to a potential conflict of interest, these situations most often arise when an employee is invited to accept an invitation of travel, meals, lodging and/or expenses in connection with conferences, seminars and social events put on by private business seeking to do business or actually doing business with the City.

B. Therefore, it is the policy of the City of Montgomery that no employee, agent, consultant, officer, or elected or appointed official, shall:

1. Use their position for personal gain or engage in any transaction which is in conflict with the proper discharge of official duties.
   EXAMPLE: A city council member cannot vote on a tax abatement agreement for a company which employs him.

2. Use or disclose confidential information protected by law, unless appropriately authorized.
   EXAMPLE #1: Personal medical information cannot be disclosed.
   EXAMPLE #2: The home address of a police officer, firefighter, paramedic or other employee cannot be disclosed.
   EXAMPLE #3: Personal tax information concerning a city income taxpayer cannot be disclosed.

3. Directly or indirectly solicit or accept anything of value, for personal use or gain, whether in the form of a service, loan, item or promise from any person, firm or corporation which is interested directly or indirectly in any manner whatsoever in business dealings with the City.

4. Accept compensation, loans, entertainment of more than a nominal value, commissions, property, discounts or anything else of personal financial value from outside parties conducting transactions in which the City might have an interest, or if it is made, offered or arises because of the employee's position with the City.
   EXAMPLE: Although vendor paid lunches are discouraged, periodic business lunches not exceeding $25.00 per person may be accepted (unless it is paid for every week as a regular event). An all-expense paid trip to the Bahamas provided by the vendor would be a conflict. Similarly, a discount from a local restaurant or retail store offered to a specific City employee would be a conflict. However, discounts offered to <u>all</u> City employees are permitted.

5. Engage in or accept private employment or render service for private interest when such employment or service is incompatible with the proper performance of the employee's official duties or would tend to impair independent judgment or action in the performance of official duties.
   EXAMPLE #1: A police officer is prohibited from living rent free in an apartment complex under the guise of being security for the complex.
   EXAMPLE #2: An employee of the City's Engineering Department is prohibited from having a pavement company doing business with the City; pave his private driveway at a cost less than the market price paid by other consumers of the paving company.

6. While an employee, or for one year thereafter, represent another person before a public agency on any matter in which the employee personally participated as an employee.
   EXAMPLE: A City attorney cannot represent a private business entity before the City Planning Commission, while employed by the City. Nor, can a City attorney represent a private business entity who initiates an action before said commission during his employment with the City for a period of twelve months after his employment ends.

7. Receive or agree to receive outside compensation for service rendered in a matter before any office or department of the City.
   EXAMPLE: An employee can receive payment for speaking or writing services through a business established before her/his employment by the City so long as the payment is not from a party regulated by or doing or seeking to do business with the City or the speech is given as part of his/her employment.

8. Have a personal interest in a contract with the City or use their position or authority to secure approval of a public contract in which the employee, a member of the employee's family or business associate has an interest. Employment by the City is a "contract" for this purpose.
   EXAMPLE #1: An employee can operate a pet supply business but said employee cannot contract to furnish or furnish pet supplies to the City for its Police Department's Canine Unit.
   EXAMPLE #2: A City Personnel Director cannot hire or supervise as a City employee, his wife, child, brother, sister, father or mother.

C. All employees are required to comply with all criminal laws of the United States, the State of Alabama and the City of Montgomery.

D. It is the City's duty to inform its employees and its vendors of the ethics policy and it is the employees and vendors' responsibility to understand the policy and comply with the ethics policy.

E. The following policy is joined to the City of Montgomery Ethics Policy by referencing herein:

Chapter 4, Section X Travel Procedures, Fiscal Policies and Procedures Manual

III. REPORTING POLICY VIOLATIONS OR WORKPLACE MISCONDUCT

All employees are required to report any illegal activity or policy violations. Failure to do so not only violates city policy but may be in itself a violation of the policy or law. In addition, knowingly and intentionally making a false report of a violation is cause for disciplinary action up to and including termination.

You can report ethics violations to whoever you feel most comfortable with as long as it is your supervisor, the Police Department, City Investigations, or the Mayor's Office. Violations may be reported to City Investigations via email at cityinvestigations@montgomeryal.gov or via phone at (334) 625-2490. If requested, every effort will be made to ensure confidentiality if possible on your disclosure of information.

IV. CONSEQUENCES OF VIOLATING POLICY

Each employee is accountable for his/her own actions. Anyone who violates this policy is subject to appropriate disciplinary action up to and including termination.

Anyone convicted of violating the ethics policy will be dismissed and cannot be compensated by vendors or any other employment agency at the expense of the City.

V. RETALIATION FOR REPORTING ETHICS VIOLATIONS IS PROHIBITED

It is against City policy to retaliate against anyone for making a report of violations of ethics in good faith. It is management's responsibility to ensure adherence.

It is the responsibility of each employee to report to his/her supervisor, Police Department, City Investigations or the Mayor's Office any abuses or suspected abuses and criminal conduct and/or suspected criminal conduct. There will not be any retaliation or intimidation of any employee who reports any misuse of the ethics policy. It is the responsibility for all employees to report misuse and those that have knowledge and do not report it will be considered part of the misuse. He/she should understand everyone has a responsibility to report suspected misuse of the ethics policy.

VI. EMPLOYEE EXPECTATIONS

All employees are required to read, understand and follow the ethics policy. Enforcement is the direct responsibility of the employees' supervisor. Not every situation can be covered by this policy and when not, common sense is expected to prevail in a manner that will bring favor to the city at large. If situations come up that are not addressed by this policy, please contact the Personnel Department.

A. Any employee in doubt as to the application of this Section or other ethics laws or regulations may seek the advice of the City Attorney and/or the Alabama Ethics Commission.

B. New employees will have access to the Alabama's Ethics Laws (Code of Alabama 1975, Sections 36-25-1 through 36-25-30) via their immediate supervisor. Please See Exhibit 1-1 for a full copy of the Alabama Code of Ethics.

C. Anyone who is found to have violated the provisions of this Section shall be subject to disciplinary action, as well as, possible criminal charges, which can range from a Class A misdemeanor to a Class B felony.

EXHIBIT 1-1 ALABAMA CODE OF ETHICS

Code of Alabama 1975

Code of Ethics for Public Officials, Employees, etc.

Chapter 25 of Title 36
(Public Officials and Employees)

Sections 36-25-1 through 36-25-30

Section 36-25-1

Definitions.

Whenever used in this chapter, the following words and terms shall have the following meanings:

(1) BUSINESS. Any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, or any other legal entity.

(2) BUSINESS WITH WHICH THE PERSON IS ASSOCIATED. Any business of which the person or a member of his or her family is an officer, owner, partner, board of director member, employee, or holder of more than five percent of the fair market value of the business.

(3) CANDIDATE. This term as used in this chapter shall have the same meaning ascribed to it in Section 17-22A-2.

(4) COMMISSION. The State Ethics Commission.

(5) COMPLAINT. Written allegation or allegations that a violation of this chapter has occurred.

(6) COMPLAINANT. A person who alleges a violation or violations of this chapter by filing a complaint against a respondent.

(7) CONFIDENTIAL INFORMATION. A complaint filed pursuant to this chapter, together with any statement, conversations, knowledge of evidence, or information received from the complainant, witness, or other person related to such complaint.

(8) CONFLICT OF INTEREST. A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs. A conflict of interest shall not include any of the following:

a. A loan or financial transaction made or conducted in the ordinary course of business.

b. An occasional nonpecuniary award publicly presented by an organization for performance of public service.

c. Payment of or reimbursement for actual and necessary expenditures for travel and subsistence for the personal attendance of a public official or public employee at a convention or other meeting at which he or she is scheduled to meaningfully participate in connection with his or her official duties and for which attendance no reimbursement is made by the state.

d. Any campaign contribution, including the purchase of tickets to, or advertisements in journals, for political or testimonial dinners, if the contribution is actually used for political purposes and is not given under circumstances from which it could reasonably be inferred that the purpose of the contribution is to substantially influence a public official in the performance of his or her official duties.

(9) DAY. Calendar day.

(10) DEPENDENT. Any person, regardless of his or her legal residence or domicile, who receives 50 percent or more of his or her support from the public official or public employee or his or her spouse or who resided with the public official or public employee for more than 180 days during the reporting period.

(11) DE MINIMIS. A value twenty-five dollars ($25) or less per occasion and an aggregate of fifty dollars ($50) or less in a calendar year from any single provider, or such other amounts as may be prescribed by the Ethics Commission from time to time by rule pursuant to the Administrative Procedure Act or adjusted each four years from August 1, 2012, to reflect any increase in the cost of living as indicated by the United States Department of Labor Consumer Price Index or any succeeding equivalent index.

(12) ECONOMIC DEVELOPMENT FUNCTION. Any function reasonably and directly related to the advancement of a specific, good-faith economic development or trade promotion project or objective.

(13) EDUCATIONAL FUNCTION. A meeting, event, or activity held within the State of Alabama, or if the function is predominantly attended by participants from other states,

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

held within the continental United States, which is organized around a formal program or agenda of educational or informational speeches, debates, panel discussions, or other presentations concerning matters within the scope of the participants' official duties or other matters of public policy, including social services and community development policies, economic development or trade, ethics, government services or programs, or government operations, and which, taking into account the totality of the program or agenda, could not reasonably be perceived as a subterfuge for a purely social, recreational, or entertainment function.

(14) FAMILY MEMBER OF THE PUBLIC EMPLOYEE. The spouse or a dependent of the public employee.

(15) FAMILY MEMBER OF THE PUBLIC OFFICIAL. The spouse, a dependent, an adult child and his or her spouse, a parent, a spouse's parents, a sibling and his or her spouse, of the public official.

(16) GOVERNMENTAL CORPORATIONS AND AUTHORITIES. Public or private corporations and authorities, including but not limited to, hospitals or other health care corporations, established pursuant to state law by state, county or municipal governments for the purpose of carrying out a specific governmental function. Notwithstanding the foregoing, all employees, including contract employees, of hospitals or other health care corporations and authorities are exempt from the provisions of this chapter.

(17) HOUSEHOLD. The public official, public employee, and his or her spouse and dependents.

(18) LAW ENFORCEMENT OFFICER. A full-time employee of a governmental unit responsible for the prevention or investigation of crime who is authorized by law to carry firearms, execute search warrants, and make arrests.

(19) LEGISLATIVE BODY. The term "legislative body" includes the following:

a. The Legislature of Alabama, which includes both the Senate of Alabama and the House of Representatives of Alabama, unless specified otherwise by the express language of any provision herein, and any committee or subcommittee thereof.

b. A county commission, and any committee or subcommittee thereof.

c. A city council, city commission, town council, or other municipal council or commission, and any committee or subcommittee thereof.

(20) LOBBY or LOBBYING. The practice of promoting, opposing, or in any manner influencing or attempting to influence the introduction, defeat, or enactment of legislation before any legislative body; opposing or in any manner influencing the executive

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

approval, veto, or amendment of legislation; or the practice of promoting, opposing, or in any manner influencing or attempting to influence the enactment, promulgation, modification, or deletion of regulations before any regulatory body. The term does not include providing public testimony before a legislative body or regulatory body or any committee thereof.

(21) LOBBYIST.

a. The term lobbyist includes any of the following:

1. A person who receives compensation or reimbursement from another person, group, or entity to lobby.

2. A person who lobbies as a regular and usual part of employment, whether or not any compensation in addition to regular salary and benefits is received.

3. A consultant to the state, county, or municipal levels of government or their instrumentalities, in any manner employed to influence legislation or regulation, regardless whether the consultant is paid in whole or part from state, county, municipal, or private funds.

4. An employee, a paid consultant, or a member of the staff of a lobbyist, whether or not he or she is paid, who regularly communicates with members of a legislative body regarding pending legislation and other matters while the legislative body is in session.

b. The term lobbyist does not include any of the following:

1. An elected official on a matter which involves that person's official duties.

2. A person or attorney rendering professional services in drafting bills or in advising clients and in rendering opinions as to the construction and effect of proposed or pending legislation, executive action, or rules or regulations, where those professional services are not otherwise connected with legislative, executive, or regulatory action.

3. Reporters and editors while pursuing normal reportorial and editorial duties.

4. Any citizen not lobbying for compensation who contacts a member of a legislative body, or gives public testimony on a particular issue or on particular legislation, or for the purpose of influencing legislation and who is merely exercising his or her constitutional right to communicate with members of a legislative body.

5. A person who appears before a legislative body, a regulatory body, or an executive agency to either sell or purchase goods or services.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

6. A person whose primary duties or responsibilities do not include lobbying, but who may, from time to time, organize social events for members of a legislative body to meet and confer with members of professional organizations and who may have only irregular contacts with members of a legislative body when the body is not in session or when the body is in recess.

7. A person who is a member of a business, professional, or membership organization by virtue of the person's contribution to or payment of dues to the organization even though the organization engages in lobbying activities.

8. A state governmental agency head or his or her designee who provides or communicates, or both, information relating to policy or positions, or both, affecting the governmental agencies which he or she represents.

(22) MINOR VIOLATION. Any violation of this chapter in which the public official or public employee receives an economic gain in an amount less than two hundred fifty dollars ($250) or the governmental entity has an economic loss of less than two hundred fifty dollars ($250).

(23) PERSON. A business, individual, corporation, partnership, union, association, firm, committee, club, or other organization or group of persons.

(24) PRINCIPAL. A person or business which employs, hires, or otherwise retains a lobbyist. A principal is not a lobbyist but is not allowed to give a thing of value.

(25) PROBABLE CAUSE. A finding that the allegations are more likely than not to have occurred.

(26) PUBLIC EMPLOYEE. Any person employed at the state, county, or municipal level of government or their instrumentalities, including governmental corporations and authorities, but excluding employees of hospitals or other health care corporations including contract employees of those hospitals or other health care corporations, who is paid in whole or in part from state, county, or municipal funds. For purposes of this chapter, a public employee does not include a person employed on a part-time basis whose employment is limited to providing professional services other than lobbying, the compensation for which constitutes less than 50 percent of the part-time employee's income.

(27) PUBLIC OFFICIAL. Any person elected to public office, whether or not that person has taken office, by the vote of the people at state, county, or municipal level of government or their instrumentalities, including governmental corporations, and any person appointed to a position at the state, county, or municipal level of government or their instrumentalities, including governmental corporations. For purposes of this chapter,

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

a public official includes the chairs and vice-chairs or the equivalent offices of each state political party as defined in Section 17-13-40.

(28) REGULATORY BODY. A state agency which issues regulations in accordance with the Alabama Administrative Procedure Act or a state, county, or municipal department, agency, board, or commission which controls, according to rule or regulation, the activities, business licensure, or functions of any group, person, or persons.

(29) REPORTING PERIOD. The reporting official's or employee's fiscal tax year as it applies to his or her United States personal income tax return.

(30) REPORTING YEAR. The reporting official's or employee's fiscal tax year as it applies to his or her United States personal income tax return.

(31) RESPONDENT. A person alleged to have violated a provision of this chapter and against whom a complaint has been filed with the commission.

(32) STATEMENT OF ECONOMIC INTERESTS. A financial disclosure form made available by the commission which shall be completed and filed with the commission prior to April 30 of each year covering the preceding calendar year by certain public officials and public employees.

(33) SUPERVISOR. Any person having authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, or discipline other public employees, or any person responsible to direct them, or to adjust their grievances, or to recommend personnel action, if, in connection with the foregoing, the exercise of the authority is not of a merely routine or clerical nature but requires the use of independent judgment.

(34) THING OF VALUE.

a. Any gift, benefit, favor, service, gratuity, tickets or passes to an entertainment, social or sporting event, unsecured loan, other than those loans and forbearances made in the ordinary course of business, reward, promise of future employment, or honoraria or other item of monetary value.

b. The term, thing of value, does not include any of the following, provided that no particular course of action is required as a condition to the receipt thereof:

1. A contribution reported under Chapter 5 of Title 17 or a contribution to an inaugural or transition committee.

2. Anything given by a family member of the recipient under circumstances which make it clear that it is motivated by a family relationship.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

3. Anything given by a friend of the recipient under circumstances which make it clear that it is motivated by a friendship and not given because of the recipient's official position. Relevant factors include whether the friendship preexisted the recipient's status as a public employee, public official, or candidate and whether gifts have been previously exchanged between them.

4. Greeting cards, and other items, services with little intrinsic value which are intended solely for presentation, such as plaques, certificates, and trophies, promotional items commonly distributed to the general public, and items or services of de minimis value.

5. Loans from banks and other financial institutions on terms generally available to the public.

6. Opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a class consisting of all government employees.

7. Rewards and prizes given to competitors in contests or events, including random drawings, which are open to the public.

8. Anything that is paid for by a governmental entity or an entity created by a governmental entity to support the governmental entity or secured by a governmental entity under contract, except for tickets to a sporting event offered by an educational institution to anyone other than faculty, staff, or administration of the institution.

9. Anything for which the recipient pays full value.

10. Compensation and other benefits earned from a non-government employer, vendor, client, prospective employer, or other business relationship in the ordinary course of employment or non-governmental business activities under circumstances which make it clear that the thing is provided for reasons unrelated to the recipient's public service as a public official or public employee.

11. Any assistance provided or rendered in connection with a safety or a health emergency.

12. Payment of or reimbursement for actual and necessary transportation and lodging expenses, as well as waiver of registration fees and similar costs, to facilitate the attendance of a public official or public employee, and the spouse of the public official or public employee, at an educational function or widely attended event of which the person is a primary sponsor. This exclusion applies only if the public official or public employee meaningfully participates in the event as a speaker or a panel participant, by presenting information related to his or her agency or matters pending before his or her agency, or by performing a ceremonial function appropriate to his or her official position; or if the

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

public official's or public employee's attendance at the event is appropriate to the performance of his or her official duties or representative function.

13. Payment of or reimbursement for actual and necessary transportation and lodging expenses to facilitate a public official's or public employee's participation in an economic development function.

14. Hospitality, meals, and other food and beverages provided to a public official or public employee, and the spouse of the public official or public employee, as an integral part of an educational function, economic development function, work session, or widely attended event, such as a luncheon, banquet, or reception hosted by a civic club, chamber of commerce, charitable or educational organization, or trade or professional association.

15. Any function or activity pre-certified by the Director of the Ethics Commission as a function that meets any of the above criteria.

16. Meals and other food and beverages provided to a public official or public employee in a setting other than any of the above functions not to exceed for a lobbyist twenty-five dollars ($25) per meal with a limit of one hundred fifty dollars ($150) per year; and not to exceed for a principal fifty dollars ($50) per meal with a limit of two hundred fifty dollars ($250) per year. Notwithstanding the foregoing, the lobbyist's limits herein shall not count against the principal's limits and likewise, the principal's limits shall not count against the lobbyist's limits.

17. Anything either (i) provided by an association or organization to which the state or, in the case of a local government official or employee, the local government pays annual dues as a membership requirement or (ii) provided by an association or organization to a public official who is a member of the association or organization and, as a result of his or her service to the association or organization, is deemed to be a public official. Further included in this exception is payment of reasonable compensation by a professional or local government association or corporation to a public official who is also an elected officer or director of the professional or local government association or corporation for services actually provided to the association or corporation in his or her capacity as an officer or director.

18. Any benefit received as a discount on accommodations, when the discount is given to the public official because the public official is a member of an organization or association whose entire membership receives the discount.

c. Nothing in this chapter shall be deemed to limit, prohibit, or otherwise require the disclosure of gifts through inheritance received by a public employee or public official.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(35) VALUE. The fair market price of a like item if purchased by a private citizen. In the case of tickets to social and sporting events and associated passes, the value is the face value printed on the ticket.

(36) WIDELY ATTENDED EVENT. A gathering, dinner, reception, or other event of mutual interest to a number of parties at which it is reasonably expected that more than 12 individuals will attend and that individuals with a diversity of views or interest will be present.

(Acts 1973, No. 1056, p. 1699, §2; Acts 1975, No. 130, p. 603, §1; Acts 1979, No. 79-698, p. 1241, §1; Acts 1982, No. 82-429, p. 677, §1; Acts 1986, No. 86-321, p. 475, §1; Acts 1995, No. 95-194, p. 269, §1; Acts 1997, No. 97-651, p. 1217, §1; Act 2010-764, 1st Sp. Sess., p. 29, §1; Act 2012-433, p. 1202, §1; Act 2012-509, p. 1507, §1; Act 2014-440, p. 1638, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-1.1

Lobbying.

Lobbying includes promoting or attempting to influence the awarding of a grant or contract with any department or agency of the executive, legislative, or judicial branch of state government.

No member of the Legislature, for a fee, reward, or other compensation, in addition to that received in his or her official capacity, shall represent any person, firm, corporation, or other business entity before an executive department or agency.

(Act 2010-762, 1st Sp. Sess., p. 14, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-2

Legislative findings and declarations; purpose of chapter.

(a) The Legislature hereby finds and declares:

(1) It is essential to the proper operation of democratic government that public officials be independent and impartial.

(2) Governmental decisions and policy should be made in the proper channels of the governmental structure.

(3) No public office should be used for private gain other than the remuneration provided by law.

(4) It is important that there be public confidence in the integrity of government.

(5) The attainment of one or more of the ends set forth in this subsection is impaired whenever there exists a conflict of interest between the private interests of a public official or a public employee and the duties of the public official or public employee.

(6) The public interest requires that the law protect against such conflicts of interest and establish appropriate ethical standards with respect to the conduct of public officials and public employees in situations where conflicts exist.

(b) It is also essential to the proper operation of government that those best qualified be encouraged to serve in government. Accordingly, legal safeguards against conflicts of interest shall be so designed as not to unnecessarily or unreasonably impede the service of those men and women who are elected or appointed to do so. An essential principle underlying the staffing of our governmental structure is that its public officials and public employees should not be denied the opportunity, available to all other citizens, to acquire and retain private economic and other interests, except where conflicts with the responsibility of public officials and public employees to the public cannot be avoided.

(c) The Legislature declares that the operation of responsible democratic government requires that the fullest opportunity be afforded to the people to petition their government for the redress of grievances and to express freely to the legislative bodies and to officials of the Executive Branch, their opinions on legislation, on pending governmental actions, and on current issues. To preserve and maintain the integrity of the legislative and administrative processes, it is necessary that the identity, expenditures, and activities of certain persons who engage in efforts to persuade members of the legislative bodies or members of the Executive Branch to take specific actions, either by direct communication to these officials, or by solicitation of others to engage in such efforts, be publicly and regularly disclosed. This chapter shall be liberally construed to promote

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

complete disclosure of all relevant information and to insure that the public interest is fully protected.

(d) It is the policy and purpose of this chapter to implement these objectives of protecting the integrity of all governmental units of this state and of facilitating the service of qualified personnel by prescribing essential restrictions against conflicts of interest in public service without creating unnecessary barriers thereto.

(Acts 1973, No. 1056, p. 1699, §1; Acts 1975, No. 130, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-3

State Ethics Commission - Creation, composition; annual reports; compensation; political activities; director; personnel.

(a) There is hereby created a State Ethics Commission composed of five members, each of whom shall be a fair, equitable citizen of this state and of high moral character and ability. The following persons shall not be eligible to be appointed as members: (1) a public official; (2) a candidate; (3) a registered lobbyist and his or her principal; or (4) a former employee of the commission. No member of the commission shall be eligible for reappointment to succeed himself or herself. The members of the commission shall be appointed by the following officers: The Governor, the Lieutenant Governor, or in the absence of a Lieutenant Governor, the Presiding Officer of the Senate, and the Speaker of the House of Representatives. Appointments shall be subject to Senate confirmation and persons appointed shall assume their duties upon confirmation by the Senate. The members of the first commission shall be appointed for terms of office expiring one, two, three, four, and five years, respectively, from September 1, 1975. Successors to the members of the first commission shall serve for a term of five years beginning service on September 1 of the year appointed and serving until their successors are appointed and confirmed. If at any time there should be a vacancy on the commission, a successor member to serve for the unexpired term applicable to such vacancy shall be appointed by the Governor. The commission shall elect one member to serve as chair of the commission and one member to serve as vice chair. The vice chair shall act as chair in the absence or disability of the chair or in the event of a vacancy in that office.

Beginning with the first vacancy on the Ethics Commission after October 1, 1995, if there is not a Black member serving on the commission, that vacancy shall be filled by a Black appointee. Any vacancy thereafter occurring on the commission shall also be filled by a Black appointee if there is no Black member serving on the commission at that time.

Beginning with the first vacancy on the State Ethics Commission after January 1, 2011, the commission shall always have as a member a State of Alabama-licensed attorney in good standing.

Beginning with the first vacancy on the State Ethics Commission after January 1, 2016, the commission shall always have as a member a former elected public official who served at least two terms of office.

(b) A vacancy in the commission shall not impair the right of the remaining members to exercise all the powers of the commission, and three members thereof shall constitute a quorum.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(c) The commission shall at the close of each fiscal year, or as soon thereafter as practicable, report to the Legislature and the Governor concerning the actions it has taken, the name, salary, and duties of the director, the names and duties of all individuals in its employ, the money it has disbursed, other relevant matters within its jurisdiction, and such recommendations for legislation as the commission deems appropriate.

(d) Members of the commission, while serving on the business of the commission, shall be entitled to receive compensation at the rate of fifty dollars ($50) per day, and each member shall be paid his or her travel expenses incurred in the performance of his or her duties as a member of the commission as other state employees and officials are paid when approved by the chair. If for any reason a member of the commission wishes not to claim and accept the compensation or travel expenses, the member shall inform the director, in writing, of the refusal. The member may at any time during his or her term begin accepting compensation or travel expenses; however, the member's refusal for any covered period shall act as an irrevocable waiver for that period.

(e) All members, officers, agents, attorneys, and employees of the commission shall be subject to this chapter. The director, members of the commission, and all employees of the commission may not engage in partisan political activity, including the making of campaign contributions, on the state, county, and local levels. The prohibition shall in no way act to limit or restrict such persons' ability to vote in any election.

(f) The commission shall appoint a full-time director. Appointment of the director shall be subject to Senate confirmation, and the person appointed shall assume his or her duties upon confirmation by the Senate. If the Senate fails to vote on an appointee's confirmation before adjourning sine die during the session in which the director is appointed, the appointee is deemed to be confirmed. No appointee whose confirmation is rejected by the Senate may be reappointed. The director shall serve at the pleasure of the commission and shall appoint such other employees as needed. All such employees, except the director, shall be employed subject to the state Merit System law, and their compensation shall be prescribed pursuant to that law. The employment of attorneys shall be subject to subsection (h). The compensation of the director shall be fixed by the commission, payable as the salaries of other state employees. The director shall be responsible for the administrative operations of the commission and shall administer this chapter in accordance with the commission's policies. No rule shall be implemented by the director until adopted by the commission in accordance with Sections 41-22-1 to 41-22-27, inclusive, the Alabama Administrative Procedure Act.

(g) The director may appoint part-time stenographic reporters or certified court reporters, as needed, to take and transcribe the testimony in any formal or informal hearing or investigation before the commission or before any person authorized by the commission. The reporters are not full-time employees of the commission, are not subject to the Merit System law, and may not participate in the State Retirement System.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(h) The director, with the approval of the Attorney General, may appoint competent attorneys as legal counsel for the commission. Each attorney so appointed shall be of good moral and ethical character, licensed to practice law in this state, and be a member in good standing of the Alabama State Bar Association. Each attorney shall be commissioned as an assistant or deputy attorney general and, in addition to the powers and duties herein conferred, shall have the authority and duties of an assistant or deputy attorney general, except, that his or her entire time shall be devoted to the commission. Each attorney shall act on behalf of the commission in actions or proceedings brought by or against the commission pursuant to any law under the commission's jurisdiction or in which the commission joins or intervenes as to a matter within the commission's jurisdiction or as a friend of the court or otherwise.

(i) The director shall designate in writing the chief investigator, should there be one, and a maximum of eight full-time investigators who shall be and are hereby constituted law enforcement officers of the State of Alabama with full and unlimited police power and jurisdiction to enforce the laws of this state pertaining to the operation and administration of the commission and this chapter. Investigators shall meet the requirements of the Alabama Peace Officers' Standards and Training Act, Sections 36-21-40 to 36-21-51, inclusive, and shall in all ways and for all purposes be considered law enforcement officers entitled to all benefits provided in Section 36-15-6(f). Notwithstanding the foregoing, the investigators shall only exercise their power of arrest as granted under this chapter pursuant to an order issued by a court of competent jurisdiction.

(Acts 1973, No. 1056, p. 1699, §17; Acts 1995, No. 95-194, p. 269, §1; Act 2009-225, p. 401, §1; Act 2010-763, 1st Sp. Sess., p. 17, §1; Act 2015-495, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-4

State Ethics Commission - Duties; complaint; investigation; hearings; fees; finding of violation.

(a) The commission shall do all of the following:

(1) Prescribe forms for statements required to be filed by this chapter and make the forms available to persons required to file such statements.

(2) Prepare guidelines setting forth recommended uniform methods of reporting for use by persons required to file statements required by this chapter.

(3) Accept and file any written information voluntarily supplied that exceeds the requirements of this chapter.

(4) Develop, where practicable, a filing, coding, and cross-indexing system consistent with the purposes of this chapter.

(5) Make reports and statements filed with the commission available during regular business hours and online via the Internet to public inquiry subject to such regulations as the commission may prescribe.

(6) Preserve reports and statements for a period consistent with the statute of limitations as contained in this chapter. The reports and statements, when no longer required to be retained, shall be disposed of by shredding the reports and statements and disposing of or recycling them, or otherwise disposing of the reports and statements in any other manner prescribed by law. Nothing in this section shall in any manner limit the Department of Archives and History from receiving and retaining any documents pursuant to existing law.

(7) Make investigations with respect to statements filed pursuant to this chapter, and with respect to alleged failures to file, or omissions contained therein, any statement required pursuant to this chapter and, upon complaint by any individual, with respect to alleged violation of any part of this chapter to the extent authorized by law. When in its opinion a thorough audit of any person or any business should be made in order to determine whether this chapter has been violated, the commission shall direct the Examiner of Public Accounts to have an audit made and a report thereof filed with the commission. The Examiner of Public Accounts, upon receipt of the directive, shall comply therewith.

(8) Report suspected violations of law to the appropriate law-enforcement authorities.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(9) Issue and publish advisory opinions on the requirements of this chapter, based on a real or hypothetical set of circumstances. Such advisory opinions shall be adopted by a majority vote of the members of the commission present and shall be effective and deemed valid until expressly overruled or altered by the commission or a court of competent jurisdiction. The written advisory opinions of the commission shall protect the person at whose request the opinion was issued and any other person reasonably relying, in good faith, on the advisory opinion in a materially like circumstance from liability to the state, a county, or a municipal subdivision of the state because of any action performed or action refrained from in reliance of the advisory opinion. Nothing in this section shall be deemed to protect any person relying on the advisory opinion if the reliance is not in good faith, is not reasonable, or is not in a materially like circumstance. The commission may impose reasonable charges for publication of the advisory opinions and monies shall be collected, deposited, dispensed, or retained as provided herein. On October 1, 1995, all prior advisory opinions of the commission in conflict with this chapter, shall be ineffective and thereby deemed invalid and otherwise overruled unless there has been any action performed or action refrained from in reliance of a prior advisory opinion.

(10) Initiate and continue, where practicable, programs for the purpose of educating candidates, officials, employees, and citizens of Alabama on matters of ethics in government service.

(11) In accordance with Sections 41-22-1 to 41-22-27, inclusive, the Alabama Administrative Procedure Act, prescribe, publish, and enforce rules to carry out this chapter.

(b) Additionally, the commission shall work with the Secretary of State to implement the reporting requirements of the Alabama Fair Campaign Practices Act and shall do all of the following:

(1) Approve all forms required by the Fair Campaign Practices Act.

(2) Suggest accounting methods for candidates, principal campaign committees, and political action committees in connection with reports and filings required by the Fair Campaign Practices Act.

(3) Approve a retention policy for all reports, filings, and underlying documentation required by the Fair Campaign Practices Act.

(4) Approve a manual for all candidates, principal campaign committees, and political action committees, describing the requirements of the Fair Campaign Practices Act that shall be published by the Secretary of State.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(5) Investigate and hold hearings for receiving evidence regarding alleged violations of the Fair Campaign Practices Act as set forth in this chapter that demonstrates a likelihood that the Fair Campaign Practices Act has been violated.

(6) Conduct or authorize audits of any filings required under the Fair Campaign Practices Act if evidence exists that an audit is warranted because of the filing of a complaint in the form required by this chapter or if there exists a material discrepancy or conflict on the face of any filing required by the Fair Campaign Practices Act.

(7) Affirm, set aside, or reduce civil penalties as provided in Section 17-5-19.2.

(8) Refer all evidence and information necessary to the Attorney General or appropriate district attorney for prosecution of any criminal violation of the Fair Campaign Practices Act as set forth in this chapter.

(9) Make investigations with respect to statements filed pursuant to the Fair Campaign Practices Act, and with respect to alleged failures to file, or omissions contained therein, any statement required pursuant to the Fair Campaign Practices Act and, upon complaint by any individual, with respect to alleged violation of any part of that act to the extent authorized by law. When in its opinion a thorough audit of any person or any business should be made in order to determine whether the Fair Campaign Practices Act has been violated, the commission shall direct the Examiner of Public Accounts to have an audit made and a report thereof filed with the commission. The Examiner of Public Accounts, upon receipt of the directive, shall comply therewith.

(10) Issue and publish advisory opinions on the requirements of the Fair Campaign Practices Act, based on a real or hypothetical set of circumstances. Such advisory opinions shall be adopted by a majority vote of the members of the commission present and shall be effective and deemed valid until expressly overruled or altered by the commission or a court of competent jurisdiction. The written advisory opinions of the commission shall protect the person at whose request the opinion was issued and any other person reasonably relying, in good faith, on the advisory opinion in a materially like circumstance from liability of any kind because of any action performed or action refrained from in reliance of the advisory opinion. Nothing in this section shall be deemed to protect any person relying on the advisory opinion if the reliance is not in good faith, is not reasonable, or is not in a materially like circumstance. The commission may impose reasonable charges for publication of the advisory opinions and monies shall be collected, deposited, dispensed, or retained as provided herein.

(11) In accordance with Sections 41-22-1 to 41-22-27, inclusive, the Alabama Administrative Procedure Act, prescribe, publish, and enforce rules to carry out this section.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(c) Except as necessary to permit the sharing of information and evidence with the Attorney General or a district attorney, a complaint filed pursuant to this chapter or the Fair Campaign Practices Act, together with any statement, evidence, or information received from the complainant, witnesses, or other persons shall be protected by and subject to the same restrictions relating to secrecy and nondisclosure of information, conversation, knowledge, or evidence of Sections 12-16-214 to 12-16-216, inclusive, except that a violation of this section shall constitute a Class C felony. Such restrictions shall apply to all investigatory activities taken by the director, the commission, or a member thereof, staff, employees, or any person engaged by the commission in response to a complaint filed with the commission and to all proceedings relating thereto before the commission. Such restrictions shall also apply to all information and evidence supplied to the Attorney General or district attorney.

(d) The commission shall not take any investigatory action on a telephonic or written complaint against a respondent so long as the complainant remains anonymous. Investigatory action on a complaint from an identifiable source shall not be initiated until the true identity of the source has been ascertained and written verification of such ascertainment is in the commission's files. The complaint may only be filed by a person who has or persons who have credible and verifiable information supporting the allegations contained in the complaint. A complainant may not file a complaint for another person or persons in order to circumvent this subsection. Prior to commencing any investigation, the commission shall: (1) receive a written and signed complaint which sets forth in detail the specific charges against a respondent, and the factual allegations which support such charges; and (2) the director shall conduct a preliminary inquiry in order to make an initial determination that the complaint, on its face alleges facts which if true, would constitute a violation of this chapter or the Fair Campaign Practices Act and that reasonable cause exists to conduct an investigation. If the director determines that the complaint does not allege a violation or that reasonable cause does not exist, the charges shall be dismissed, but such action must be reported to the commission. The commission shall be entitled to authorize an investigation upon written consent of four commission members, upon an express finding that probable cause exists that a violation or violations of this chapter or the Fair Campaign Practices Act have occurred. Upon the commencement of any investigation, the Alabama Rules of Criminal Procedure as applicable to the grand jury process promulgated by the Alabama Supreme Court shall apply and shall remain in effect until the complaint is dismissed or disposed of in some other manner. A complaint may be initiated by a vote of four members of the commission, provided, however, that the commission shall not conduct the hearing, but rather the hearing shall be conducted by three active or retired judges, who shall be appointed by the Chief Justice of the Alabama Supreme Court, at least one of whom shall be Black. The three-judge panel shall conduct the hearing in accordance with the procedures contained in this chapter and in accordance with the rules of the commission. If the three-judge panel unanimously finds that a person covered by this chapter has violated it or that the person covered by the Fair Campaign Practices Act has violated that act, the three-judge panel shall forward the case to the district attorney for the jurisdiction

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

in which the alleged acts occurred or to the Attorney General. In all matters that come before the commission concerning a complaint on an individual, the laws of due process shall apply.

(e) Not less than 45 days prior to any hearing before the commission, the respondent shall be given notice that a complaint has been filed against him or her and shall be given a summary of the charges contained therein. Upon the timely request of the respondent, a continuance of the hearing for not less than 30 days shall be granted for good cause shown. The respondent charged in the complaint shall have the right to be represented by retained legal counsel. The commission may not require the respondent to be a witness against himself or herself.

(f) The commission shall provide discovery to the respondent pursuant to the Alabama Rules of Criminal Procedure as promulgated by the Alabama Supreme Court.

(g)(1) All fees, penalties, and fines collected by the commission pursuant to this chapter shall be deposited into the State General Fund.

(2) All monies collected as reasonable payment of costs for copying, reproductions, publications, and lists shall be deemed a refund against disbursement and shall be deposited into the appropriate fund account for the use of the commission.

(h) In the course of an investigation, the commission may subpoena witnesses and compel their attendance and may also require the production of books, papers, documents, and other evidence. If any person fails to comply with any subpoena lawfully issued, or if any witness refuses to produce evidence or to testify as to any matter relevant to the investigation, it shall be the duty of any court of competent jurisdiction or the judge thereof, upon the application of the director, to compel obedience upon penalty for contempt, as in the case of disobedience of a subpoena issued for such court or a refusal to testify therein. A subpoena may be issued only upon the vote of four members of the commission upon the express written request of the director. The subpoena shall be subject to Rules 17.1, 17.2, 17.3, and 17.4 of the Alabama Rules of Criminal Procedure. The commission upon seeking issuance of the subpoena shall serve a notice to the recipient of the intent to serve such subpoena. Upon the expiration of 10 days from the service of the notice and the proposed subpoena shall be attached to the notice. Any person or entity served with a subpoena may serve an objection to the issuance of the subpoena within 10 days after service of the notice on the grounds set forth under Rule 17.3(c) of the Alabama Rules of Criminal Procedure, and in such event the subpoena shall not issue until an order to dismiss, modify, or issue the subpoena is entered by a state court of proper jurisdiction, the order to be entered within 30 days after making of the objection. Any vote taken by the members of the commission relative to the issuance of a subpoena shall be protected by and subject to the restrictions relating to secrecy and nondisclosure of information, conversation, knowledge, or evidence of Sections 12-16-214 to 12-16-216, inclusive.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(i) After receiving or initiating a complaint, the commission has 180 days to determine whether probable cause exists. At the expiration of 180 days from the date of receipt or commencement of a complaint, if the commission does not find probable cause, the complaint shall be deemed dismissed and cannot be reinstated based on the same facts alleged in the complaint. Upon good cause shown from the general counsel and chief investigator, the director may request from the commission a one-time extension of 180 days. Upon the majority vote of the commission, the staff may be granted a one-time extension of 180 days in which to complete the investigation. If the commission finds probable cause that a person covered by this chapter has violated it or that the person covered by the Fair Campaign Practices Act has violated that act, the case and the commission's findings shall be forwarded to the district attorney for the jurisdiction in which the alleged acts occurred or to the Attorney General. The case, along with the commission's findings, shall be referred for appropriate legal action. Nothing in this section shall be deemed to limit the commission's ability to take appropriate legal action when so requested by the district attorney for the appropriate jurisdiction or by the Attorney General.

(j) Within 180 days of receiving a case referred by the commission, the Attorney General or district attorney to whom the case was referred may, upon written request of the commission notify the commission, in writing, stating whether he or she intends to take action against the respondent, including an administrative disposition or settlement, conduct further investigation, or close the case without taking action. If the Attorney General or district attorney decides to pursue the case, he or she, upon written request of the commission, may inform the commission of the final disposition of the case. The written information pursuant to this section shall be maintained by the commission and made available upon request as a public record. The director may request an oral status update from the Attorney General or district attorney from time to time.

(Acts 1973, No. 1056, p. 1699, §18; Acts 1975, No. 130, p. 603, §1; Acts 1979, No. 79-460, p. 814, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2010-763, 1st Sp. Sess., p. 17, §1; Act 2015-495, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-4.1

State Ethics Commission - Public access to complaint, investigation, and disposition.

Notwithstanding any other law, regulation, or rule, no complaints shall be made available to the public or available on the Internet until the disposition of the matter. In no event may a complaint be made public or available on the Internet if the complaint is dismissed or found not to have probable cause. In the matters where the complaint is dismissed or found not to have probable cause, only the disposition of the matter may be made available to the public or available on the Internet. Nothing in this section shall be deemed a direct grant of authority for the commission to publicize or make available on the Internet any complaint or investigation if not permitted by any other law, regulation, or rule.

(Act 2010-763, 1st Sp. Sess., p. 17, §2.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-4.2

State Ethics Commission - State Ethics Law training programs.

(a) At the beginning of each legislative quadrennium, the State Ethics Commission shall provide for and administer training programs on the State Ethics Law for members of the Legislature, state constitutional officers, cabinet officers, executive staff, municipal mayors, council members and commissioners, county commissioners, and lobbyists.

(1) The training program for legislators shall be held at least once at the beginning of each quadrennium for members of the Legislature. An additional training program shall be held if any changes are made to this chapter, and shall be held within three months of the effective date of the changes. The time and place of the training programs shall be determined by the Executive Director of the State Ethics Commission and the Legislative Council. Each legislator must attend the training programs. The State Ethics Commission shall also provide a mandatory program for any legislator elected in a special election within three months of the date that the legislator assumes office.

(2) The training program for the state constitutional officers, cabinet members, and executive staff, as determined by the Governor, shall be held within the first 30 days after the Governor has been sworn into office. An additional training program shall be held if any changes are made to this chapter, and shall be held within three months of the effective date of the changes. The specific date of the training program shall be established by the Executive Director of the State Ethics Commission with the advice of the Governor and other constitutional officers.

(3) The training program for lobbyists shall be held four times annually as designated by the Executive Director of the State Ethics Commission, the first of which shall be held within the first 30 days of the year. Each lobbyist must attend a training program within 90 days of registering as a lobbyist. A lobbyist who fails to attend a training program shall not be allowed to lobby the Legislature, Executive Branch, Judicial Branch, public officials, or public employees. After attending one training program, a lobbyist shall not be required to attend an additional training program unless any changes are made to this chapter. Such additional mandatory training program shall be held within three months of the effective date of the changes.

(4) All municipal mayors, council members and commissioners, county commissioners, and members of any local board of education in office as of January 1, 2011, shall obtain training within 120 days of that date. Thereafter, all municipal mayors, council members and commissioners, and county commissioners shall obtain training within 120 days of being sworn into office. Training shall be available online and may be conducted either online or in person. Evidence of completion of the training shall be provided to the commission via an electronic reporting system provided on the official website. The

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

scheduling of training opportunities for municipal mayors, council members and commissioners, and county commissioners shall be established by the Executive Director of the State Ethics Commission with the advice and assistance of the Alabama League of Municipalities and the Association of County Commissions of Alabama. Any provision of this section to the contrary notwithstanding, the training for county commissioners required by this subdivision shall be satisfied by the successful completion of the 10-hour course on ethical requirements of public officials provided by the Alabama Local Government Training Institute established pursuant to Article 2 of Chapter 3 of Title 11. The Alabama Local Government Training Institute shall quarterly provide written notice to the State Ethics Commission the names of those county commissioners completing the institute's program.

(b) The curriculum of each session and faculty for the training program shall be determined by the Executive Director of the State Ethics Commission. The curriculum shall include, but not be limited to, a review of the current law, a discussion of actual cases and advisory opinions on which the State Ethics Commission has ruled, and a question and answer period for attendees. The faculty for the training program may include the staff of the State Ethics Commission, members of the faculties of the various law schools in the state, and other persons deemed appropriate by the Executive Director of the State Ethics Commission and shall include experts in the field of ethics law, persons affected by the ethics law, and members of the press and media.

(c) Except as provided herein, attendance at any session of the training program shall be mandatory, except in the event the person is suffering a catastrophic illness.

(d) This section shall not preclude the penalizing, prosecution, or conviction of any member of the Legislature, any public official, or public employee prior to such person attending a mandatory training program.

(e) All public employees required to file the Statement of Economic Interests required by Section 36-25-14, no later than May 1, 2011, shall participate in an online educational review of the Alabama Ethics Law provided on the official website of the commission. Employees hired after January 1, 2011, shall have 90 days to comply with this subsection. Evidence of completion of the educational review shall be provided to the commission via an electronic reporting system provided on the official website.

(Act 2010-762, 1st Sp. Sess., p. 14, §2.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-4.3

Ethics Commission - Electronic database filing and access.

(a) The commission, by April 1, 2012, shall implement and maintain each of the following:

(1) A system for electronic filing of all statements, reports, registrations, and notices required by this chapter.

(2) An electronic database accessible to the public through an Internet website which provides at least the following capabilities:

a. Search and retrieval of all statements, reports, and other filings required by this chapter, excluding complaints made confidential by Section 36-25-4(b), by the name of the public official or public employee to which they pertain.

b. Generation of an aggregate list of all things of value provided to each public official or public employee and family member of a public official or public employee as reported pursuant to Section 36-25-19, searchable and retrievable by the name of the public official or public employee.

(b) Notwithstanding subsection (a), the commission shall exclude from any electronic database accessible to the public, identifying information, as defined in Section 41-13-7, that is included in any statement of economic interest filed by any public official or public employee.

(c) The commission shall redact all identifying information on any electronic database accessible to the public, as defined in Section 41-13-7, that is included in any statement of economic interest filed by a public official or public employee and was in the database on August 1, 2013.

(Act 2010-762, 1st Sp. Sess., p. 14, §3; Act 2013-172, p. 320, §1; Act 2014-71, p. 118, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-5

Use of official position or office for personal gain.

(a) No public official or public employee shall use or cause to be used his or her official position or office to obtain personal gain for himself or herself, or family member of the public employee or family member of the public official, or any business with which the person is associated unless the use and gain are otherwise specifically authorized by law. Personal gain is achieved when the public official, public employee, or a family member thereof receives, obtains, exerts control over, or otherwise converts to personal use the object constituting such personal gain.

(b) Unless prohibited by the Constitution of Alabama of 1901, nothing herein shall be construed to prohibit a public official from introducing bills, ordinances, resolutions, or other legislative matters, serving on committees, or making statements or taking action in the exercise of his or her duties as a public official. A member of a legislative body may not vote for any legislation in which he or she knows or should have known that he or she has a conflict of interest.

(c) No public official or public employee shall use or cause to be used equipment, facilities, time, materials, human labor, or other public property under his or her discretion or control for the private benefit or business benefit of the public official, public employee, any other person, or principal campaign committee as defined in Section 17-22A-2, which would materially affect his or her financial interest, except as otherwise provided by law or as provided pursuant to a lawful employment agreement regulated by agency policy. Provided, however, nothing in this subsection shall be deemed to limit or otherwise prohibit communication between public officials or public employees and eleemosynary or membership organizations or such organizations communicating with public officials or public employees.

(d) No person shall solicit a public official or public employee to use or cause to be used equipment, facilities, time, materials, human labor, or other public property for such person's private benefit or business benefit, which would materially affect his or her financial interest, except as otherwise provided by law.

(e) No public official or public employee shall, other than in the ordinary course of business, solicit a thing of value from a subordinate or person or business with whom he or she directly inspects, regulates, or supervises in his or her official capacity.

(f) A conflict of interest shall exist when a member of a legislative body, public official, or public employee has a substantial financial interest by reason of ownership of, control of, or the exercise of power over any interest greater than five percent of the value of any corporation, company, association, or firm, partnership, proprietorship, or any other business entity of any kind or character which is uniquely affected by proposed or

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

pending legislation; or who is an officer or director for any such corporation, company, association, or firm, partnership, proprietorship, or any other business entity of any kind or character which is uniquely affected by proposed or pending legislation.

(Acts 1973, No. 1056, p. 1699, §3; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2000-797, p. 1895, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-5.1

Limitation on actions of lobbyists, subordinates of lobbyists, and principals.

(a) No lobbyist, subordinate of a lobbyist, or principal shall offer or provide a thing of value to a public employee or public official or to a family member of the public employee or family member of the public official; and no public employee or public official or family member of the public employee or family member of the public official shall solicit or receive a thing of value from a lobbyist, subordinate of a lobbyist, or principal. Notwithstanding the foregoing, a lobbyist, or principal may offer or provide and a public official, public employee, or candidate may solicit or receive items of de minimis value.

(b) A lobbyist does not provide a thing of value, for purposes of this section, merely by arranging, facilitating, or coordinating with his or her principal that is providing and paying for those items.

(Act 2010-764, 1st Sp. Sess., p. 29, §3.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-5.2

Public disclosure of information regarding officials, candidates, or spouses employed by or contracting with the state or federal government.

(a) For purposes of this section, the term state shall include the State of Alabama and any of its agencies, departments, political subdivisions, counties, colleges and universities and technical schools, the Legislature, the appellate courts, district courts, circuit courts and municipal courts, municipal corporations, and city and county school systems.

(b) Each public official and the spouse of each public official, as well as each candidate and the spouse of each candidate, who is employed by the state or the federal government or who has a contract with the state or the federal government, or who works for a company that receives 50% or more of its revenue from the state, shall notify the commission of such employment or contract within 30 days of beginning employment or within 30 days of the beginning of the contract. Additionally, each public official and the spouse of each public official, as well as each candidate and the spouse of each candidate, who is employed by the state or the federal government or who has a contract with the state or the federal government on August 14, 2011, shall notify the commission of such employment or contract by September 13, 2011. Notification shall be in the form of a filing as described in subsection (c).

(c) The filing with the commission shall include all of the following:

(1) The name of the public official or, when applicable, the name of the candidate.

(2) The name of the spouse of the public official or, when applicable, the name of the spouse of the candidate.

(3) The department or agency or county or municipality with whom the public official, candidate, or spouse is employed or with whom the public official, candidate, or spouse has a contract.

(4) The exact job description or, if applicable, a description of the contract.

(5) The beginning and ending dates of employment or, if applicable, the beginning and ending dates of the contract.

(6) The compensation, including any and all salary, allowances, and fees, received by the public official or his or her spouse or the candidate or his or her spouse.

(d) If the terms of employment or of the contract change, the public official or his or her spouse or the candidate or his or her spouse shall promptly provide updated information

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

concerning the change with the commission, which shall revise such information in its files.

(e) Filings collected by the commission pursuant to this section are public record and shall be made available on the commission's website.

(Act 2011-674, p. 1800, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-6

Use of contributions.

Contributions to an office holder, a candidate, or to a public official's inaugural or transitional fund shall not be converted to personal use.

(Acts 1973, No. 1056, p. 1699, §4; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Acts 1997, No. 97-651, p. 1217, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-7

Offering, soliciting, or receiving anything for purpose of influencing official action; money solicited or received in addition to that received in official capacity.

(a) No person shall offer or give to a public official or public employee or a member of the household of a public employee or a member of the household of the public official and none of the aforementioned shall solicit or receive anything for the purpose of corruptly influencing official action, regardless of whether or not the thing solicited or received is a thing of value.

(b) No public official or public employee shall solicit or receive anything for himself or herself or for a family member of the public employee or family member of the public official for the purpose of corruptly influencing official action, regardless of whether or not the thing solicited or received is a thing of value.

(c) No person shall offer or give a family member of the public official or family member of the public employee anything for the purpose of corruptly influencing official action, regardless of whether or not the thing offered or given is a thing of value.

(d) No public official or public employee, shall solicit or receive any money in addition to that received by the public official or public employee in an official capacity for advice or assistance on matters concerning the Legislature, lobbying a legislative body, an executive department or any public regulatory board, commission or other body of which he or she is a member. Notwithstanding the foregoing, nothing in this section shall be construed to prohibit a public official or public employee from the performance of his or her official duties or responsibilities.

(e) For purposes of this section, to act corruptly means to act voluntarily, deliberately, and dishonestly to either accomplish an unlawful end or result or to use an unlawful method or means to accomplish an otherwise lawful end or result.

(Acts 1973, No. 1056, p. 1699, §5; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2010-764, 1st Sp. Sess., §2; Act 2011-632, p. 1505, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-8

Use or disclosure of confidential information for private financial gain.

No public official, public employee, former public official or former public employee, for a period consistent with the statute of limitations as contained in this chapter, shall use or disclose confidential information gained in the course of or by reason of his or her position or employment in any way that could result in financial gain other than his or her regular salary as such public official or public employee for himself or herself, a family member of the public employee or family member of the public official, or for any other person or business.

(Acts 1973, No. 1056, p. 1699, §6; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-9

Service on regulatory boards and commissions regulating business with which person associated; members who have financial interest in matter prohibited from voting.

(a) Unless expressly provided otherwise by law, no person shall serve as a member or employee of a state, county, or municipal regulatory board or commission or other body that regulates any business with which he is associated. Nothing herein shall prohibit real estate brokers, agents, developers, appraisers, mortgage bankers, or other persons in the real estate field, or other state-licensed professionals, from serving on any planning boards or commissions, housing authorities, zoning board, board of adjustment, code enforcement board, industrial board, utilities board, state board, or commission.

(b) All county or municipal regulatory boards, authorities, or commissions currently comprised of any real estate brokers, agents, developers, appraisers, mortgage bankers, or other persons in the real estate industry may allow these individuals to continue to serve out their current term if appointed before December 31, 1991, except that at the conclusion of such term subsequent appointments shall reflect that membership of real estate brokers and agents shall not exceed more than one less of a majority of any county or municipal regulatory board or commission effective January 1, 1994.

(c) No member of any county or municipal agency, board, or commission shall vote or participate in any matter in which the member or family member of the member has any financial gain or interest.

(d) All acts, actions, and votes taken by such local boards and commissions between January 1, 1991 and December 31, 1993 are affirmed and ratified.

(Acts 1973, No. 1056, p. 1699, §7; Acts 1975, No. 130, p. 603, §1; Acts 1992, No. 92-342, p. 719, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-10

Representation of client or constituent before board, regulatory body, department, etc.

If a public official or public employee, or family member of the public employee or family member of the public official, or a business with which the person is associated, represents a client or constituent for a fee before any quasi-judicial board or commission, regulatory body, or executive department or agency, notice of the representation shall be given within 10 days after the first day of the appearance. Notice shall be filed with the commission in the manner prescribed by it. No member of the Legislature shall for a fee, reward, or other compensation represent any person, firm, or corporation before the Public Service Commission or the State Board of Adjustment.

(Acts 1973, No. 1056, p. 1699, §8; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-11

Public officials or employees entering into contracts which are to be paid out of government funds.

Unless exempt pursuant to Alabama competitive bid laws or otherwise permitted by law, no public official or public employee, or a member of the household of the public employee or the public official, and no business with which the person is associated shall enter into any contract to provide goods or services which is to be paid in whole or in part out of state, county, or municipal funds unless the contract has been awarded through a process of competitive bidding and a copy of the contract is filed with the commission. All such contract awards shall be made as a result of original bid takings, and no awards from negotiations after bidding shall be allowed. A copy of each contract, regardless of the amount, entered into by a public official, public employee, a member of the household of the public employee or the public official, and any business with which the person is associated shall be filed with the commission within 10 days after the contract has been entered into.

(Acts 1973, No. 1056, p. 1699, §9; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-12

Offering, soliciting, etc., thing of value to or by member of regulatory body.

No person shall offer or give to a member or employee of a governmental agency, board, or commission that regulates a business with which the person is associated, and no member or employee of a regulatory body, shall solicit or accept a thing of value while the member or employee is associated with the regulatory body other than in the ordinary course of business. In addition to the foregoing, the Commissioner of the Department of Agriculture and Industries and any candidate for the office of commissioner may not accept a campaign contribution from a person associated with a business regulated by the department.

(Acts 1973, No. 1056, p. 1699, § 10; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, § 1; Act 2001-474, p. 635, § 1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-13

Actions of former public officials or public employees prohibited for two years after departure.

(a) No public official shall serve for a fee as a lobbyist or otherwise represent clients, including his or her employer before the board, agency, commission, department, or legislative body, of which he or she is a former member for a period of two years after he or she leaves such membership. For the purposes of this subsection, such prohibition shall not include a former member of the Alabama judiciary who as an attorney represents a client in a legal, non-lobbying capacity.

(b) Notwithstanding the provisions of subsection (a), no public official elected to a term of office shall serve for a fee as a lobbyist or otherwise represent clients, including his or her employer, before the board, agency, commission, department, or legislative body of which he or she is a former member for a period of two years following the term of office for which he or she was elected, irrespective of whether the member left the office prior to the expiration of the term to which he or she was elected. For the purposes of this subsection, such prohibition shall not include a former member of the Alabama judiciary who as an attorney represents a client in a legal, non-lobbying capacity.

(c) No public employee shall serve for a fee as a lobbyist or otherwise represent clients, including his or her employer before the board, agency, commission, or department, of which he or she is a former employee for a period of two years after he or she leaves such employment. For the purposes of this subsection, such prohibition shall not include a former employee of the Alabama judiciary who as an attorney represents a client in a legal, non-lobbying capacity.

(d) No public official, director, assistant director, department or division chief, purchasing or procurement agent having the authority to make purchases, or any person who participates in the negotiation or approval of contracts, grants, or awards or any person who negotiates or approves contracts, grants, or awards shall enter into, solicit, or negotiate a contract, grant, or award with the governmental agency of which the person was a member or employee for a period of two years after he or she leaves the membership or employment of such governmental agency.

(e) No public official or public employee who personally participates in the direct regulation, audit, or investigation of a private business, corporation, partnership, or individual shall within two years of his or her departure from such employment solicit or accept employment with such private business, corporation, partnership, or individual.

(f) No former public official or public employee of the state may, within two years after termination of office or employment, act as attorney for any person other than himself or

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

herself or the state, or aid, counsel, advise, consult or assist in representing any other person, in connection with any judicial proceeding or other matter in which the state is a party or has a direct and substantial interest and in which the former public official or public employee participated personally and substantially as a public official or employee or which was within or under the public official or public employee's official responsibility as an official or employee. This prohibition shall extend to all judicial proceedings or other matters in which the state is a party or has a direct and substantial interest, whether arising during or subsequent to the public official or public employee's term of office or employment.

(g) Nothing in this chapter shall be deemed to limit the right of a public official or public employee to publicly or privately express his or her support for or to encourage others to support and contribute to any candidate, political committee as defined in Section 17-22A-2, referendum, ballot question, issue, or constitutional amendment.

(Acts 1973, No. 1056, p. 1699, §11; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2014-440, p. 1638, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-14

Filing of statement of economic interests.

(a) A statement of economic interests shall be completed and filed in accordance with this chapter with the commission no later than April 30 of each year covering the period of the preceding calendar year by each of the following:

(1) All elected public officials at the state, county, or municipal level of government or their instrumentalities.

(2) Any person appointed as a public official and any person employed as a public employee at the state, county, or municipal level of government or their instrumentalities who occupies a position whose base pay is seventy-five thousand dollars ($75,000) or more annually, as adjusted by the commission by January 31 of each year to reflect changes in the U.S. Department of Labor's Consumer Price Index, or a successor index.

(3) All candidates, provided the statement is filed on the date the candidate files his or her qualifying papers or, in the case of an independent candidate, on the date the candidate complies with the requirements of Section 17-9-3.

(4) Members of the Alabama Ethics Commission; appointed members of boards and commissions having statewide jurisdiction (but excluding members of solely advisory boards).

(5) All full-time nonmerit employees, other than those employed in maintenance, clerical, secretarial, or other similar positions.

(6) Chief clerks and chief managers.

(7) Chief county clerks and chief county managers.

(8) Chief administrators.

(9) Chief county administrators.

(10) Any public official or public employee whose primary duty is to invest public funds.

(11) Chief administrative officers of any political subdivision.

(12) Chief and assistant county building inspectors.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(13) Any county or municipal administrator with power to grant or deny land development permits.

(14) Chief municipal clerks.

(15) Chiefs of police.

(16) Fire chiefs.

(17) City and county school superintendents and school board members.

(18) City and county school principals or administrators.

(19) Purchasing or procurement agents having the authority to make any purchase.

(20) Directors and assistant directors of state agencies.

(21) Chief financial and accounting directors.

(22) Chief grant coordinators.

(23) Each employee of the Legislature or of agencies, including temporary committees and commissions established by the Legislature, other than those employed in maintenance, clerical, secretarial, or similar positions.

(24) Each employee of the Judicial Branch of government, including active supernumerary district attorneys and judges, other than those employed in maintenance, clerical, secretarial, or other similar positions.

(25) Every full-time public employee serving as a supervisor.

(b) Unless otherwise required by law, no public employee occupying a position earning less than seventy-five thousand dollars ($75,000) per year shall be required to file a statement of economic interests, as adjusted by the commission by January 31 of each year to reflect changes in the U.S. Department of Labor's Consumer Price Index, or a successor index. Notwithstanding the provisions of subsection (a) or any other provision of this chapter, no coach of an athletic team of any four-year institution of higher education which receives state funds shall be required to include any income, donations, gifts, or benefits, other than salary, on the statement of economic interests, if the income, donations, gifts, or benefits are a condition of the employment contract. Such statement shall be made on a form made available by the commission. The duty to file the statement of economic interests shall rest with the person covered by this chapter. Nothing in this chapter shall be construed to exclude any public employee or public official from this

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

chapter regardless of whether they are required to file a statement of economic interests. The statement shall contain the following information on the person making the filing:

(1) Name, residential address, business; name, address, and business of living spouse and dependents; name of living adult children; name of parents and siblings; name of living parents of spouse. Undercover law enforcement officers may have their residential addresses and the names of family members removed from public scrutiny by filing an affidavit stating that publicizing this information would potentially endanger their families.

(2) A list of occupations to which one third or more of working time was given during previous reporting year by the public official, public employee, or his or her spouse.

(3) A listing of total combined household income of the public official or public employee during the most recent reporting year as to income from salaries, fees, dividends, profits, commissions, and other compensation and listing the names of each business and the income derived from such business in the following categorical amounts: less than one thousand dollars ($1,000); at least one thousand dollars ($1,000) and less than ten thousand dollars ($10,000); at least ten thousand dollars ($10,000) and less than fifty thousand dollars ($50,000); at least fifty thousand dollars ($50,000) and less than one hundred fifty thousand dollars ($150,000); at least one hundred fifty thousand dollars ($150,000) and less than two hundred fifty thousand dollars ($250,000); or at least two hundred fifty thousand dollars ($250,000) or more. The person reporting shall also name any business or subsidiary thereof in which he or she or his or her spouse or dependents, jointly or severally, own five percent or more of the stock or in which he or she or his or her spouse or dependents serves as an officer, director, trustee, or consultant where the service provides income of at least one thousand dollars ($1,000) and less than five thousand dollars ($5,000); or at least five thousand dollars ($5,000) or more for the reporting period.

(4) If the filing public official or public employee, or his or her spouse, has engaged in a business during the last reporting year which provides legal, accounting, medical or health related, real estate, banking, insurance, educational, farming, engineering, architectural management, or other professional services or consultations, then the filing party shall report the number of clients of such business in each of the following categories and the income in categorical amounts received during the reporting period from the combined number of clients in each category: Electric utilities, gas utilities, telephone utilities, water utilities, cable television companies, intrastate transportation companies, pipeline companies, oil or gas exploration companies, or both, oil and gas retail companies, banks, savings and loan associations, loan or finance companies, or both, manufacturing firms, mining companies, life insurance companies, casualty insurance companies, other insurance companies, retail companies, beer, wine or liquor companies or distributors, or combination thereof, trade associations, professional associations, governmental associations, associations of public employees or public

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

officials, counties, and any other businesses or associations that the commission may deem appropriate. Amounts received from combined clients in each category shall be reported in the following categorical amounts: Less than one thousand dollars ($1,000); more than one thousand dollars ($1,000) and less than ten thousand dollars ($10,000); at least ten thousand dollars ($10,000) and less than twenty-five thousand dollars ($25,000); at least twenty-five thousand dollars ($25,000) and less than fifty thousand dollars ($50,000); at least fifty thousand dollars ($50,000) and less than one hundred thousand dollars ($100,000); at least one hundred thousand dollars ($100,000) and less than one hundred fifty thousand dollars ($150,000); at least one hundred fifty thousand dollars ($150,000) and less than two hundred fifty thousand dollars ($250,000); or at least two hundred fifty thousand dollars ($250,000) or more.

(5) If retainers are in existence or contracted for in any of the above categories of clients, a listing of the categories along with the anticipated income to be expected annually from each category of clients shall be shown in the following categorical amounts: Less than one thousand dollars ($1,000); at least one thousand dollars ($1,000) and less than five thousand dollars ($5,000); or at least five thousand dollars ($5,000) or more.

(6) If real estate is held for investment or revenue production by a public official, his or her spouse or dependents, then a listing thereof in the following fair market value categorical amounts: Under fifty thousand dollars ($50,000); at least fifty thousand dollars ($50,000) and less than one hundred thousand dollars ($100,000); at least one hundred thousand dollars ($100,000) and less than one hundred fifty thousand dollars ($150,000); at least one hundred fifty thousand dollars ($150,000) and less than two hundred fifty thousand dollars ($250,000); at least two hundred fifty thousand dollars ($250,000) or more. A listing of annual gross rent and lease income on real estate shall be made in the following categorical amounts: Less than ten thousand dollars ($10,000); at least ten thousand dollars ($10,000) and less than fifty thousand dollars ($50,000); fifty thousand dollars ($50,000) or more. If a public official or a business in which the person is associated received rent or lease income from any governmental agency in Alabama, specific details of the lease or rent agreement shall be filed with the commission.

(7) A listing of indebtedness to businesses operating in Alabama showing types and number of each as follows: Banks, savings and loan associations, insurance companies, mortgage firms, stockbrokers and brokerages or bond firms; and the indebtedness to combined organizations in the following categorical amounts: Less than twenty-five thousand dollars ($25,000); twenty-five thousand dollars ($25,000) and less than fifty thousand dollars ($50,000); fifty thousand dollars ($50,000) and less than one hundred thousand dollars ($100,000); one hundred thousand dollars ($100,000) and less than one hundred fifty thousand dollars ($150,000); one hundred fifty thousand dollars ($150,000) and less than two hundred fifty thousand dollars ($250,000); two hundred fifty thousand dollars ($250,000) or more. The commission may add additional business to this listing. Indebtedness associated with the homestead of the person filing is exempted from this disclosure requirement.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(c) Filing required by this section shall reflect information and facts in existence at the end of the reporting year.

(d) If the information required herein is not filed as required, the commission shall notify the public official or public employee concerned as to his or her failure to so file and the public official or public employee shall have 10 days to file the report after receipt of the notification. The commission may, in its discretion, assess a fine of ten dollars ($10) a day, not to exceed one thousand dollars ($1,000), for failure to file timely.

(e) A person who intentionally violates any financial disclosure filing requirement of this chapter shall be subject to administrative fines imposed by the commission, or shall, upon conviction, be guilty of a Class A misdemeanor, or both.

Any person who unintentionally neglects to include any information relating to the financial disclosure filing requirements of this chapter shall have 90 days to file an amended statement of economic interests without penalty.

(Acts 1973, No. 1056, p. 1699, §12; Acts 1975, No. 130, p. 603, §1; Acts 1986, No. 86-321, p. 475, §1; Acts 1995, No. 95-194, p. 269, §1; Acts 1997, No. 97-651, p. 1217, §1; Act 2012-509, p. 1507, §1; Act 2015-495, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-15

Candidates required to file statements of economic interests; official to notify commission of name of candidate; failure to submit statement.

(a) Candidates at every level of government shall file a completed statement of economic interests for the previous calendar year with the State Ethics Commission simultaneously with the date such candidate files his or her qualifying papers with the appropriate election official or in the case of an independent candidate, the date the person complies with the requirements of Section 17-9-3. Nothing in this section shall be deemed to require a second filing of the person's statement of economic interests if a current statement of economic interests is on file with the commission.

(b) Each election official who receives a declaration of candidacy or petition to appear on the ballot for election from a candidate shall, within five days of the receipt, notify the commission of the name of the candidate, as defined in this chapter, and the date on which the person became a candidate. The commission shall, within five business days of receipt of such notification, notify the election official whether the candidate has complied with the provisions of this section.

(c) Other provisions of the law notwithstanding, if a candidate does not submit a statement of economic interests or when applicable, an amended statement of economic interests in accordance with the requirements of this chapter, the name of the person shall not appear on the ballot and the candidate shall be deemed not qualified as a candidate in that election. Notwithstanding the foregoing, the commission may, for good cause shown, allow the candidate an additional five days to file such statement of economic interests. If a candidate is deemed not qualified, the appropriate election official shall remove the name of the candidate from the ballot.

(Acts 1973, No. 1056, p. 1699, §13; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Acts 1997, No. 97-651, p. 1217, §1; Act 2015-495, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-16

Reports by persons who are related to public officials or public employees and who represent persons before regulatory body or contract with state.

(a) When any citizen of the state or business with which he or she is associated represents for a fee any person before a regulatory body of the Executive Branch, he or she shall report to the commission the name of any adult child, parent, spouse, brother, or sister who is a public official or a public employee of that regulatory body of the Executive Branch.

(b) When any citizen of the state or business with which the person is associated enters into a contract for the sale of goods or services to the State of Alabama or any of its agencies or any county or municipality and any of their respective agencies in amounts exceeding seven thousand five hundred dollars ($7,500), he or she shall report to the commission the names of any adult child, parent, spouse, brother, or sister who is a public official or public employee of the agency or department with whom the contract is made.

(c) This section shall not apply to any contract for the sale of goods or services awarded through a process of public notice and competitive bidding.

(d) Each regulatory body of the Executive Branch, or any agency of the State of Alabama shall be responsible for notifying citizens affected by this chapter of the requirements of this section.

(Acts 1973, No. 1056, p. 1699, §15; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-17

Reports of violations; cooperation of agency heads.

(a) Every governmental agency head shall within 10 days file reports with the commission on any matters that come to his or her attention in his or her official capacity which constitute a violation of this chapter.

(b) Governmental agency heads shall cooperate in every possible manner in connection with any investigation or hearing, public or private, which may be conducted by the commission.

(Acts 1973, No. 1056, p. 1699, §16; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-18

Registration of lobbyists required; filing of supplemental registration.

(a) Every lobbyist shall register by filing a form prescribed by the commission no later than January 31 of each year or within 10 days after the first undertaking requiring such registration. Each lobbyist, except public employees who are lobbyists, shall pay an annual fee of one hundred dollars ($100) on or before January 31 of each year or within 10 days of the first undertaking requiring such registration.

(b) The registration shall be in writing and shall contain the following information:

(1) The registrant's full name and business address.

(2) The registrant's normal business and address.

(3) The full name and address of the registrant's principal or principals.

(4) The listing of the categories of subject matters on which the registrant is to communicate directly with a member of the legislative body to influence legislation or legislative action.

(5) If a registrant's activity is done on behalf of the members of a group other than a corporation, a categorical disclosure of the number of persons of the group as follows: 1-5; 6-10; 11-25; over 25.

(6) A statement signed by each principal that he or she has read the registration, knows its contents and has authorized the registrant to be a lobbyist in his or her behalf as specified therein, and that no compensation will be paid to the registrant contingent upon passage or defeat of any legislative measure.

(c) A registrant shall file a supplemental registration indicating any substantial change or changes in the information contained in the prior registration within 10 days after the date of the change.

(Acts 1973, No. 1056, p. 1699, §19; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-19

Registered lobbyists and other persons required to file quarterly reports.

(a) Every person registered as a lobbyist pursuant to Section 36-25-18 and every principal employing any lobbyist shall file with the commission a report provided by the commission pertaining to the activities set out in that section. The report shall be filed with the commission no later than January 31, April 30, July 31, and October 31 for each preceding calendar quarter, and contain, but not be limited to, the following information:

(1) The cost of those items excluded from the definition of a thing of value which are described in Section 36-25-1(34)b. and which are expended within a 24-hour period on a public official, public employee, and members of his or her respective household in excess of two hundred fifty dollars ($250) with the name or names of the recipient or recipients and the date of the expenditure.

(2) The nature and date of any financial transaction between the public official, candidate, or member of the household of such public official or candidate and the lobbyist or principal of a value in excess of five hundred dollars ($500) in the prior quarter, excluding those financial transactions which are required to be reported by candidates under the Fair Campaign Practices Act as provided in Chapter 22A (commencing with Section 17-22A-1) of Title 17.

(3) A detailed statement showing the exact amount of any loan given or promised to a public official, candidate, public official or candidate.

(4) A detailed statement showing any direct business association or partnership with any public official, candidate, or members of the household of such public official or candidate; provided, however, that campaign expenditures shall not be deemed a business association or partnership.

(b) Any person not otherwise deemed a lobbyist pursuant to this chapter who negotiates or attempts to negotiate a contract, sells or attempts to sell goods or services, engages or attempts to engage in a financial transaction with a public official or public employee in their official capacity and who within a calendar day expends in excess of two hundred fifty dollars ($250) on such public employee, public official, and his or her respective household shall file a detailed quarterly report of the expenditure with the commission.

(c) Any other provision of this chapter to the contrary notwithstanding, no organization whose officer or employee serves as a public official under this chapter shall be required to report expenditures or reimbursement paid to such officer or employee in the performance of the duties with the organization.

(Acts 1973, No. 1056, p. 1699, §20; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-20

Filing of notice of termination of lobbying activities; effect of notice as to requirement for filing of reports.

(a) A person who ceases to engage in activities requiring registration pursuant to Section 36-25-18 shall file a written, verified statement with the commission acknowledging the termination of activities. The notice shall be effective immediately.

(b) A person who files a notice of termination pursuant to this section shall file the reports required pursuant to Sections 36-25-18 and 36-25-19 for any reporting period during which he or she was registered pursuant to this chapter.

(Acts 1973, No. 1056, p. 1699, §21; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-21

Reports constitute public records; reports available for public inspection.

All reports filed pursuant to Sections 36-25-18 to 36-25-20, inclusive, are public records and shall be made available for public inspection during regular business hours.

(Acts 1973, No. 1056, p. 1699, §22; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-22

Sections 36-25-18 to 36-25-21 not to be construed as affecting certain professional services.

Sections 36-25-18 to 36-25-21, inclusive, shall not be construed as affecting professional services in drafting bills or in advising clients and in rendering opinions as to the construction and effect of proposed or pending legislation, executive action, rules, or regulations, where those professional services are not otherwise connected with legislative, executive, or regulatory action.

(Acts 1973, No. 1056, p. 1699, §24; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-23

Lobbying activities prohibited during elected term of office; floor privileges of former members of Legislature; solicitation of lobbyists by public officials or employees; contracts to provide lobbying services contingent upon legislative action.

(a) No public official elected to a term of office shall serve for a fee as a lobbyist or otherwise represent a client, including his or her employer, before any legislative body or any branch of state or local government, including the executive and judicial branches of government, and including the Legislature of Alabama or any board, agency, commission, or department thereof, during the term or remainder of the term for which the official was elected. For purposes of this subsection, such prohibition shall not include a former member of the Alabama Judiciary who as an attorney represents a client in a legal, non-lobbying capacity.

(b) No former member of the House of Representatives or the Senate of the State of Alabama shall be extended floor privileges of either body in a lobbying capacity.

(c) No public official, public employee, or group of public officials or public employees shall solicit any lobbyist to give any thing whether or not the thing solicited is a thing of value to any person or entity for any purpose other than a campaign contribution.

(d) No principal or lobbyist shall accept compensation for, or enter into a contract to provide lobbying services which is contingent upon the passage or defeat of any legislative action.

(Acts 1973, No. 1056, p. 1699, §28; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2014-440, p. 1638, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-24

Supervisor prohibited from discharging or discriminating against employee where employee reports violation.

(a) A supervisor shall not discharge, demote, transfer, or otherwise discriminate against a public employee regarding such employee's compensation, terms, conditions, or privileges of employment based on the employee's reporting a violation, or what he or she believes in good faith to be a violation, of this chapter or giving truthful statements or truthful testimony concerning an alleged ethics violation.

(b) Nothing in this chapter shall be construed in any manner to prevent or prohibit or otherwise limit a supervisor from disciplining, discharging, transferring, or otherwise affecting the terms and conditions of a public employee's employment so long as the disciplinary action does not result from or is in no other manner connected with the public employee's filing a complaint with the commission, giving truthful statements, and truthfully testifying.

(c) No public employee shall file a complaint or otherwise initiate action against a public official or other public employee without a good faith basis for believing the complaint to be true and accurate.

(d) A supervisor who is alleged to have violated this section shall be subject to civil action in the circuit courts of this state pursuant to the Alabama Rules of Civil Procedure as promulgated by the Alabama Supreme Court.

(e) A public employee who without a good faith belief in the truthfulness and accuracy of a complaint filed against a supervisor, shall be subject to a civil action in the circuit courts in the State of Alabama pursuant to the Alabama Rules of Civil Procedure as promulgated by the Supreme Court. Additionally, a public employee who without a good faith belief in the truthfulness and accuracy of a complaint as filed against a supervisor shall be subject to appropriate and applicable personnel action.

(f) Nothing in this section shall be construed to allow a public employee to file a complaint to prevent, mitigate, lessen, or otherwise to extinguish existing or anticipated personnel action by a supervisor. A public employee who willfully files such a complaint against a supervisor shall, upon conviction, be guilty of the crime of false reporting.

(Acts 1973, No. 1056, p. 1699, §30; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-26

False reporting for purpose of influencing legislation.

No person, for the purpose of influencing legislation, may do either of the following:

(1) Knowingly or willfully make any false statement or misrepresentation of the facts to a member of the Legislative or Executive Branch.

(2) Knowing a document to contain a false statement, cause a copy of the document to be received by a member of the Legislative or Executive Branch without notifying the member in writing of the truth.

(Acts 1973, No. 1056, p. 1699, §23; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-27

Penalties; enforcement; jurisdiction, venue, judicial review; limitations period.

(a)(1) Except as otherwise provided, any person subject to this chapter who intentionally violates any provision of this chapter other than those for which a separate penalty is provided for in this section shall, upon conviction, be guilty of a Class B felony.

(2) Any person subject to this chapter who violates any provision of this chapter other than those for which a separate penalty is provided for in this section shall, upon conviction, be guilty of a Class A misdemeanor.

(3) Any person subject to this chapter who knowingly violates any disclosure requirement of this chapter shall, upon conviction, be guilty of a Class A misdemeanor.

(4) Any person who knowingly makes or transmits a false report or complaint pursuant to this chapter shall, upon conviction, be guilty of a Class A misdemeanor and shall be liable for the actual legal expenses incurred by the respondent against whom the false report or complaint was filed.

(5) Any person who makes false statements to an employee of the commission or to the commission itself pursuant to this chapter without reason to believe the accuracy of the statements shall, upon conviction, be guilty of a Class A misdemeanor.

(6) Any person subject to this chapter who intentionally violates this chapter relating to secrecy shall, upon conviction, be guilty of a Class C felony.

(7) Any person subject to this chapter who intentionally fails to disclose information required by this chapter shall, upon conviction, be guilty of a Class A misdemeanor.

(b) The commission, if petitioned or agreed to by a respondent and the Attorney General or district attorney having jurisdiction, by unanimous vote of the members present, may administratively resolve a complaint filed pursuant to this chapter for minor violations. The commission may levy an administrative penalty not to exceed one thousand dollars ($1,000) for any minor violation of this chapter including, but not limited to, the failure to timely file a complete and correct statement of economic interests. The commission shall, in addition to any administrative penalty, order restitution in the amount of any economic loss to the state, county, and municipal governments and their instrumentalities and such restitution shall when collected be paid by the commission, to the entity having the economic loss. In any case in which an administrative penalty is imposed, the administrative penalty shall not be less than three times the amount of any economic loss to the state, county, and municipal governments or their instrumentalities or any economic gain or benefit to the public official or public employee, or whichever sum is

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

greater. The commission, through its attorney, shall institute proceedings to recover any penalties or restitution or other such funds so ordered pursuant to this section which are not paid by, or on behalf of the public official or public employee or other person who has violated this chapter. Nothing in this section shall be deemed in any manner to prohibit the commission and the respondent from entering into a consent decree settling a complaint which has previously been designated by the commission for administrative resolution, so long as the consent decree is approved by the commission. If the commission, the respondent, and the Attorney General or district attorney having jurisdiction, all concur that a complaint is deemed to be handled administratively, the action shall preclude any criminal prosecution pursuant to this chapter at the state, county, or municipal level.

(c) The enforcement of this chapter shall be vested in the commission; provided, however, nothing in this chapter shall be deemed to limit or otherwise prohibit the Attorney General or the district attorney for the appropriate jurisdiction from enforcing any provision of this chapter as they deem appropriate. In the event the commission, by majority vote, finds that any provision of this chapter has been violated, the alleged violation and any investigation conducted by the commission shall be referred to the district attorney of the appropriate jurisdiction or the Attorney General. The commission shall provide any and all appropriate assistance to such district attorney or Attorney General. Upon the request of such district attorney or the Attorney General, the commission may institute, prosecute, or take such other appropriate legal action regarding such violations, proceeding therein with all rights, privileges, and powers conferred by law upon assistant attorneys general.

(d) Nothing in this chapter limits the power of the state to punish any person for any conduct which otherwise constitutes a crime by statute or at common law.

(e) The penalties prescribed in this chapter do not in any manner limit the power of a legislative body to discipline its own members or to impeach public officials and do not limit the powers of agencies, departments, boards, or commissions to discipline their respective officials, members, or employees.

(f) Each circuit court of this state shall have jurisdiction of all cases and actions relative to judicial review, violations, or the enforcement of this chapter, and the venue of any action pursuant to this chapter shall be in the county in which the alleged violation occurred, or in those cases where the violation or violations occurred outside the State of Alabama, in Montgomery County. In the case of judicial review of any administrative decision of the commission, the commission's order, rule, or decision shall be taken as prima facie just and reasonable and the court shall not substitute its judgment for that of the commission as to the weight of the evidence on questions of fact except where otherwise authorized by law.

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

(g) Any felony prosecution brought pursuant to this chapter shall be commenced within four years after the commission of the offense.

(h) Any misdemeanor prosecution brought pursuant to this chapter shall be commenced within two years after the commission of the offense.

(i) Nothing in this chapter is intended to nor is to be construed as repealing in any way the provisions of any of the criminal laws of this state.

(Acts 1973, No. 1056, p. 1699, §26; Acts 1975, No. 130, p. 603, §1; Acts 1986, No. 86-321, p. 475, §1; Acts 1995, No. 95-194, p. 269, §1; Acts 1996, No. 96-261, p. 307, §1; Act 2010-763, 1st Sp. Sess., p. 17, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-28

Chapter not to deprive citizens of constitutional right to communicate with members of Legislature.

Nothing in this chapter shall be construed as to deprive any citizen, not lobbying, of the citizen's constitutional right to communicate with members of the Legislature.

(Acts 1973, No. 1056, p. 1699, §25; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-29

Appropriations.

(a) The Legislature shall appropriate such sums as it deems necessary to implement the provisions of and administer this chapter.

(b) Notwithstanding any other provision of law to the contrary, and beginning with the fiscal year ending September 30, 2012, the annual appropriation to the State Ethics Commission in the State General Fund Appropriations Act shall not be less than one tenth of one percent of the total State General Fund amount appropriated in the State General Fund Appropriations Act unless a lower appropriation amount is expressly approved by two-thirds of the membership of the House of Representatives and two-thirds of the membership of the Senate.

(Acts 1973, No. 1056, p. 1699, §29; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1; Act 2011-259, p. 473, §1.)

EXHIBIT 1-1 CONTINUED ALABAMA CODE OF ETHICS

Section 36-25-30

Construction of chapter.

This chapter shall be construed in pari materia with other laws dealing with the subject of ethics.

(Acts 1973, No. 1056, p. 1699, §32; Acts 1975, No. 130, p. 603, §1; Acts 1995, No. 95-194, p. 269, §1.)

CITY OF MONTGOMERY, ALABAMA
FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 1
INTRODUCTION
PURPOSE AND ORGANIZATION OF THE MANUAL

The Fiscal Policy and Procedures Manual (the Manual) has been developed to assist City departments with the operation of the accounting infrastructure. The Manual will assist City departments in complying with statutory requirements and administrative procedures. Furthermore, the Manual documents the policies and procedures related to budgeting, revenue and receipts, expenditures and disbursements, purchasing, contracts, payroll/personnel, fixed assets, and inventory.

City funds are entrusted to the head of each department. The department head is primarily responsible for the expenditure of public monies in accordance with statutes and federal guidelines where applicable. Each department head makes decisions and exercises authority relative to the expenditure of funds within the bounds of the department's appropriation(s) and legal function. This Manual is intended to assist City officials in complying with laws, policies, and procedures that apply to the fiscal administration of City departments. It is not the intent of this Manual to prescribe internal departmental procedures or policies.

This Manual standardizes accounting and financial policies and procedures that are within the authority of the Finance Department. The Finance Director and the Mayor have approved this Manual in order to establish rules and regulations governing the performance of all functions and duties of the Finance Department and these policies and procedures will be applied uniformly to all departments unless specific exemption is granted in writing by the Finance Director. The fiscal procedures define the functions and responsibilities of the Finance Department and the methods of fulfilling these responsibilities. Any errors of omission or commission in this Manual are not to be taken as an exemption from the statutes or ordinances; full compliance with such laws is required.

Revisions to the Manual will be made periodically as needed. Revisions will be presented to the Finance Director and Mayor for review and approval. Suggestions should be submitted to Sarah Hill, Internal Audit Manager, at the following addresses.

Regular Mailing Address
103 North Perry Street
P.O. Box 1111
Montgomery, AL 36101-1111

City Hand Mail Address
Sarah Hill, Internal Audit Manager, Finance Department, City Hall, Room 127

E-mail Address
shill@montgomeryal.gov

Phone
(334) 625-2084

Fax
(334) 625-4422

CITY OF MONTGOMERY, ALABAMA
FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 2
BUDGETING

I. STATUTORY AUTHORITY

The Budget Officer of the Finance Department by statute is responsible for preparing the initial information concerning the City budget and its execution, review of appropriation acts and fiscal analyses. The Budget Officer also assists the Finance Director, the Deputy Finance Director, and the Mayor in the formulation of the budget; analyzes and revises the estimates of revenues and requests for appropriations of all City departments; and supervises and coordinates the expenditures and other fiscal operations of the departments.

According to Alabama Act 618, Article V-5-02, the budget, as recommended by the Mayor, is published and transmitted to the City Council on or before "the 20th day of August.

The Mayor presents a current revenue and expense budget for the general operation of the city government, to be known as the "general fund budget" to the City Council.

The Mayor's budget recommendations, subject to changes by the City Council, are adopted by the City Council as the Operating and Debt Service Budget via Ordinance. The Budget identifies the source of funding and programmatic (functional) areas for which expenditures are authorized. Alabama Act 618, Article V-5-05, requires a balanced budget for annual financial operations. In the event that revenue collections do not meet revenue projections, the Mayor may prorate appropriations and restrict allotments to prevent an overdraft or deficit in the fiscal year for which appropriations are made.

II. THE BUDGETING PROCESS

A. OVERVIEW OF THE BUDGETING PROCESS

The budget is prepared for each fund, appropriation unit and activity by major object of expenditure in accordance with the chart of accounts. Annually, the Budget Officer provides to all departments a set of instructions and forms for preparing a budget request. The Finance Director also provides each department with a target budget. Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted department and division. These estimates are submitted annually to the Budget Officer. See Exhibit 2-1 for a sample budget package.

For business type departments, a detailed statement showing actual departmental revenue for the preceding year and estimated revenue for the current and next fiscal year must also be submitted to the Budget Officer.

All departments are required to provide personnel classification budget request forms showing employees and amounts by classification. The Budget Officer, after receiving the departmental budget requests, prepares a tentative budget. The

tentative budget is transmitted to the Finance Director who makes provisions for budget hearings. After the Finance Director's hearings are finalized, hearings with the Mayor begin. After these second hearings are held, the Mayor finalizes the budget recommendations. Before the Mayor makes his final recommendations to the City Council in a proposed fiscal year budget, consideration is given to the revenue estimates prepared by the Deputy Finance Director, the estimated expenditure requirements submitted by the departments, the proposed budget recommendations made by the Finance Director, and testimony given at the budget hearings by department heads justifying their departmental operating budget.

B. APPROPRIATIONS

An appropriation is the authorization for a department to make expenditures and to incur obligations for specific purposes at the account level. City departments may not spend more than the amount appropriated by the City Council. The Budget Officer is responsible for administering the appropriations. Upon the adoption of the Budget by the City Council, the Budget Officer will enter the appropriation amounts into the City-level accounting and budgeting system by account number.

C. UNLAWFUL USE OF APPROPRIATIONS

It is unlawful for any director, manager, building committee, or other officer or person connected with any City department to expend any appropriation for any purpose other than that for which the money was appropriated, budgeted, and allotted. If the Mayor determines that a department has used appropriations for any purpose other than that for which the money was appropriated, budgeted, and allotted, the Mayor has the power and authority to suspend all appropriations and allotments. This suspension may remain in effect until the diverted or wrongfully expended funds have been replaced.

D. USE OF DEPARTMENT AND INSTITUTION RECEIPTS

All fees, receipts, and income collected or received by a department are to be deposited into the City Treasury unless exempted by the Mayor or a City Council ordinance. These funds are deposited to the credit of the General Fund or other fund as required by law. These funds are not subject to withdrawal by the department except as appropriated and allotted.

A department may not increase its appropriation to expend any revenue derived from the sale, trade-in, or exchange of personal property.

E. APPROPRIATION TRANSFERS

Transfer of budget between accounts by a department may only be made by an electronic request to the Finance Director through the Budget Officer. The standard Budget Transfer Request Screen can be found in Exhibit 2-2.

III. REVERSIONS

By statute, all unencumbered balances of all appropriations revert to fund balance at the end of each fiscal year and are credited to the General Fund or the special fund from which

the appropriations were made. The exception to this is the appropriations associated with ongoing City projects and grants. These appropriations continue in effect until completion of the project for which the appropriations were made. Encumbered balances revert to the fund from which the appropriation was originally made one year following the close of the fiscal year the encumbrance was made in, with exception to ongoing projects and grants.

A. YEAR-END ENCUMBRANCE PROCEDURES

On September 30 of each fiscal year, all unencumbered monies will revert to the General Fund or other fund from which the appropriation was made. During the last quarter of the fiscal year, departments should review the Encumbrance Master Listing for open purchase orders that should be closed and for other adjustments. This report will be used to determine the up-to-date encumbered and unencumbered balances by fund. An encumbrance is an account used to record the amount of purchase orders and contracts that are chargeable to an appropriation. Encumbrances are commitments related to unperformed contracts and do not include unenforceable commitments or intentions to spend. Therefore, requisitions and other intentions to spend funds are not to be included as part of the encumbered fund balance at year end. The Division of Purchasing will establish a deadline for accepting requisitions for the current fiscal year. The Division of Purchasing will also establish a date in September on which all existing requisitions must be converted to purchase orders and revisions sent to Division of Purchasing for processing. Requisitions remaining after this date will be deleted and must be resubmitted in the subsequent fiscal year.

B. YEAR-END ACCOUNTS PAYABLE

Accounts payables represent a liability of the City for goods and services received but not paid for by the end of the fiscal year. Accounts payable, which are charged by department and account number, will reserve a portion of the fund balance to adequately cover these liabilities.

C. THE THIRTEENTH ACCOUNTING PERIOD

The City's accounting records remain open for a short period following September 30. The purpose of this period, termed the thirteenth accounting period, is to allow the payment of outstanding obligations at year end and to permit other accounting adjustments before the issuance of Financial Statements.

D. ACCURACY OF REVERSIONS AND ACCOUNTS PAYABLE

The head of each department is responsible for the accuracy of the amount of money to be reverted. The Certified Public Accountants engaged to audit the City’s financial records will audit each department as to the accuracy of the reversion amount and the validity of the encumbrance amounts and year-end accounts payable.

IV. BUDGET TO ACTUAL EXPENDITURE REPORT

A Budget to Actual Expenditure Report may be printed by each department as needed. This report shows the variance between year-to-date obligations

(expenditures plus encumbrances) and amounts budgeted by the department. See Exhibit 2-3 for an example of this report.

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

City of Montgomery

DEVELOPMENT

FUNCTION

The Department of Development manages projects and promotes policies that implement city goals in five main functional areas, including:

1. Real Estate: Manage the acquisition and disposition of properties in key focus area to leverage private economic investment.
2. Urban Design: Create designs and recommend policies to enhance the urban environment.
3. Business Growth: Support opportunities to attract, retain and grow businesses.
4. Plan Implementation: Support implementation of community and land use plans.
5. Quality of Life: Nurture and support community vibrancy and quality of life.

POSITIONS

5 FTE

MISSION STATEMENT

The Department of Development works as a catalyst to drive economic growth and revitalization throughout the City of Montgomery with strategic public and private partnerships.

CURRENT FY BUDGET

487,089

PROPOSED FY BUDGET

500,722

CHANGE FROM FY BUDGET

13,633

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

REASON FOR CHANGE

The slightly increased budget request is driven by salary and benefit increases.

CURRENT YEAR ACCOMPLISHMENTS

To advance revitalization and growth, this fiscal year to date the Department has closed and/or put under contract seven (7) real estate property transactions and staff have managed eighteen (18) different Development/Project Agreements. Staff provides the administrative support for the Public Art Commission and has advanced three (3) public art projects. Another key component of staff work is providing urban design and graphics assistance, including for other City departments.

PROPOSED GOALS AND OBJECTIVES

Advance major property sales and development.
Plan and implement quality of life, public art, and public space improvements.
Improve documentation of urban and graphic design activities.

Key Performance Budget Summary Summary Graph

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

City of Montgomery

DEVELOPMENT

KEY PERFORMANCE

KEY PERFORMANCE INDICATORS

Number of Development/Project Agreements
Number of Property Transactions Closed
Number of Public Art Projects

Key Performance Indicators	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	YTD (Mar 2017) FY 2017
# of Development/Project Agreements	5	8	13	18	19
# of Property Transactions Closed	2	10	7	3	2
# of Public Art Projects	1	0	7	1	3

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

City of Montgomery

DEVELOPMENT

FIVE YEAR BUDGET HISTORY

Account Name	2016 Actuals	YTD Actuals As of 3/31/2017	2017 Amended	2018 Requested
Salaries	$357,939.00	$169,236.00	$357,244.00	$365,081.00
Overtime	$0.00	$0.00	$0.00	$0.00
Fringe Benefits	$88,232.00	$41,702.00	$90,468.00	$97,928.00
Travel & Training	$3,936.00	$0.00	$3,500.00	$3,500.00
Office Supplies	$3,859.00	$995.00	$4,300.00	$4,300.00
Operating Supplies	$5,526.00	$212.00	$5,296.00	$5,000.00
Repair & Maint	$0.00	$0.00	$0.00	$0.00
Garage Expenses	$1,127.00	$0.00	$1,000.00	$0.00
Cost of Gds Purch	$0.00	$0.00	$0.00	$0.00
Professional Srvcs	$2,370.00	$0.00	$13,497.00	$19,005.00
Non-Prof Services	$0.00	$0.00	$0.00	$0.00
Adv, Dues & Subs	$1,424.00	$105.00	$3,250.00	$3,750.00
Utilities	$2,219.00	$1,180.00	$2,534.00	$2,158.00
Rental & Lease Exp	$0.00	$0.00	$0.00	$0.00
Equip-Non Capital	$0.00	$0.00	$0.00	$0.00
Insurance	$0.00	$0.00	$0.00	$0.00
Trsf to Other Funds	$14,000.00	$6,000.00	$6,000.00	$0.00
Total Dept Exp	**$480,632.00**	**$219,430.00**	**$487,089.00**	**$500,722.00**

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

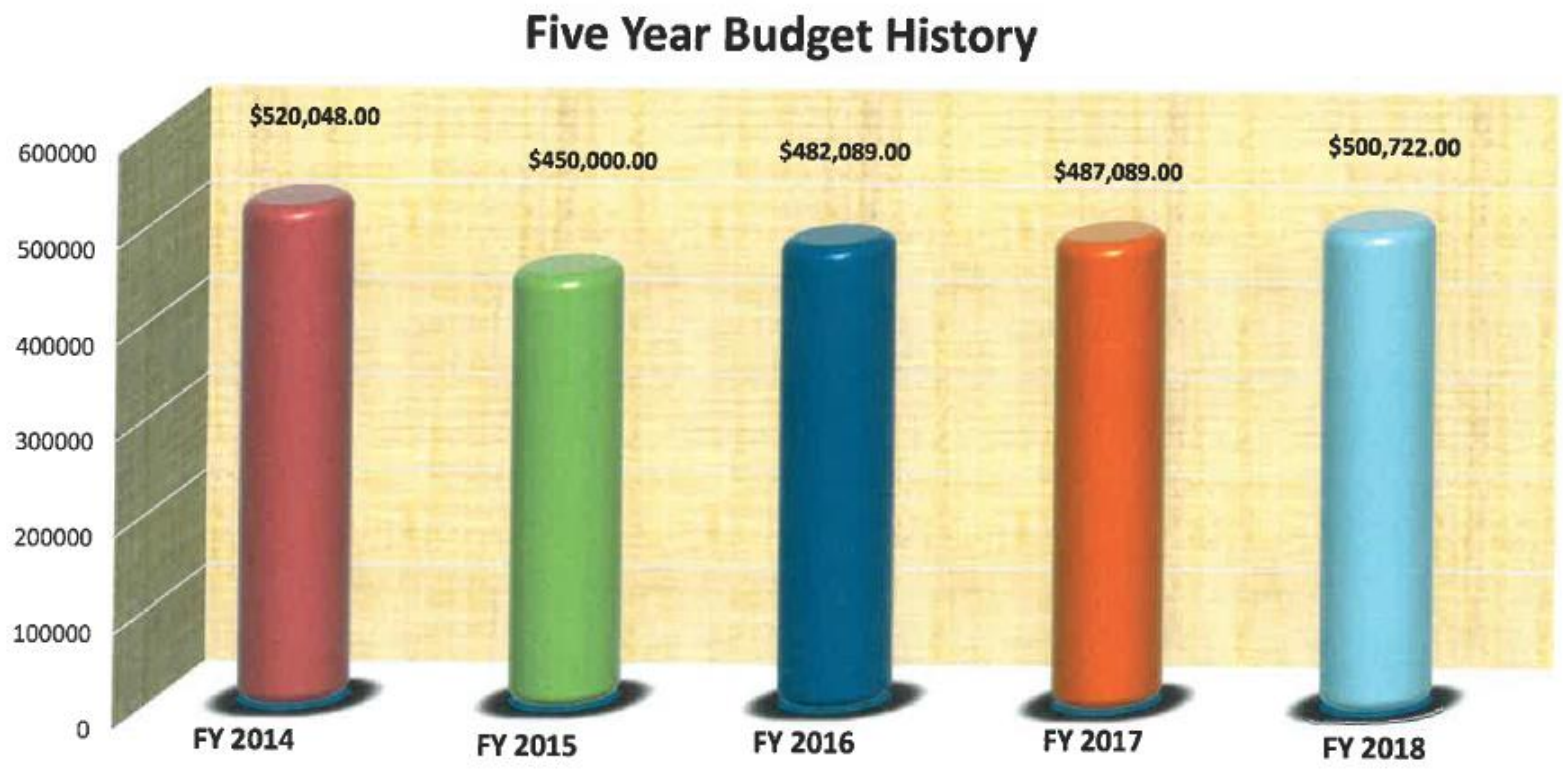


EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

City of Montgomery

DEVELOPMENT

Budget Distribution Summary Graph

Account Name	2017 Amended	2018 Required	Difference
SALARIES	$ 357,244.00	$ 365,081	7,837
Overtime	0	$ -	0
Fringe Benefits	90468	$ 97,928	7,460
Travel & Training	3500	$ 3,500	0
Office Supplies	4300	$ 4,300	0
Operating Supplies	5296	$ 5,000	(296)
Repair & Maint	0	$ -	0
Garage Expenses	1000	$ -	(1,000)
Cost of Goods Purchased	0	$ -	0
Professional Services	13497	$ 19,005	5,508
Non-Prof Services	0	$ -	0
Adv, Dues & Subs	3250	$ 3,750	500
Utilities	2534	$ 2,158	(376)
Rental & Lease Exp	0	$ -	0
Equip-Non Capital	0	$ -	0
Insurance	0	$ -	0
Trsf to Other Funds	6000	$ -	(6,000)
			13,633

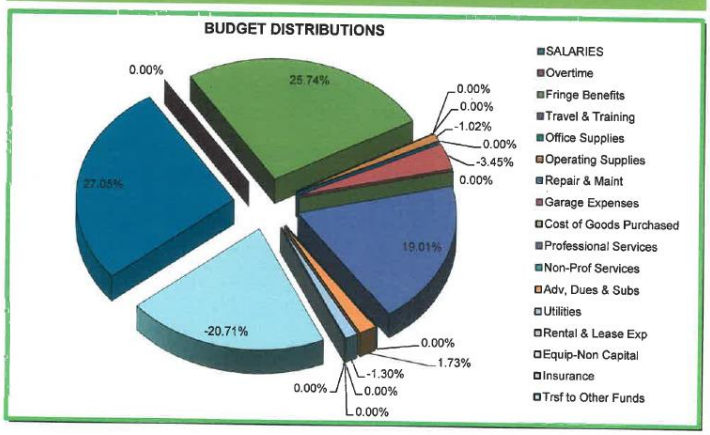


EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

ome > Application Group > Application > Module > Group

IBM Cognos Viewer - Budget Form 5 CITY\hteadmin Log Off About IBM.

Keep this version | Add this report

0014215.72271	CLOTHING & EQUIPMENT	$0					
23-01 Repairs to typewriters-typewriter maintenance contracts-copier contracts							
0014215.72301	REPAIRS & MAINTENANCE-O/T BLDG	$0					
24-01 Fuel and repairs only							
0014215.72401	GARAGE EXPENSE	$0					
31-13 ******** includes microsoft lic fees on new PC purchases							
0014215.73113	COMPUTER SOFTWARE MAINTENANCE	$0					
31-91 Examples: Drug Test, CPA, Attorney, Doctor							
			Miscellaneous Budget Amount	R or A	Fixed Asset #	Set # or Vehicle ID	Description list individually (per unit)
			$5,000		N/A		Funds for feasibility studies, small design projects, professional assistance/advice on special projects, geotechnical testing and final payments for overrun.
0014215.73191	PROFESSIONAL SERVICES-OTHER	$5,000					
0014215.73194	STORM WATER MANAGMNT PROGRAM	$0					
32-11 Examples: Pest Control-Locksmith-Mailing Service-Employment Agency							
0014215.73211	FEES FOR SPECIAL SERVICES	$0					
34-11 ********							
0014215.73411	SUBSCRIPTIONS	$0					
34-51 ********							
0014215.73451	MEMBERSHIP DUES	$0					
35-61 Less than $1000 each Desk phones & their accessories and phone Service / Fees (Bellsouth etc)							
0014215.73561	WIRED COMMUNICATIONS	$0					
35-63 Less than $1000 each Cell Phones, Pagers & their accessories &							

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

IBM Cognos Viewer - Budget Form 5

CITY\hteadmin Log Off About IBM.

Keep this version | Add this report

			Miscellaneous Budget Amount	R or A	Fixed Asset #	Set # or Vehicle ID	Description list individually (per unit)
			$5,000		N/A		Funds for feasibility studies, small design projects, professional assistance/advice on special projects, geotechnical testing and final payments for overrun.
0014215.73191	PROFESSIONAL SERVICES-OTHER	$5,000					
0014215.73194	STORM WATER MANAGMNT PROGRAM	$0					
32-11 Examples: Pest Control-Locksmith-Mailing Service-Employment Agency							
0014215.73211	FEES FOR SPECIAL SERVICES	$0					
34-11 ********							
0014215.73411	SUBSCRIPTIONS	$0					
34-51 ********							
0014215.73451	MEMBERSHIP DUES	$0					
35-61 Less than $1000 each Desk phones & their accessories and phone Service / Fees (Bellsouth etc)							
0014215.73561	WIRED COMMUNICATIONS	$0					
35-63 Less than $1000 each Cell Phones, Pagers & their accessories & Service/Fees (Metrocall-Nextel-SoLinc)							
0014215.73563	NON-WIRED COMMUNICATIONS	$0					
			Miscellaneous Budget Amount	R or A	Fixed Asset #	Set # or Vehicle ID	Description list individually (per unit)
			$1,300		231155	55V8P71	COMPUTER â€" STANDARD USERS 1 of 4
0014215.75307	COMPUTER HARDWARE/SOFTWARE	$1,300					
Total		**$6,300**					

pr 24, 2012 7:24:12 AM

4215 - ENGINEERING DEPARTMENT - OPERATIONS DIVISION
FORM 5
Page 1

Done Production

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

IBM Cognos Viewer - Budget Form 6

CITY\hteadmin Log Off About IBM.

Keep this version | Add this report

BUDGET FORM 6
PART I

City of Montgomery
COMPUTATION OF BUILDING REPAIR AND MAINTENANCE EXPENSE
PROPOSED FOR FISCAL YEAR 9/30/2013
ALL WORK MUST BE COMPLETED BY THE CITY MAINTENANCE DEPARTMENT

FUND: 001
DEPT: FIRE DEPT
DIVISION: FIRE SUPPRESSION DIVISION
SUBMITTED BY: Miford Jordan

ACCOUNT CODES

72302 (25-01) Repairs done by City Maint Dept Only: Paint-Carpentry Etc.
74003 (42-01) Renovations-additions-improvements to Bldgs-$5,000 and above one year or less to complete

Account Code	Type of Project (Renovation, Repair, Maintenance, Etc.)	Budget Request	Location of Project	General Description of Work To Be Performed
	MAINTENANCE	2,831	STATION 2 (TWO)	REPAIR CONCRETE APRON AT FRONT OF STATION
	MAINTENANCE	6,399	STATION 7 (SEVEN)	REPAIR CONCRETE APRON AT FRONT OF STATION
72302	Total	9,230		
0016420	**TOTALS**	**9,230**		

Apr 19, 2012 10:01:28 PM
CITY\hteadmin

64 - FIRE DEPT - FIRE SUPPRESSION DIVISION
FORM 6 PART I
Page 1

GEEJ49 (1).pdf GEEJ49.pdf Show all downloads...

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

Budget
Form 2
PART I

City of Montgomery
Summary of Personnel Services
Proposed for Fiscal Year Ending 9/30/2015

FUND: 001
DEPT: SANITATION DEPT
DIVISION: OPERATIONS DIVISION
Submitted By: Danny Dickey

PROPOSED BUDGET REQUEST TO BE POSTED ON FORM 6 PART I - These amounts should = your payroll projection printout plus any unfilled REQUESTED positions

			Currently Filled Positions								Request to fill vacant positions. If filled on other than Step 1 you must attach an explanation.								
POS # AND GRADE (1) (2)	Civilian JOB TITLE (3)	TOTAL AUTH (4)	Filled (5)	Base Pay (6)	MERIT (7)	Total Salary (8)	Ins. Life (9)	Ins. Health (10)	Medicare/ FICA (if applicable) (11)	Retirement (12)	Vacant (V1)	# of Vacant Requested (V2)	BASE PAY hourly x 2080 hrs (V3)	MERIT (V4)	Total Salary (V5)	Ins. Life (V6)	Ins. Health (V7)	Medicare/ FICA (if applicable) (V8)	Retirement (V9)
05005S01	SERVICE MAINTENANCE WORKER I	11.00	2.00	$48,123	$717	$48,839	$182	$8,448	$3,455	$4,762	9.00	0.00	$0	$0	$0	$0	$0	$0	$0
05007S02	SERVICE MAINTENANCE WORKER II	163.00	141.00	$3,470,498	$42,118	$3,512,616	$12,367	$657,696	$249,378	$323,479	22.00	0.00	($21,022)	($331)	($21,352)	($80)	($8,448)	($1,353)	($2,082)
05009S03	SERVICE MAINTENANCE WORKER III	13.00	6.00	$135,752	$3,073	$138,825	$195	$20,280	$10,042	$5,073	7.00	0.00	$0	$0	$0	$0	$0	$0	$0
05061A05	REFUSE COLLECTION SUPERVISOR	15.00	9.00	$358,631	$3,781	$362,412	$1,351	$58,464	$26,022	$35,335	6.00	0.00	$0	$0	$0	$0	$0	$0	$0
05072A07	REFUSE COLLECTION MANAGER	4.00	2.00	$109,637	$0	$109,637	$372	$12,504	$8,005	$10,690	2.00	0.00	$0	$0	$0	$0	$0	$0	$0
05490S06	SWEEPER OPERATOR	7.00	5.00	$164,599	$1,490	$166,088	$613	$33,456	$11,586	$16,193	2.00	0.00	$0	$0	$0	$0	$0	$0	$0
05540S04	EQUIPMENT OPERATOR	98.00	69.00	$2,005,623	$13,071	$2,018,694	$7,497	$408,240	$141,922	$196,623	29.00	0.00	$0	$0	$0	$0	$0	$0	$0
05550S06	HEAVY EQPT OPERATOR I	10.00	8.00	$260,225	$1,744	$261,969	$968	$58,800	$18,170	$25,542	2.00	0.00	$0	$0	$0	$0	$0	$0	$0
Civilian SUB TOTAL		321.00	242.00	$6,553,087	$65,993	$6,619,080	$23,545	$1,257,888	$468,580	$617,895	79.00	0.00	($21,022)	($331)	($21,352)	($80)	($8,448)	($1,353)	($2,082)
Total Requested Civilian Filled & Unfilled						$6,597,727	$23,465	$1,249,440	$467,227	$615,813									
Total Division		321.00	242.00	$6,553,087	$65,993	$6,619,080	$23,545	$1,257,888	$468,580	$617,895	79.00	0.00	($21,022)	($331)	($21,352)	($80)	($8,448)	($1,353)	($2,082)
Grand Total						$6,597,727	$23,465	$1,249,440	$467,227	$615,813									

Nov 26, 2014 9:15:08 AM
Anonymous

5010 - SANITATION DEPT - OPERATIONS DIVISION
FORM 2 PART I
Page 1

EXHIBIT 2-1 DEPARTMENTAL BUDGET PACKAGE

Budget Form 8a - IBM Cognos Viewer

Home > Application Group > Application > Module > Group

IBM Cognos Viewer - Budget Form 8a CITY\hteadmin Log Off About IBM.

Keep this version | Add this report

BUDGET FORM 8A

CAPITAL IMPROVEMENT PLAN REQUEST

4205 - ENGINEERING-ADMIN
DEPARMENT

Drainage Improvements
FUNCTION

Apr 25, 2012
DATE

Oliver Creek Improvements
PROJECT TITLE

OLIVERCREEK01
PROJECT NO.

DEPARTMENT PRIORITY

Page 1 of ?

	1 2013	2 2014	3 2015	4 2016	5 2017	Total
ESTIMATED EXPENDITURES	$780,000	$500,000	$500,000	$750,000	$250,000	$2,780,000
EXTERNAL - EXTERNAL	$0	$0	$0	$350,000	$0	$350,000
INTERNAL - INTERNAL	$780,000	$500,000	$500,000	$400,000	$250,000	$2,430,000

JUSTIFICATION

This major drainage basin presently has minimal improvements. As eastward development occurs the stormwater runoff will increase the potential for flooding, even though developers are required to build most improvements, there are some areas which need to be done through City efforts.

DESCRIPTION/OTHER INFORMATION

DESCRIPTION:

Construct drainage improvements to Oliver Creek. Work will consist of paving, drainage structures, and necessary bridge culverts.

ALTERNATIVES:

Continue as present.

Apr 25, 2012 12:16:31 PM
CITY\hteadmin

4205 - ENGINEERING-ADMIN
FORM 8 SUBMIT SEPERATELY
Page 1

Done Production

EXHIBIT 2-2 BUDGET TRANSFER REQUEST SCREEN

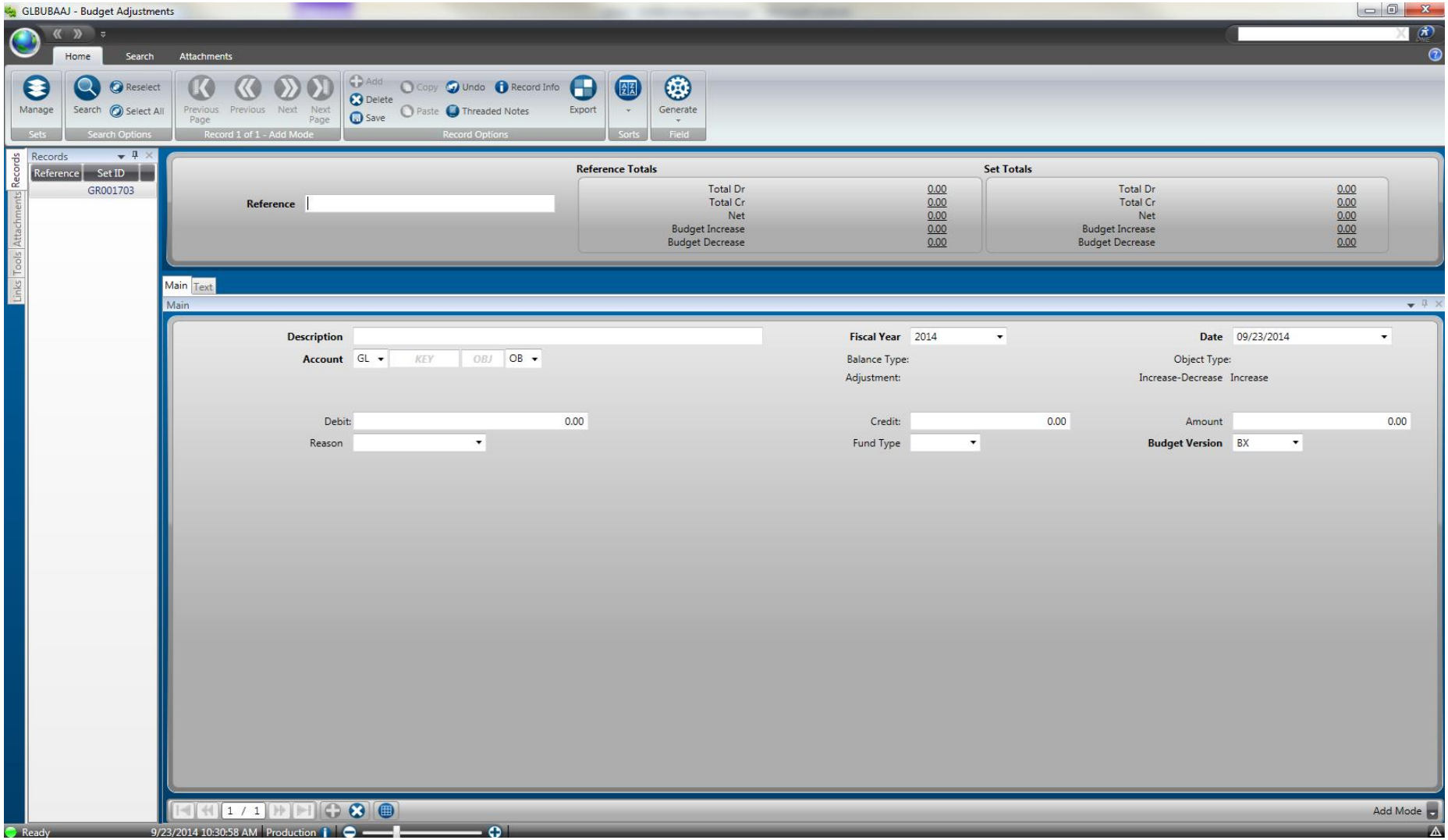


EXHIBIT 2-3 EXAMPLE PAGE OF BUDGET TO ACTUAL EXPENDITURE REPORT

11/25/2014 13:28:05 Page 1

Budget to Actual Expenditure Report

Ledger: GL

As Of 9/30/2014

Object	Description	Original Budget	Revised Budget	Current Month Actual	Year-to-date Actual	Encumbrance	Remaining Current Year Balance
001 - GENERAL		(Inception To Date Reporting Off)					
75 - COMMUNICATIONS							
Expenditure							
71111	SALARIES	0.00	0.00	0.00	0.00	0.00	0.00
71112	SALARIES/ACCRUED LEAVE PAY-	0.00	0.00	0.00	0.00	0.00	0.00
71121	SALARIES/FICA EXEMPT	0.00	0.00	0.00	0.00	0.00	0.00
71199	SALARIES/CREDITS-OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 711 - SALARIES		0.00	0.00	0.00	0.00	0.00	0.00
71211	OVERTIME	0.00	0.00	0.00	0.00	0.00	0.00
71221	OVERTIME/FICA EXEMPT	0.00	0.00	0.00	0.00	0.00	0.00
71299	OVERTIME/CREDITS-OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 712 - OVERTIME		0.00	0.00	0.00	0.00	0.00	0.00
71311	FRINGE BENEFITS/SOC SECURITY	0.00	0.00	0.00	0.00	0.00	0.00
71321	FRINGE BENEFITS/GRP I RETIRE	0.00	0.00	0.00	0.00	0.00	0.00
71331	FRINGE BENEFITS/GRP II RETIREM	0.00	0.00	0.00	0.00	0.00	0.00
71341	FRINGE BENEFITS/MEDICAL INS	0.00	0.00	0.00	0.00	0.00	0.00
71342	FRINGE BENEFITS/LIFE INS	0.00	0.00	0.00	0.00	0.00	0.00
71399	FRINGE BENEFITS/CREDITS-OTHER	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 713 - FRINGE BENEFITS		0.00	0.00	0.00	0.00	0.00	0.00
72001	MILEAGE	0.00	0.00	0.00	0.00	0.00	0.00
72011	TRAVEL & TRAINING	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 720 - TRAVEL & TRAINING		0.00	0.00	0.00	0.00	0.00	0.00
72101	OFFICE SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
72102	POSTAGE & SHIPPING	0.00	0.00	0.00	0.00	0.00	0.00
72114	SOFTWARE & HARDWARE	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 721 - OFFICE SUPPLIES		0.00	0.00	0.00	0.00	0.00	0.00
72201	MATERIALS & SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
72271	CLOTHING & EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
72272	CLOTHING INVENTORY ITEMS	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 722 - OPERATING SUPPLIES		0.00	0.00	0.00	0.00	0.00	0.00
72301	REPAIRS & MAINTENANCE-O/T	0.00	0.00	0.00	0.00	0.00	0.00
72302	REPAIRS & MAINTENANCE-	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 723 - REPAIRS & MAINTENANCE		0.00	0.00	0.00	0.00	0.00	0.00
72401	GARAGE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 724 - GARAGE EXPENSE		0.00	0.00	0.00	0.00	0.00	0.00
73112	COMPUTER EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
73113	COMPUTER SOFTWARE	0.00	0.00	0.00	0.00	0.00	0.00

CITY OF MONTGOMERY, ALABAMA
FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 3
RECEIPTS AND ACCOUNTS RECEIVABLE

I. GENERAL PROVISIONS

- All fees, receipts and income collected or received by any City department is to be deposited into the City Treasury or an approved City depository as a credit to an appropriate fund. The City's Treasurer is charged with controlling and recording all payments into and out of the City Treasury for each fund and account.
- All checks shall be endorsed "For Deposit Only, City of Montgomery" and deposited into the City of Montgomery's accounts at banks designated for said funds located in Montgomery, Alabama.
- The practice of spending funds for personal use is strictly prohibited.
- All cash receipts received before 1:00 p.m. will be deposited the same day except funds received on Saturday, Sunday, or holidays which will be deposited on the following business day.
- Department Heads are responsible for insuring that monies are received prior to or at the point of the sale of any goods or performance of any service, with the exception of customers billed on account.
- Receipts received through the United States Postal System must be logged by the department or division when opened. A copy of the log will be submitted to Internal Audit at month-end.
- Receipts should not be held by departments. They should be deposited within a reasonable time period.
- Monies from foreign (Non US) banks must be $200 or more to be accepted and deposited.

II. PROCEDURES AND DOCUMENT FLOW OF CASH RECEIPTS

Some departments may be designated to deposit their monies directly into a City bank account. Other departments may deposit their monies through the Treasury into a City bank account.

A. DEPARTMENTS DESIGNATED TO DIRECTLY DEPOSIT TO BANKS

The department will deposit monies received directly into a City bank account and are responsible for endorsement of deposited checks as stated above. Responsible personnel will have access to bank deposit slips. The depositing department will then prepare and code a Treasury Receipt through the cash receipt system. The department will send a copy of the daily summary report, bank deposit slip and the bank transaction receipt to the Treasurer for verification and approval. See Exhibit 3-1 for an example of a Treasury Receipt. See Exhibit 3-2 for an example of a daily summary report. See Exhibit 3-3 for an example of a bank deposit slip and a bank transaction receipt.

B. DEPARTMENTS DESIGNATED TO DEPOSIT THROUGH THE CITY TREASURY

The department will deposit monies through the Treasury in a sealed bank bag. The deposit will include a daily summary report and a City Cash Receipt form. The Treasurer will verify the deposit and create a Treasury Receipt from the source paperwork. The Treasurer will then prepare a deposit slip and deposit funds into a City bank account. Copies of the completed Treasury Receipt are sent to the depositing department. See Exhibit 3-4 for an example of a City Cash Receipt form.

III. TYPES OF CASH RECEIPTS AND ACCOUNTING EFFECTS

Receipts are categorized into three main types: revenues and other sources, balance sheet receipts, and refunds of disbursements.

A. REVENUE AND OTHER SOURCES

Deposits of revenues include taxes, fees, fines, interest, rent, grants, and government funds. Revenues are deposited by their fee code or general ledger account number. A listing of deposit codes are provided in Exhibit 3-5. The accounting effects of depositing revenue are a debit to the Cash account and a credit to the Revenue account.

B. BALANCE SHEET RECEIPTS

A department may deposit monies that cannot, during the current period, be recognized as revenue. These types of deposits include monies held as bond for performance, rental deposits, fees, rents, and grant funds collected in advance. Balance sheet items are deposited by their two-digit deposit code or general ledger account number. A listing of fee codes is provided in Exhibit 3-5. The accounting effects of the deposit are a debit to the Cash account and a credit to the Balance Sheet Account.

C. REFUNDS OF DISBURSEMENTS

1. Current Fiscal Year Refunds of Current Year Disbursements

If a department receives a refund of monies disbursed in error during the current fiscal year and charged to the current budget year, such as an overpayment to a vendor, the cash receipt form must be coded to the account number used to make the initial disbursement. ***Reimbursements from an entity (i.e. county, state, etc.) for normal services are considered revenue and shall not be recorded as a refund against a disbursement.***

2. Refunds of Prior Year Disbursements in the 13th Accounting Period

If a department receives a refund of monies disbursed, in error, in the prior year but received in the current year while the 13th accounting period is open, the cash receipt form should be coded as a prior year receipt and the account number used to make the initial disbursement should be noted on the City cash Receipt form. This information will be used to process a cash receipt in the current year via the

Treasurer's office and an adjusting journal entry (JE) in the 13th accounting period of the previous year by staff of the Finance Department.

3. Refunds of Prior Year Disbursements after the 13th Accounting Period
If a department receives a refund of monies disbursed, in error, in the prior year but received in the current year, and the 13th accounting period is closed, the cash receipt form must be coded to miscellaneous revenue in the General Fund. Refunds of prior year disbursements after the 13th accounting period that are associated with special revenue, grant, or capital project funds must be coded to the account number used to make the initial disbursement and deposited in the current fiscal year.

IV. CASH RECEIPT FORM

A Cash Receipt Form is used for all deposits made directly to the City Treasury. The department submits a copy of the Cash Receipt form, the Daily Summary Report, and any other deposit documentation with the cash deposit. The deposit is sent directly to the Treasurer's Office in a locked bank bag. Copies of all documentation submitted must be held at the department for their records.

The Cash Receipt Form and Daily Summary Report must be fully completed in order to process a Treasurer's Receipt. For the specific cash receipt type; the account coding in the middle portion of the form will vary depending on the type of cash receipt. A listing of common fee codes is provided in Exhibit 3-5.

V. COUNTERFEIT BILLS POLICY

Measures are taken to prevent acceptance of counterfeit bills from citizens or customers. In the unlikely event that a counterfeit bill is presented for deposit, the bill shall be verified to the bank as counterfeit. Then, the counterfeit bill shall be reported to the police, where the officer shall confiscate the bill and produce a copy of the Officer's Receipt for Property.

V. BUDGET TO ACTUAL REVENUE REPORT

Each department has the ability to run a Budget to Actual Revenue Report on OneSolution, which lists revenues recognized and cash collected for the current period and the fiscal year-to-date vs. the budgeted amount. It also allows the department to drill into the amounts to obtain transaction details. This report contains only revenues and will not include receipts that are refunds of current year disbursements or balance sheet receipts. An example of this report is shown in Exhibit 3-6.

VI. ACCOUNTS RECEIVABLE

Circumstances may necessitate a Department Head granting an extension of credit (Accounts Receivable Customers); however, such considerations must be minimized by rigid discipline in its use. The Finance Department will be responsible for maintaining a list of outstanding receivables.

Credit extended to account receivable customers will be conducted as follows:

A. CREATION

1. The Department Head will oversee the processing of the respective Department's account receivable invoices and must insure that the accounts receivable customer has the authority to incur a legal debt in the name of the debtor.
2. The Department Head is responsible for insuring that invoices are prepared immediately upon completion of the service or delivery of the material.
3. The Department Head is responsible for obtaining a correct billing address for the customer, Federal Tax ID Number or Social Security Number and for sending a copy of the invoice to the debtor.
4. In no instances will invoicing be less frequent than once a month without the approval of the Finance Director.

B. COLLECTION

1. Collections will be conducted by the Finance Department and recorded through the Treasury as a cash receipt.
2. The Finance Department will be responsible for establishing a ledger for accounts receivables and for collection of the amounts owed the City.

    a. The amount due is payable within thirty-days of the invoice date, thereupon becoming delinquent.

    b. After sixty (60) days from the invoice date the Finance Department has the authority to institute legal proceedings, if not paid, against the debtor.

EXHIBIT 3-1 TREASURY RECEIPT

City of Montogmery
CUSTOMER RECEIPT

Tender Details:
Tender Information: Check # 19713656430 $953.49

Tender Type: CK
Tender Amount: $953.49

Receipt Header:
User Id: CITY\pvines
Receipt Date: 6/17/2016
Receipt Number: 1932

Receipt Details:
Fee Code: FUND 001/ACCT # REQUIRED - CR001REQ
Description: Miscellaneous receipts
Amount: $953.49
Name: POSTAGE REFUND 06/10/2016
GL OverrideRevenueGL-0010000-14106

EXHIBIT 3-2 DAILY SUMMARY REPORT

MONTGOMERY ZOO
MANN WILDLIFE LEARNING MUSEUM

Operating Account Deposit Summary

Date: _____

Currency:	$100.00	$_____	.00	Coins	$1.00
$					
	$ 50.00	$_____	.00		$ .50
$					
	$ 20.00	$_____	.00		$. 25
$					
	$ 10.00	$_____	.00		$ .10
$					
	$ 5.00	$_____	.00		$ .05
$					
	$ 2.00	$_____	.00		$ .01
$					
	$ 1.00	$_____	.00		
Total Currency		$_____	.00	Total	
Coins	$ _____				
Check					
Total					$

(Attach an itemized list of checks)

TOTAL DEPOSIT AMOUNT $

SAMPLE

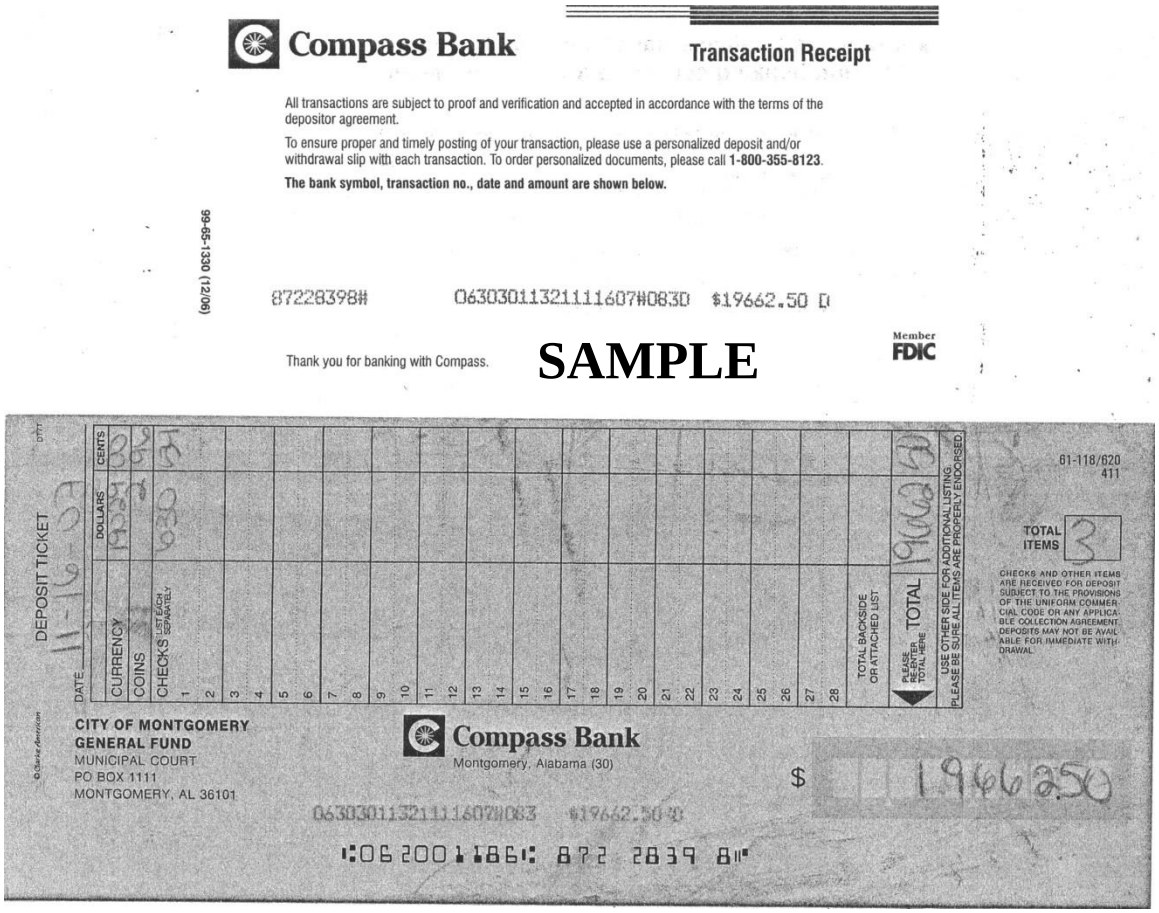
Source of Income

Account Number Charge	**Account Description**	**Amount**
5008801-45118 Admissions	Zoo ZA$	_____
5008801-45120 Train	Zoo ZT$	_____
5008801-45205 Events	Zoo Special SE$	_____
5008801-45203 Programs	Zoo Education ED$	_____
5008801-45311 Sales	Zoo Gift Shop GS$	_____

5008801-45126 Festival	Zoo Christmas Light CLF$	_____
5008801-45173 Feedings	Zoo Animal AF$	_____
5008801-45176 Fees	Zoo Pedal Boat Rental PB$	_____
5008801-45177 Experiences	Animal AE$	_____
5008801-45179 Skylift	Zoo ZS$	_____
5008801-45211 Fees	Agile AG$	_____
_____ _____	$	_____
_____ _____	$	_____
_____ _____	$	_____
_____ _____	$	_____
TOTAL		$ _____

Deposit Prepared By: _____

EXHIBIT 3-3 BANK DEPOSIT SLIP & RECEIPT



Compass Bank

Transaction Receipt

All transactions are subject to proof and verification and accepted in accordance with the terms of the depositor agreement.

To ensure proper and timely posting of your transaction, please use a personalized deposit and/or withdrawal slip with each transaction. To order personalized documents, please call **1-800-355-8123**.

The bank symbol, transaction no., date and amount are shown below.

99-65-1330 (12/06)

87228398# 063030113211116078083D $19662.50 D

Thank you for banking with Compass.

SAMPLE

Member FDIC

DEPOSIT TICKET

DATE 11-16-22

	DOLLARS	CENTS
CURRENCY		
COINS		
CHECKS LIST EACH SEPARATELY	19662	50
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
TOTAL BACKSIDE OR ATTACHED LIST		
PLEASE PRINT TOTAL HERE TOTAL	19662	50

USE OTHER SIDE FOR ADDITIONAL LISTING.
PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.

61-118/620
411

TOTAL ITEMS 3

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

CITY OF MONTGOMERY
GENERAL FUND
MUNICIPAL COURT
PO BOX 1111
MONTGOMERY, AL 36101

Compass Bank
Montgomery, Alabama (30)

$ 1966250

063030113211116078083 $19662.50 D

⑆062001186⑆ 872 2839 8⑈

EXHIBIT 3-4 CITY CASH RECEIPT FORM

DEPOSIT

TRANSFER SHEET TO TREASURER

Date 5/19/2016

Coins	$0.00	Preparer:	PVINES				
Currency	$0.00						
Checks	$46,125.42						
Total	$46,125.42						

SAMPLE

SESSION# CB-008

R1	**Tobacco Tax**	**618-0000**	**414**	**31**	**00**	
	(SPECIAL REVENUE ACCOUNT)					
R10	Sales and Use Tax	001-0000	222	78	00	$46,125.42
R3	General Business Lic.	001-0000	421	11	00	
R4	Business Tax Escrow	001-0000	222	76	00	
R5	Demolition Bonds	001-0000	222	03	00	
R6	Escrow, Other	001-0000	222	02	00	
G1	Misc. Receipts	001-0000	479	80	00	
XX	Fire Inspection	001-0000	479	4	0	
TOTAL						$46,125.42

NOTES:

EXHIBIT 3-5 LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASSTATECOTX	CRADVALTX	CR ADVALOREM TAX	34	CRAV	AD VAL TAX-MTGY CNTY AUTO	CR	0010000	41112
STATE & COUNTY TAXES			34	CRAW	AD VAL--MTGY CO AUTO FEES	DR	0019990	73925
			34	CRAY	AD VAL TAX-REAL FEES	DR	0019990	73925
			34	CRAS	AD VAL TAX-ST OF AL-REAL	CR	0010000	41111
			34	CRAZ	AD VAL TAX-MTGY CNTY-REAL	CR	0010000	41111
	CRCOUNTYTX	CR COUNTY TAX	34	CRAP	MTGY CNTY--AD VAL / TIF	CR	0010000	41110
			34	CRAA	MTGY CNTY SALES/BOAT TAX	CR	0010000	41301
			34	CRAM	MTGY CNTY-MOBILE HOME TAX	CR	0010000	41111
			34	CRAB	COLLECTION FEE	DR	0019990	73925
	CRSTATETX	CR STATE TAXES	34	CRAC	ST MTR VEH LIC/MCKINNEY	CR	0010000	43530
			34	CRAE	ST.AL-FIN INSTITUTE EX TX	CR	0010000	43520
			34	CRAU	CORP STOCK SHARE TAX	CR	0010000	41111
TREASBBALL	CRBASEBALL	CR BISCUIT BASEBALL	33	CRBS	BISCUITS SALES COMMISSIONS	CR	4059921	47001
BISCUIT BASEBALL/FD 405			33	CR405YE	FUND 405-Y/E RECEIPTS	CR	4050000	13232
			33	CR405REQ	FUND 405/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
TREASCAPIMPRV	CRCAPIMPR	CR CAPITAL IMPROVEMENT	33	CR400REQ	FUND 400/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
CAPITAL IMPRV/FD400			33	CR400YE	FUND 400 Y/E RECEIPTS	CR	4000000	13232
TREASCOMMFD195	CRCOMM195	CR COMMUNICATIONS-FD195	10	CR195REQ	FUND 195/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
COMMUNICATIONS/FD195			10	CR195YE	FUND 195-Y/E RECEIPTS	CR	1950000	13232
TREASGASTXFD	CRGASTX	CR GAS TAX	5	CR005REQ	FUND 005/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
GAS TAX FUND 005			5	CRG4	GAS TAX-ST SHARED MV LIC	CR	0050000	43530
			5	CRG5	005-GAS TAX/ST OF ALA-Y/E	CR	0050000	13201
			5	CRG6	005-GAS TAX/MTG CNTY--Y/E	CR	0050000	13205
			5	CRG2	GAS TAX/ST SHARED-.05/.07	CR	0050000	43541
			5	CRG3	GAS TAX/ST SHARED-.04	CR	0050000	43541
TREASLANDFILL	CRLANDFILL	CR LANDFILL	34	CRLB	LANDFILL BILLING/DISPOSAL	CR	0010000	44541
LANDFILL			34	CRLF	LANDFILL DIV. PAYMENTS	CR	0010000	44541
			34	CRLC	LANDFILL-Y/E FEES-AR MISC	CR	0010000	13208
			34	CRLM	LANDFILL GAS RECEIPTS	CR	0010000	47903

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASTENNIS	CRTENNISLP	CR TENNIS LAGOON PARK	34	CRL1	LP TENNIS-LESSONS	CR	0010000	45610
TENNIS			34	CRL2	LP TENNIS-COURT RENTAL	CR	0010000	45620
			34	CRL6	LP TENNIS-ANNUAL COURT RN	CR	0010000	45630
			34	CRLPTF	LP TENNIS-PRO-SHOP RENTAL	CR	0010000	45640
			34	CRL8	LP TENNIS-TENNIS EVENTS	CR	0010000	45660
			34	CRL5	LP TENNIS-JR DEVELOPMENT	CR	0010000	45670
			34	CRL3	LP TENNIS-MISCELLANEOUS	CR	0010000	45680
			34	CRL4	LP TENNIS-TOURNAMENT	CR	0010000	45650
	CRTENNISOC	CR TENNIS-O'CONNOR	34	CRT1	O'CONNOR-LESSONS	CR	0010000	45611
			34	CRT2	O'CONNOR-COURT RENTAL	CR	0010000	45621
			34	CRT6	O'CONNOR-ANNUAL COURT RNT	CR	0010000	45631
			34	CRT8	O'CONNOR-TENNIS EVENTS	CR	0010000	45661
			34	CRT5	O'CONNOR-JR. DEVELOPMENT	CR	0010000	45671
			34	CRT3	O'CONNOR-MISCELLANEOUS	CR	0010000	45681
			34	CRT4	O'CONNOR-TOURNAMENT	CR	0010000	45651
			34	CRTF	O'CONNOR PRO-SHOP RENTAL	CR	0010000	45641

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASMISCGENFD	CRMISCGF	CR MISCELLANEOUS-GENERAL FD	34	CR001REQ	FUND 001/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
MISCELLANEOUS/GEN FD 001			34	CRAF	GENERAL FUND-ABATEMENT FEES	CR	0010000	47982
			34	CRAB	COLLECTION FEE	DR	0019990	73925
			34	CRDM	DEMO/HOUSING CDS/TECH SVC	CR	0010000	47983
			34	CRZZ	GF CLEARING ACCT/11534	CR	0010000	11534
			34	CRG1	GENERAL FUND-MISC REVENUE(47980)	CR	0010000	47980
			34	CRMR	GF MTGY CO/ACCT REC	CR	0010000	13205
			34	CRLI	PAYROLL DED/GROUP LIFE IN	CR	0010000	22328
			34	CRPD	GENERAL FUND/PAYROLL DED-BC/BS	CR	0010000	22324
			34	CRPW	GF PURCHASING WAREHOUSE SALES	CR	0010000	47401
			34	CRGT	GEN FD/PREPAID TRAVEL	CR	0010000	15503
			34	CRWE	GF WEED ABATEMENT PROP LIENS	CR	0010000	13244
			34	CRYD	FIXED ASSET SALES	CR	0010000	47401
			34	CRRT	RETURNED CHKS-GEN FUND	CR	0010000	13202
			34	CR001YE	FUND 001-Y/E RECEIPTS	CR	0010000	13232
TREASSPECREVFDS	CRSPECREV	CR SPECIAL REVENUE FUNDS	10	CR100REQ	FUND 100/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
SPECIAL REVENUE FUNDS			10	CR100YE	FUND 100-Y/E RECEIPTS	CR	1000000	13232
FDS 100,101,173,200,210,220,			10	CRR1	TOBACCO TAX-FD618	CR	6180000	41431
230,240,250,600			10	CR101REQ	FUND 101/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR101YE	FUND 101-Y/E RECEIPTS	CR	1010000	13232
			10	CRAT	STATE/AL-ALA TRUST	CR	0010000	43540
			10	CR173REQ	FUND 173/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR200REQ	FUND 200/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR210REQ	FUND 210/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR220REQ	FUND 220/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR230REQ	FUND 230/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR240REQ	FUND 240/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR250REQ	FUND 250/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			10	CR600REQ	FUND 600/ACCT # REQUIRED	CR	XXXXXXX	XXXXX

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASCOMMDEV	CRCOMMDEV	CR COMMUNITY DEVELOPMENT F	29	CR300REQ	FUND 300/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
TREASMUNCTCORRFD	CRMUNCTCORRFD	CR MUNICIPAL COURT CORR FD	33	CR406REQ	FUND 406/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
			33	CR406YE	FUND 406-Y/E RECEIPTS	CR	4060000	13232
TREASDEBTSVCFD	CRDEBTSVCFD	CR DEBT SERVICE FD	34	CR700REQ	FUND 700/ACCT # REQUIRED	CR	XXXXXXX	XXXXX
TREASCIVILREDLGHT	CRCIVLREDLGHT	CR CIVIL RED LIGHT	43	CRMZ	MUN CT-CIVIL RED LIGHT	CR	0010000	22214
TREASMUNCTFINES	CRMUNCTFINES	CR MUNICIPAL COURT FINES	34	CRMU	MUN CT-FINES/FORFEITURES	CR	0010000	46111
TREASPARKSREC	CRPARKSREC	CR PARKS AND RECREATION	34	CRLA	LP-RENT/USE FEES/LODGE	CR	0010000	45061
PARKS AND RECREATION			34	CRLE	LP-BATTING RANGE RENT	CR	0010000	45030
			34	CRP1	PARKS-SOFTBALL FEES	CR	0010000	45801
			34	CRP2	PARKS-NCAA TOURNAMENT FEE	CR	0010000	45803
			34	CRP3	PARKS-ARTS & CRAFTS	CR	0010000	45201
			34	CRP4	PARKS-PROGRAMS RECEIPTS	CR	0010000	45202
			34	CRP5	PARKS-GYMNASTICS	CR	0010000	45204
			34	CRRA	PARKS-CRAMTON/PATERSON	CR	0010000	45014
			34	CRRB	PARKS-RENT/COMMUNITY CENTERS	CR	0010000	45025
			34	CRRC	PARKS-RENT/SHELTERS	CR	0010000	45026
			34	CRCK	GATEWAY-RENT/LODGE	CR	0010000	45062
TREASPERMITS	CRPERMITS	CR PERMITS	34	CRPB	PERMITS-BURGLAR ALARMS	CR	0010000	42231
PERMITS			34	CRPF	PERMITS-FIRE ALARMS	CR	0010000	42231
			34	CRPA	PERMITS-BLDG/GEN BUS LIC	CR	0010000	42111
			34	CRPC	PERMITS-BUILDING FEES	CR	0010000	42251
			34	CRPE	PERMITS-ELECTRICAL	CR	0010000	42271
			34	CRPJ	PERMITS-PLBG/GAS	CR	0010000	42281
			34	CRPK	PERMITS-PLBG/MECHANICAL	CR	0010000	42291
			34	CRPI	PERMITS-PLBG/PLUMBING	CR	0010000	42261
			34	CRPO	PERMITS-WELLS	CR	0010000	42261
			34	CRPQ	PERMITS-PLBG/WELLS	CR	0010000	42261
			34	CRPZ	PLAN/CTR-PLAT/SUBDIV FEES	CR	0010000	44101
			34	CRPUBASS	PUBLIC ASSEMBLY PERMITS	CR	0010000	47905

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASPRKGMGMMT	CRPRKGCOMMLOT	CR PARKING-COMMERCE LOT	57	CRU6	COMMERCE ST LOT/DAILY FEE	CR	0010944	47702
PARKING MANAGEMENT			57	CRU7	COMMERCE ST LOT/MONTHLY	CR	0010944	47703
			57	CRU8	COMMERCE ST/CARD CHARGE	CR	0010944	47704
			57	CRU9	COMMERCE ST/LATE CHARGE	CR	0010944	47980
	CRPRKGCOOSAST	CR PARKING-COOSA ST	57	CRV9	COOSA ST DK/LATE CHARGE	CR	0010942	47980
			57	CRVS	COOSA ST DK/RC CHG	CR	0010942	47980
			57	CRV6	COOSA ST DK/DAILY FEE	CR	0010942	47702
			57	CRV7	COOSA ST DK/MONTHLY FEE	CR	0010942	47703
			57	CRV8	COOSA ST DK/CARD CHARGE	CR	0010942	47704
	CRPRKGINTRMODAL	CR PARKING-INTERMODAL	10	CRI6	INTERMODAL/DAILY RENTAL	CR	1009978	47702
			10	CRI7	INTERMODAL/MONTHLY RENT	CR	1009978	47703
			10	CRI8	INTERMODAL/CARD CHARGES	CR	1009978	47704
			10	CRI9	INTERMODAL/LATE FEES	CR	1009978	47971
	CRPRKGMETERS	CR PARKING METERS	34	CRDA	DOWNTOWN PARKING METERS	CR	0010920	44311
			34	CRR7	PARKING METER HOOD	CR	0010920	44321
	CRPRKGMONROEST	CR PARKING-MONROE ST	57	CRDS	DN TWN DECK RC CHG	CR	0010940	47980
			57	CRP6	PK DECK DTWN/DAILY RENTAL	CR	0010940	47702
			57	CRP7	PK DECK DTWN/MONTHLY RENT	CR	0010940	47703
			57	CRP8	PK DECK DTWN/CARD CHARGES	CR	0010940	47704
			57	CRP9	PK DECK DTWN-MISC/LATE FEE	CR	0010940	47980
	CRPRKGWASHNGTN	CR PARKING-WASHINGTON ST	57	CRQ6	WASHINGTON DK/DAILY FEE	CR	0010943	47702
			57	CRQ7	WASHINGTON DK/MONTHLY FEE	CR	0010943	47703
			57	CRQ8	WASHINGTON DK/CARD CHARGE	CR	0010943	47704
			57	CRQ9	WASHINGTON DK/LATE CHARGE	CR	0010943	47980
			57	CRQS	WASHINGTON DK/RTD CK CHG	CR	0010943	47980
TREASRENTLPROP	CRRENTALPROP	CR RENTAL PROPERTY	33	CRRF	RIVERFRNT-RENTAL PROPERTY	CR	1879999	47703

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASRISKMGMT	CRRISKMGMT	CR RISK MANAGEMENT	34	CR050REQ	FUND 050/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
RISK MANAGEMENT			34	CREI	RET SYSTEM-BC/BS-EMPLOYEE	CR	0500581	47522
			34	CRRM	RISK MGT-BC/BS EMP SHARE	CR	0500581	47522
			34	CRRN	RISK MGT-SALVAGE CLAIMS	CR	0500585	76365
			34	CRRO	RISK MGT-MED EXP REIMB	CR	0010000	22333
			34	CRRP	RISK MGT-W/C CLAIMS PAID	CR	0500581	76314
			34	CRRQ	RISK MGT-W/C MISC COSTS	CR	0500581	76313
			34	CR050YE	FUND 050-Y/E RECEIPTS	CR	0500000	13232
TREASRVRBOAT	CRRIVERBOAT	CR RIVERBOAT	11	CR531REQ	FUND 531/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
			11	CRH9	HARRIOTT II CONCESSIONS	CR	5005310	45554
			11	CR531YE	FUND 531-YE RECEIPTS	CR	5000531	13232
TREASRIVERFRONT	CRRIVERFRONT	CR RIVERFRONT	34	CRRD	RIVRFRNT DEV-RENT/AMPHITHEATRE	CR	0010000	45011
RIVERFRONT			34	CRRE	RIVRFRNT DEV-RENT/STADIUM	CR	0010000	45012
			34	CRRG	RIVRFRNT DEV-MISCELLANEOUS	CR	0010000	45210
			34	CRRH	RIVERFRNT/SKATE RENT	CR	0010000	45013
			34	CRRI	RIVERFRNT/SKATE BOARD MISC	CR	0010000	45209
			34	CRRJ	RIVRFRNT/SKATE PK-GIFT SHOP	CR	0010000	45311

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
TREASREVDIV	CRREVDIV	CR REVENUE DIVISION	34	CRR3	GENERAL BUSINESS LICENSE	CR	0010000	42111
REVENUE DIVISION			34	CRRX	ALCOHOL BEVERAGE LICENSE	CR	0010000	42121
			34	CRFM	GENERAL FRANCHISE LICENSE	CR	0010000	42141
			34	CR1R	SALES & USE/POLICE JURISDICTION	CR	0010000	41302
			34	CR2R	RENTAL TAX/CITY	CR	0010000	41501
			34	CR3R	RENTAL TAX/POLICE JURISDICTION	CR	0010000	41502
			34	CR6R	RENTAL TAX/AUTO	CR	0010000	41503
			34	CR4R	LODGING TAX	CR	0010000	41421
			34	CR5R	GASOLINE TAX	CR	0010000	41441
			34	CRR5	DEMOLITION BONDS	CR	0010000	22203
			34	CRR4	BUSINESS TAX ESCROW	CR	0010000	22276
			34	CRR6	OTHER ESCROW	CR	0010000	22202
			34	CRR8	CITY AUDIT RETURN	CR	0010000	47902
			34	CRR10	SALES & USE TAX HOLDING	CR	0010000	22278
			34	CRRY	ALCOHOL BEVERAGE TAX	CR	0010000	41303
			34	CRRZ	PIKE ROAD SHARED	CR	0010000	41304
			34	CRR2	SALES & USE TAX	CR	0010000	41301
TREASUNIONSTA	CR UNIONSTA	CR UNION STATION	10	CRUA	UNION STA/MONTHLY RENTALS	CR	1089958	47701
UNION STATION			10	CRUB	UNION STA/TRAIN SHED RENT	CR	1089958	47705
			10	CRUF	UNION ST/FDS-ESC/RENT DEP	CR	1000000	22258
			10	CRUG	UNION STA/PARKING FEES	CR	1089958	47707
			10	CRUC	UNION STA/MISC RECEIPTS	CR	1089958	47980
TREASWATERWKS	CRWATERWKS	CR WATER WORKS	34	CRWA	WATER WORKS PILOT/OT AGEN	CR	0010000	43921
WATER WORKS			34	CRWB	WATER WKS/FIRE HYDRT RENT	DR	0019990	73711
			34	CRSK	SANITATION-REFUSE COL FEE	CR	0010000	44501
			34	CRFM	GENERAL FRANCHISE LICENSE	CR	0010000	42141
CONCESSIONS	CRCONCESS	CR CONCESSIONS	34	CRFI	PARKS-CONCESSIONS	CR	0010000	45554

EXHIBIT 3-5 CONTINUED LISTING OF FEE CODES

PAYMENT CATEGORY CODE/DESCRIPTION	Payment Code	Description	Bank ID	Fee Code	Fee Code Description	CR/DR	Org Code	Object Code
MASSTRANSIT	CRMASSTRANS	CR MASS TRANSIT	50	CRMA	MATS/DART-PASSENGER FARES	CR	5000505	47801
MASS TRANSIT			50	CRMC	MATS-CHARTER	CR	5000505	47801
			50	CRMB	MATS-STATE SHUTTLE	CR	5000505	47802
			50	CRMD	MAPS-PASSENGER FARES	CR	5000505	47803
			50	CRME	MATS-MISC REC/ADVERTISING	CR	5000505	47980
			50	CRMG	MATS-GAIN/LOSS/SALE F/A	CR	5000505	47985
			50	CR505REQ	FUND 505/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
			50	CR505YE	FUND 505-Y/E RECEIPTS	CR	5000505	13232
ZOO	CRZOO	CR ZOO	54	CR541YE	FUND 541-MISC Y/E RECEIPT	CR	5000541	13232
			54	CRZE	MTGY ZOO-MEMBRSHP/SUBSCRI	CR	5008801	45227
			54	CR541REQ	FUND 541/ACCT# REQUIRED	CR	XXXXXXX	XXXXX
			54	CRZG	MTGY ZOO-DONATIONS	CR	5000541	22242
			54	CRZJ	MTGY ZOO-RET CK COLLECTNS	CR	5000541	13202
			54	CRZN	MTGY ZOO-VET SERVICES	CR	5008801	73181
			54	CRZH	MTGY ZOO-OTHER MISC.	CR	5008801	47980
			54	CRZ1	MTGY ZOO-MANN MUSEUM	CR	5008801	45172
			54	CRZ2	MTGY ZOO-CONTRACTL EVENT	CR	5008801	45211
			54	CRZ3	MTGY ZOO-CHRISTMAS LIGHT FESTIVAI	CR	5008801	45126
			54	CRZ4	MTGY ZOO-ANIMAL FEEDINGS	CR	5008801	45173
			54	CRZ5	MTGY ZOO-PADDLE BOAT RENTAL	CR	5008801	45176
			54	CRZ6	MTGY ZOO-STINGRAY POOL	CR	5008801	45178
			54	CRZ7	MTGY ZOO-SKYLIFT	CR	5008801	45179
			54	CRZ8	MTGY ZOO-ANIMAL EXPERIENCES	CR	5008801	45177
			54	CRZA	MTGY ZOO-ADMISSIONS	CR	5008801	45118
			54	CRZB	MTGY ZOO-TRAIN	CR	5008801	45120
			54	CRZC	MTGY ZOO-SPECIAL EVENTS	CR	5008801	45205
			54	CRZD	MTGY ZOO-EDUCATION PROGRAMS	CR	5008801	45203
			54	CRZF	MTGY ZOO-GIFT SHOP SALES	CR	5008801	45311

EXHIBIT 3-6 BUDGET TO ACTUAL REVENUE REPORT

11/18/2014 08:58:30 Page 1

SAMPLE

Budget to Actual Revenue Report

Ledger: GL

As Of 11/30/2013

Object	Description	Original Budget	Revised Budget	Current Month Actual	Year-to-date Actual	Encumbrance	Remaining Current Year Balance
001 - GENERAL			(Inception To Date Reporting Off)				
00 - NA							
Revenue							
41110	TAX INCREMENT FINANCING	275,000.00	275,000.00	25,724.55	32,827.12	0.00	242,172.88
41111	REAL & PERSONAL PROPERTY	25,882,000.00	25,882,000.00	1,909,397.73	2,845,105.67	0.00	23,036,894.33
41112	MOTOR VEHICLE	3,050,000.00	3,050,000.00	0.00	199,080.07	0.00	2,850,919.93
Total for: 411 - AD VALOREM TAXES		**29,207,000.00**	**29,207,000.00**	**1,935,122.28**	**3,077,012.86**	**0.00**	**26,129,987.14**
41301	SALES & USE/CITY	92,787,838.00	92,787,838.00	7,335,128.44	14,805,046.97	0.00	77,982,791.03
41302	SALES & USE/PJ	633,245.00	633,245.00	48,314.55	98,923.56	0.00	534,321.44
41303	ALCOHOLIC BEVERAGES	328,123.00	328,123.00	0.00	0.00	0.00	328,123.00
41304	PIKE RD SHARED SALES/USE TAX	1,331,022.00	1,331,022.00	113,972.66	298,416.51	0.00	1,032,605.49
Total for: 413 - SALES TAX		**95,080,228.00**	**95,080,228.00**	**7,497,415.65**	**15,202,387.04**	**0.00**	**79,877,840.96**
41421	LODGING TAX	5,548,299.00	5,548,299.00	871,072.99	1,365,589.53	0.00	4,182,709.47
41424	LODGING TAX 2.5%	1,849,433.00	1,849,433.00	123,629.14	123,629.14	0.00	1,725,803.86
41431	TOBACCO TAX	0.00	0.00	0.00	0.00	0.00	0.00
41441	GASOLINE TAX	4,914,713.00	4,914,713.00	552,636.16	1,000,855.55	0.00	3,913,857.45
41442	GASOLINE TAX-REFUNDS	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 414 - BUSINESS TAX		**12,312,445.00**	**12,312,445.00**	**1,547,338.29**	**2,490,074.22**	**0.00**	**9,822,370.78**
41501	RENTAL TAX/CITY	3,500,059.00	3,500,059.00	245,480.44	536,143.58	0.00	2,963,915.42
41502	RENTAL TAX/POLICE JURISDICTION	379,931.00	379,931.00	12,037.46	27,415.53	0.00	352,515.47
41503	RENTAL TAX/AUTO	0.00	0.00	0.00	0.00	0.00	0.00
41504	RENTAL TAX/AUTO 2%	0.00	0.00	0.00	0.00	0.00	0.00
Total for: 415 - RENTAL TAX		**3,879,990.00**	**3,879,990.00**	**257,517.90**	**563,559.11**	**0.00**	**3,316,430.89**
Total for: 00 - NA		**140,479,663.00**	**140,479,663.00**	**11,237,394.12**	**21,333,033.23**	**0.00**	**119,146,629.77**
Total for: 001 - GENERAL		**140,479,663.00**	**140,479,663.00**	**11,237,394.12**	**21,333,033.23**	**0.00**	**119,146,629.77**

CITY OF MONTGOMERY, ALABAMA
FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 4
PURCHASING & CASH DISBURSEMENTS

I. AUTHORITY AND RESPONSIBILITY

The Procurement Department is established by statute (*Code of Alabama 1975*, § 11-43C-69) and is under the direction of the City Procurement Director. The Department purchases personal property for all City departments. The Department is also responsible for making and supervising the execution of all contracts and leases for the use and acquisition of any personal property.

II. CLASSIFICATION OF PURCHASES

A. The department's Petty Cash Fund should be used for minor purchases totaling less than $25. See Section XI in this chapter for petty cash procedures.

B. The following purchases over $25.00 in total **do not** require requisitions and Purchase Orders (PO) or Blanket Purchase Agreements (BPA) and can be paid through the Special Payment Authorization (SPA) or Direct Pay process:

- Utility payments (gas, water, electricity, telephone)
- Employee and officials' bonds
- Employee reimbursements (travel requests, mileage, etc.)
- Refunds
- Departmental petty cash reimbursements
- Debt payments
- Subscriptions (magazines, periodicals, books)
- Membership fees, dues and registrations

C. The following purchases **do** require requisitions and Purchase Orders (PO) or Blanket Purchase Agreements (BPA) through the Purchasing Division of the Finance Department:

- Equipment
- Inventory (clothing, food, auto parts, etc.)
- Supplies and materials not available from the Purchasing Warehouse
- Professional Services
- Non-professional services (pest control, garbage service, etc.)
- Payments on contracts, leases, and other agreements
- Insurance payments
- Contract labor
- Temporary employees

For purchases greater than $5,000 and less than $15,000, at least three written quotes must be obtained through the Procurement Department. Fillable Quote forms are available through the city website. Quotes received by the Procurement Department will be forwarded to the requested department in a timely manner. If applicable, City and State

contracts and Purchasing Cooperatives information should be provided to the Procurement Department.

III. APPROVED VENDORS

The Procurement Department is responsible for approving and maintaining a listing of all vendors that are eligible to do business with the City of Montgomery. A form W-9 must be kept on file for each approved vendor. Each vendor must be in compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act with a form E-Verify. Each vendor must provide a Memo of Understanding with company ID number. Vendors qualify for exemption if they do not have a physical location or any employees in the State of Alabama. A memo on company letterhead stating they are exempt is required. Requests for the use of a new vendor must be submitted to Procurement in writing by the department head. See Exhibit 4-1 for an example of a W-9. Each vendor may need to purchase a City of Montgomery Business License if applicable per attached requirements. See Exhibit 4-2. If not applicable, a Letter of Exemption must be submitted. See Exhibit 4-3 for a sample of this letter. All vendors need to submit Minority Questionnaire. See Exhibit 4-4 for the questionnaire. **No purchases can be initiated without vendor approval from The Procurement Department.**

IV. ALABAMA BID LAW

A. BID REQUIREMENTS AND EXCEPTIONS

All contracts for labor, service, purchase or lease of materials, equipment, supplies, or other personal property for $15,000.00 or more by any City department must be let by free and open competitive bidding, on sealed bids, to the lowest responsible bidder (§41-16-50).

Competitive bids are not required for the following (§41-16-51):

1. Utility services - no competition exists, or rates are fixed by law or ordinance.
2. Insurance by the City.
3. Contracts to secure the services of attorneys, physicians, architects, teachers, construction superintendents, appraisers, engineers, consultants, or other individuals possessing a high degree of professional skill.
4. Contracts of employment in the regular civil service of the City.
5. Tourist advertising.
6. Purchases of local materials from any property owners in the vicinity of a project; or purchases and contracts for the repair of equipment used in the construction and maintenance of roads.
7. Products made by Alabama Institute for the Deaf and Blind (§21-2-1 to 4).
8. Maps, photographs, or other items from a federal or state department.
9. Books, maps, manuscripts, pamphlets, or periodicals purchased for use by any City library or any other City supported library.
10. Contract services/ personal property when there is only one vendor.
11. Contractual services and purchases of personal property, which by their nature are impossible to award by competitive bidding.
12. Barter transactions by the Department of Corrections.

B. PENALTIES FOR RECEIVING GIFTS/BENEFICIAL INTEREST

An employee having "…any personal beneficial interest, either directly or indirectly, in the purchase of any personal property or contractual service…" or "…by rebate, gifts or otherwise, any money or thing of value whatsoever or any promise... for future reward or compensation…" is in violation of the law. Any violation is a misdemeanor, and upon conviction, the individual may be imprisoned for not more than 12 months or fined not more than $500 or both. The individual will also be removed from office (§41-16-60).

C. ADVERTISEMENT/SOLICITATION OF BIDS

The City Procurement Director is required to advertise for sealed bids on all purchases of an item in excess of $15,000.00 by posting a notice on a bulletin board in the reception area of the Procurement Department, or by publication of a one-time notice in a newspaper published in Montgomery County, Alabama. Under the direction of the Procurement Director, sealed bids will be mailed to all Alabama persons, firms, or corporations and other persons, firms, or corporations the Procurement Director deems necessary to insure competition. No purchase or contract involving an item in excess of $15,000.00 may be divided into partial contracts to avoid the requirements of this article (§41-16-54).

D. LETTING OF CONTRACTS WITHOUT PUBLIC ADVERTISEMENT

In case of emergency affecting the public health, safety or convenience, as declared in writing by the department head, the contract may be let to the extent necessary to meet the emergency without public advertisement. This action and reasons will be made public by the awarding authority (§41-16-53).

E. AWARD OF CONTRACTS

Purchases made through competitive bidding will be awarded to the lowest responsible bidder, with consideration given to the quality of the commodities, conformity to specifications, terms of delivery, and freight charges. A contract for the purchase of personal property or service will be let for periods no greater than five years (§41-16-57).

F. ASSIGNMENT OF CONTRACTS

Prior to an award, the bid package is sent to the requesting department for evaluation. The department returns the bid package and evaluation to the Procurement Department. An awarded contract is not assignable by the bidder without written consent of the awarding authority and the requisitioning department. A contract cannot be assigned to a bidder whose bid was rejected (§41-16-59).

G. BID PROTEST PROCEDURES

1. Initial protests shall be submitted to the City of Montgomery Procurement Director within three (3) working days before bid opening or proposal due date or within three (3) working days after award.

2. The City Procurement Director will have five (5) working days to render a decision on the protest.

3. The protestor shall then have three (3) working days to submit an appeal to the Chief of Staff. The Chief of Staff will have three (3) working days to render a decision.

4. The Chief of Staff to the Mayor's decision shall be final.

V. CONTRACT ROUTING

All agreements for goods and/or services that create a commitment between the City of Montgomery and another party, or parties, are to be routed from the point of origin through the appropriate departments for signature approval prior to execution of the agreement by the Mayor.

To initiate the routing process, the originating department of the agreement must obtain a pre-numbered routing sheet from the Finance Department. See Exhibit 4-5 for an example of this form. The requestor will have to sign a log sheet before being given the pre-numbered routing sheet. This process will enable the Finance Department to track all potential commitments, determine funds availability before execution of a contract, and properly book executed contracts in a timely manner.

VI. THE REQUISITION PROCESS – CREATING A PURCHASE ORDER OR BLANKET PURCHASE AGREEMENT (BPA)

The purchasing process includes several layers of approval. The following is a step-by-step account of a typical requisition:

1. Submission of a requisition. The electronic requisition is prepared within the department. See Exhibit 4-6 for an example of an electronic requisition.
2. Department Head Approval. The department head will electronically review the requisition, approve the requisition, and encumber funds.
3. Accounting Approval. The requisition is then checked for coding accuracy by the Division of Accounting and approved.
4. Finance Director or Deputy Finance Director Approval. After the third layer of approval, the requisition is forwarded to the Finance Director or Deputy Finance Director for approval.
5. Creation of Purchase Order. Upon the fourth layer of approval, the requisition is forwarded to the Procurement Department for quoting, bidding, and the creation of a purchase order (PO) or blanket purchase agreement (BPA). See Exhibit 4-7 for an example of a purchase order. The originating department should maintain a copy of the PO.

If a City Council district's discretionary funds are to be used to fund a requisitioned item, written approval from the councilperson **must be** obtained before a purchase order is created. The only exception to this rule is the use of contingency funds which **must have** City Council approval before being expended.

Creating a purchase requisition initiates an encumbrance (reserve) of the department's funds. The effect of an encumbrance is to commit a portion of the department's appropriation at the time the requisition is processed. The department's appropriation and allotment balances must be adequate to cover the amount of the purchase requisition. If necessary, a budget transfer must be processed at this time. The purchase order will obligate the department's appropriation and allotment by the amount of the purchase order. The accounting system will ensure the availability of budgetary authority.

Blanket Purchase Agreements (BPAs) are created in the same manner. A BPA is issued to vendors who are repeatedly used for the same commodities. BPAs are left open throughout the fiscal year. Purchase orders for monthly payments (i.e. pest control) can be created as a BPA and used monthly to process payments.

VII. PROCESSING OF PAYMENT FOR A BLANKET PURCHASE AGREEMENT (BPA), OR PURCHASE ORDER (PO)

The following is a step-by-step account of a typical BPA, or PO payment:

1. Material Receipt. When the ordered materials arrive, the department submits a material receipt through the accounting system. This electronic receipt documents the date received, quantity, and identify the employee who received the materials. See Exhibit 4-8 for an example of an electronic material receipt. For the material receipts of fixed assets, including equipment purchased via lease purchase, a manual material receipt is required. Also see Chapter 5 for Fixed Asset Procedures.
2. Receipt of Invoice. The department should receive the invoice and any other type of documentation needed to process payment from the vendor. The invoice is compared to the PO for accuracy. If there is a difference of more than $1, the Procurement Department must be contacted to help determine the discrepancy. If all documentation matches, it is stamped, filled out with the appropriate information, and sent to the Accounting Division for processing. See Exhibit 4-8 for an example of a material receipt. Lease purchase invoices are sent to the Finance Department for processing.
3. Accounting Approval. The Accounting Division receives the stamped invoice and any other additional documentation. See Exhibit 4-9 for an example of a vendor invoice. All documentation is reviewed, approved, and entered into the system. Any issues that arise during this review will be resolved before payment is processed.
4. Inclusion in the Check Run. The invoice is included in the Accounting Division's bi-weekly batch of checks to be processed.

VIII. PROCESSING OF PAYMENT FOR A SPECIAL PAYMENT AUTHORIZATION (SPA) OR DIRECT PAY

Departments are responsible for authorizing payment transactions. It is the responsibility of each department to ensure sufficient expense budget exists, and the proper vendor and account codes are used. Failure to adhere to these requirements by the department may cause a serious delay in payment and the inefficient use of time and effort. The following is a step-by-step account of a typical direct pay or SPA payment:

1. Receipt of Invoice. This invoice may be from an outside agency, such as a travel agency or airline, or an employee in the form of a mileage reimbursement request or petty cash replenishment request.
2. Creation of the SPA. The department will create the SPA using the standard form or direct pay stamp. It is important that the direct pay or SPA is coded with proper vendor and account codes. Also, the account must have sufficient budget. See Exhibit 4-10 for an example of a SPA.
3. Department Head Approval. The department head will review and approve the invoice (and any other supporting documentation) via signature on the face of the SPA form or direct pay stamp.
4. Accounting Division Approval. The Accounting Division receives the invoice and any other additional documentation. All documentation is reviewed and electronically approved. Any issues that arise during this review will be resolved before payment is processed.
5. Finance Director or Deputy Finance Director Approval. The SPA or direct pay is forwarded to the Finance Director or Deputy Finance Director for review and approval.
6. Inclusion in the Check Run. The invoice is included in the Accounting Division's bi-weekly batch of checks to be processed.

If a City Council district's discretionary funds are to be used to fund a direct pay or SPA purchase, written approval from the councilperson **must be** obtained before the direct pay or SPA is approved for payment. The only exception to this rule is the use of contingency funds which **must have** City Council approval before being expended. The organization must also be a 501(c)(3), tax-exempt organization. Upon approval by the City Council, the City Clerk prepares the SPA and forwards to the Finance Department for processing.

IX. ORIGINAL SIGNATURES

An original signature is required for the following documents:

- All SPAs and direct pays must have the original signature of the department head or assistant department head on the SPA form or on the face of the invoice.
- All City Mileage Reimbursement forms require the traveler's signature to be original. It must have the department head's signature on the face of the paperwork as noted above. See Exhibit 4-11 for an example of a mileage reimbursement form.
- All City Travel Certificates require both the traveler and a departmental signature to be original. See Exhibit 4-13 for an example of a travel certificate.
- All contract change orders must have original signatures of the contracting parties.
- All expenditures using special Mayor or City Council funds over $10,000 must have an original signature from the City Council or Mayor's office.
- All material receipts for fixed assets must include the original signature of the receipting employee. The material receipt must include serial numbers.

X. TRAVEL PROCEDURES

A. REQUEST FOR TRAVEL

1. All requests for out of town travel must be approved in writing by a Councilperson, Cabinet member, or the Mayor prior to the travel date(s). The

request should list the expected dates of travel, approximate cost, purpose of travel, and account number to be charged.

2. All advance checks for travel funds, registration fees, etc., will be issued in accordance with the City's check issuance guidelines. The traveler is responsible for all funds advanced and is required to prove all expenses with itemized receipts. Any remaining advanced funding will be returned to the City Treasury.
3. In the event of an emergency where the individual must travel outside the municipality and sufficient time does not exist to process an advance check for travel, the Finance Department holds a credit card that may be used to charge travel expenditures incurred only after approval of said emergency by the Finance Director or Deputy Finance Director. **Immediately upon the completion of the emergency travel, the traveler must remit all receipts to the Finance Director's office.** Upon receipt of the credit card invoice, the expenditures for emergency travel will be charged to those departments that used the card.

B. TRAVEL ADVANCES

1. The individual must be an officer or a full time employee of the City (contract individuals are not eligible for advance travel).
2. No individual may have more than one travel advance outstanding at any time.
3. The maximum advance for any individual shall be the estimated cost of the trip.
4. A Travel Advance form that is direct pay stamped shall be attached to a signed and approved travel request. The Travel Advance form states that an employee authorizes a payroll deduction of the advanced amount if he or she does not return itemized receipts within **fourteen (14)** days after completion of travel. See Exhibit 4-12 for an example of this form.

C. REQUEST FOR A CITY GAS CARD

1. In the event that a City vehicle will be used as the mode of transportation, a gas card will be issued to the traveler. All requests for gas cards shall be submitted to the Accounting Division.
2. A listing of all gas cards should be maintained by the Accounting Division at all times containing:
    a. Authorized Holder's Name and Department
    b. Credit Card Account Number
    c. Credit Limit
3. Gas cards are ONLY utilized for City of Montgomery travel over 50 miles from City limits.

D. TRANSPORTATION

1. Travel must be performed over the most direct route using the most efficient and economical means consistent with requirements. If the traveler travels by an indirect route, or by less economical means, then, the traveler shall be responsible for any extra cost, subject to the approval of the respective department head.

2. The use of private vehicles may be authorized by the respective Department Head if an appropriate City vehicle is not available. The employee must have proof of sufficient liability insurance.
3. In the event the Department Head authorizes the use of a private vehicle, the traveler shall be reimbursed at the current City Council approved mileage rate, which is the IRS mileage rate. If two or more individuals travel in the same vehicle, only the vehicle owner may receive reimbursement.
4. Advance common carrier tickets (air, bus, etc.) are authorized for travel which is impractical by automobile. These tickets shall be obtained through the most economical mode available and shall be coach accommodations.

E. HOTELS

Hotel reservations will be made for single rooms unless otherwise approved. Accommodations utilized shall be standard and reasonable.

F. MEALS

1. Normal, actual meal expenses incurred during travel are authorized. Itemized meals receipts are required. Standard gratuity (not to exceed 20%) is allowed. Per Diem is not allowed.
2. No payment for alcoholic beverages will be allowed.
3. Snacks between meals are not authorized as legitimate travel expenses. The traveler is responsible for purchasing his or her own snacks.

G. TRAVEL REPORTING PROCEDURES

1. All travel expenses (other than gas card expenses) must be filed on a City Travel Certificate and turned in to the Internal Auditor in the Finance Department within **fourteen (14)** days after completion of travel. The Certificate will be verified and signed by a departmental supervisor and must be attached to the receipts that support the expense on the report. **The burden of proof and justification for expense reimbursement is on the traveling party.** See Exhibit 4-13 for the travel expense certificate.
2. If additional reimbursement is requested, it must also be approved by the department head and processed as an SPA or Direct Pay.
3. If the individual spent less than was advanced for his travel, the remaining advance must be returned to the Internal Auditor with a copy of the City Travel Certificate and supporting receipts.
4. All gas card expense receipts, along with the gas card, must be returned to the Accounting Division within two (2) business days after completion of travel.

H. REQUIRED RECEIPTS

1. The following receipts are required and **must be** attached to the City Travel Certificate:
   a. All hotel charges.
   b. All common carriers and mileage charges. Receipts for taxi and limousine expenses will be obtained, if available.

c. Meal receipts for all meals including tips. Meal receipts must be **itemized** and labeled as breakfast, lunch and dinner regardless of the dollar amount.
d. All registration fees.
e. All other miscellaneous fees, such as parking, telephone calls (business-related calls only), emergency office supplies, etc.

2. A written statement approved by the respective Department Head is required for all misplaced receipts and is subject to approval by the Finance Department.

I. FRAUDULENT TRAVEL CLAIM

1. All expense reports shall be certified by the traveler and reviewed for approval by the Department Head. **The burden of proof and justification for expense reimbursement is on the traveling party.**
2. Any individual who willfully claims fraudulent travel expenses shall be subject to legal prosecution and termination.
3. Internal Audit is directed to report all suspicious expenditures to the Finance Director or Deputy Finance Director. Copies of findings will be given to the Mayor.

XI. PETTY CASH PROCEDURES

A. ESTABLISHING A PETTY CASH ACCOUNT

All requests for new petty cash accounts or changes to existing petty cash accounts' amount or custodian must be approved by the Finance Director or a designee. **The custodian of the petty cash account is responsible at all times for the entire balance, including unexplained shortfalls.**

B. USE OF A PETTY CASH ACCOUNT

The custodian will keep petty cash in a secured location, preferably in a locked drawer. The custodian will also keep a ledger of all cash inflows and outflows. All petty cash outflows must be supported with the original register receipt and a petty cash receipt. The petty cash receipt will be completed, including signatures of the employee requesting the reimbursement and the custodian. Excluding petty cash reimbursements from the Finance Department, all petty cash inflows must be supported with a petty cash receipt. See Exhibit 4-14 for an example of this receipt.

Under no circumstance will the custodian cash an employee's personal check from the petty cash account. The custodian will not advance cash to an employee for personal use. Cash advances to employees for legitimate expenses are permitted, with the completion of a petty cash receipt.

The custodian will complete an SPA or Direct Pay for reimbursement of petty cash when needed, but at least monthly. Copies of all documents submitted to the Finance Department are to be filed for the custodian's records. The Finance Department will reimburse the petty cash account via check after review of submitted expenses. The custodian will cash the petty cash reimbursement check immediately upon receipt to replenish the petty cash drawer.

When the custodian is notified by the Finance Department of a disallowed expense, he or she must take steps in order to replenish the petty cash for that amount. A listing of legitimate and illegitimate expenses may be found in Section C below. The custodian may request repayment from the employee who originally requested the petty cash expenditure. **However, the custodian is ultimately responsible for the balance of the petty cash account, including unexplained shortfalls.**

C. LEGITIMATE AND ILLEGITIMATE EXPENSES

Legitimate expenses allowed by the Finance Department include, but are not limited to:

- Any item needed for an employee to perform his or her duties, provided an item of equal use is not available at the warehouse
- Food expenses not for use by employees

Illegitimate expenses disallowed by the Finance Department include, but are not limited to:

- Alcoholic beverages
- Food expenses for employees
- Gifts for employees
- Any item needed for an employee to perform his or her duties purchased elsewhere, when an item of equal use is available at the warehouse.
- Sales tax

XII. STALE DATED CHECKS

Stop pays for checks that are stale dated are not required. Checks will be voided once they become thirty-six (36) months old and sent to State Unclaimed Property.

XIII. PICK UP CHECKS

As a rule, checks are mailed to vendors. However, certain checks, such as employee reimbursements, are retained by a clerk in the Accounting Division for pick up. Checks being picked up are not available until 2:00 p. m. on Fridays.

XIV. CITY CREDIT CARD

The Finance Department has a credit card to use for purchases that cannot be completed through the purchasing process, such as online orders and travel reservations. Request for credit card charges are made through Finance Administration using the Request for Credit Card Charge form. See Exhibit 4-15 for an example of this form. All charges must be approved by the Finance Director or Deputy Finance Director prior to the charge being made.

XV. EXPENDITURES BETWEEN CITY DEPARTMENTS

Checks will not be written for an expenditure of a City department/division that is payable to another City department/division. Payables of this nature are recorded via journal entry by Finance Department staff. Written authorization from the payee and payer department heads is required prior to the recording of the journal entry.

EXHIBIT 4-1 FORM W-9

Form **W-9**
(Rev. October 2004)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See **Specific Instructions** on page 2.

Name (as reported on your income tax return)

Business Name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ _____ ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.) | Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. *If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.*

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here **Signature of U.S. person ▶** **Date ▶**

By signing above, I understand that any person who misrepresents a firm's status as a small, HUBZone small, small disadvantaged, women-owned or Veteran or Service-Disabled Veteran-Owned Small Business concern in order to obtain a contract awarded under the Small Business Act shall 1) be punished by imposition of fine, imprisonment or both, 2) be subject to administrative remedies including suspension and debarment, and 3) be ineligible for participation in programs conducted under the Authority of the Act.

Required Federal Business Classification Information

Large Business Concern: Dominant in field of operations per Federal Acquisitions Circular (FAC 9.201)	(LBC)	Y ____	N ____
Small Business Concern: Independently owned and operated, and meets industry size and receipt requirements for small businesses per SBA13 CFR 121, Section 3 of the Small Business Act.	(SBC)	Y ____	N ____
Woman-Owned Small Business: Is a small business and at least 51% owned and controlled by one or more women who are U.S. citizens and have active involvement in day-to-day operations.	(WOSB)	Y ____	N ____
Small Disadvantaged Business: SBA certified; minimum 51% owned, controlled and operated day-to-day by one or more socially and economically disadvantaged individuals.*	(SDB)	Y ____	N ____
Historically Black Colleges/Universities and Minority Institutions:	(HBCU/MI)	Y ____	N ____
HUB Zone Small Business: SBA certified; is small and is located in an 'historically underutilized business zone" and is owned and controlled by one or more US citizen(s) and at least 35% of employees reside in HUB zone.	(HUB Zone SB)	Y ____	N ____
Veteran-Owned Small Business: Is a small business and is at least 51% owned, controlled and has active involvement in day-to-day operations by one or more U.S. veterans.	(VOSB)	Y ____	N ____
Service-Disabled Veteran-Owned Small Business: VOSB and with a disability that is service connected; may include spouse/caregiver of veteran with permanent or severe disabilities.	(SDVOSB)	Y ____	N ____

***SDB Ethnicity Definitions** *(Please check one)*: African American____; Hispanic American____;
Native American (American Indian, Eskimo, Aleut & Native Hawaiian)____; Asian-Pacific American____; Asian-Indian American____.

EXHIBIT 4-2 BUSINESS LICENSE REQUIREMENTS

CITY BUSINESS LICENSE REQUIREMENT

To determine if a taxpayer needs a City of Montgomery business license, the following four criteria are examined:

-Do they have a physical location within the city limits of Montgomery?
-Do representative(s) of the business come into the City to conduct business (i.e.—sales representatives, repair technicians, etc.)?
-Are taxpayer products delivered into the City of Montgomery by means other than common carrier (i.e.—delivery of product by means of the business' vehicles)?
-Is the taxpayer renting/leasing equipment to businesses located within the city limits?

A business is required to have a City of Montgomery business license if it meets ANY of these four criteria.
****
Businesses not required to have a business license include banks, most nonprofit organizations, especially those granted exemption by the Alabama Legislature, like United Way,
Goodwill Industries, American Red Cross, Salvation Army, Boys and Girls Club, Easter Seals, Child Protect, just to name a few.

Many 501(c) (3) nonprofits are required to be licensed as well. Because they are exempt from federal income tax does not necessarily mean they are exempt from City of Montgomery business licensure.

4-3 SAMPLE LETTER OF EXEMPTION FROM BUSINESS LICENSE REQUIREMENTS

To: City of Montgomery
Procurement Department
P. O. Box 1111
Montgomery, AL 36101-1111

RE: City Business License Exemption Letter

_____ located in _____, ____
Does not meet the criteria required for obtaining a City of Montgomery Business License per below.

____ No physical location within the City
____ No personnel entering the City
____ No delivery of products onto the City other than common carriers, US Mail, UPS, FedEx
____ Leasing equipment to businesses within the City

By: _____

Title: _____

Contact #: _____

Date: _____

4-4 MINOIRITY QUESTIONNAIRE

Vendor #: _____

MINORITY QUESTIONNAIRE

Please complete this form and forward back to our office as soon as possible. Check all categories that apply to your company.

VENDOR NAME:_____

ADDRESS:_____

PHONE #: _____

EMAIL ADDRESS:_____

IS THE COMPANY MINORITY OWNED: YES _____NO

IS THE COMPANY OWNED BY: _____FEMALE _____MALE _____BOTH

IS THE COMPANY INCORPORATED _____YES _____NO

ETHNICITY OF OWNERSHIP:

_____ ASIAN AMERICAN

_____ AMERICAN INDIAN

_____ BLACK

_____ DISABLED

_____ CAUCASIAN

_____ HISPANIC

_____ OTHER (PLEASE SPECIFY):_____

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

City of Montgomery Procurement Department ♦ P.O. Box 1111 ♦ Montgomery, AL 36101-1111
sstanton@montgomeryal.gov

4-5 CONTRACT ROUTING FORM

CONTRACT ROUTING SHEET | **SHEET #** | **562**

1. **The completion of this form is MANDATORY for all contracts.**

2. **The total notarized completion of an Affidavit for Business Entity/Employer/Contractor is mandatory, and must be attached to this form along with the E-Verification Enrollment Document. This information comes from the Contractor.**

3. **This form MUST be attached to all contract routings.**

4. **Once you have completed your portion of the contract processing, you must note the date the contract is being forwarded. Make a copy of this sheet for your files before forwarding to the next department.**

SAMPLE

CONTRACTOR

PROJECT NAME

PROJECT NUMBER

CONTRACT AMOUNT

ACCOUNT NUMBER

Purpose of Contract:

1 **All copies of the contract have been approved by the Originating Department and must be signed off by that Department Head.**

Signature of Department Head | Date Forwarded

2 **All copies of the contract have been approved by the DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT (if applicable)**

Signature of Planning Director | Date Forwarded

3 **All copies of the contract have been approved by the DIRECTOR OF FINANCE**

Signature of Finance Director | Date Forwarded

4 **All copies of the contract have been approved by the LEGAL DEPARTMENT as to the Legal sufficiency (also stamp approval on signature page & initial).**

Signature of Attorney | Date Forwarded

5 **All copies of the contract have been approved by the EXEC. ASST. TO THE MAYOR**

Signature of Exec. Asst. to the Mayor | Date Forwarded

6 **All copies of the Contract to MAYOR for Signature.**

Signature of Mayor | Date Forwarded

7 **CITY CLERK will attest (if applicable)**

Signature of City Clerk | Date Forwarded

Return all original documents to the Point of Origin to maintain a copy; then forward ORIGINAL documents to the FINANCE DIRECTOR

Signature of Employee | Date Received

Note: If for some reason this contract is not executed, you must return this form with the following explanation:

Revised 1/1/2012

EXHIBIT 4-6 ELECTRONIC REQUISITION

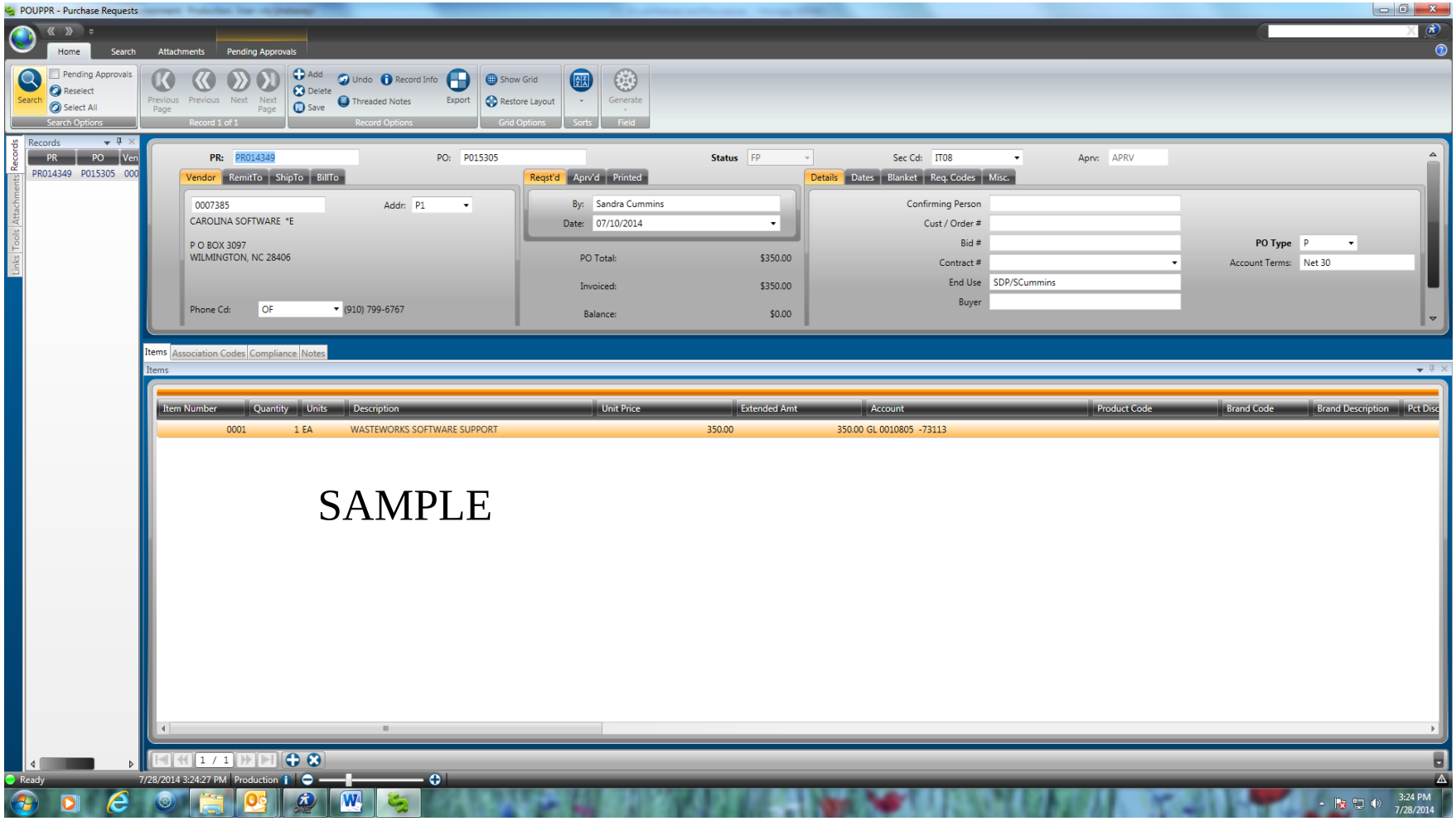


EXHIBIT 4-7 PURCHASE ORDER

City of Montgomery
P.O. Box 1111
Montgomery, Alabama 36101
Phone: (334) 241-2605
Fax: (334) 241-2625

DATE 07/11/14

PURCHASE ORDER NO.
P015305
TO RECEIVE PROPER PAYMENT THE ABOVE PO NUMBER MUST APPEAR ON ALL INVOICES, BILLS OF LADING, PACKAGES, CORRESPONDENCE, ETC.

FAX# (910) 799-6767
EMAIL:

VENDOR:
CAROLINA SOFTWARE *E
P O BOX 3097
WILMINGTON, NC 28406

DELIVER TO:
DP
INFORMATION TECHNOLOGY
6TH FLOOR
25 WASHINGTON AVENUE
MONTGOMERY, AL 36104

SEND INVOICE TO: City of Montgomery
P.O. Box 1111
Montgomery, Alabama 36101

Req. #	Vendor #	Ship Via / FOB	Department	
PR014349	0007385		SDP/SCummins	
Confirming ☐ yes ☐ no	Confirmed to		Terms: Net 30	Date Required

QUANTITY	UOM	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	EA	WASTEWORKS SOFTWARE SUPPORT	350.00	350.00
			TOTAL	350.00

SAMPLE

See complete Terms and Conditions on the City of Montgomery website or by request.
The City of Montgomery is exempt from all State and Local Taxes and will furnish exemption certificate for Federal Taxes.

ACCOUNT NO.		AMOUNT
0010805	73113	350.00

AUTHORIZED BY:

Jane I Hataway
Purchasing Agent

EXHIBIT 4-8 ELECTRONIC MATERIAL RECEIPT

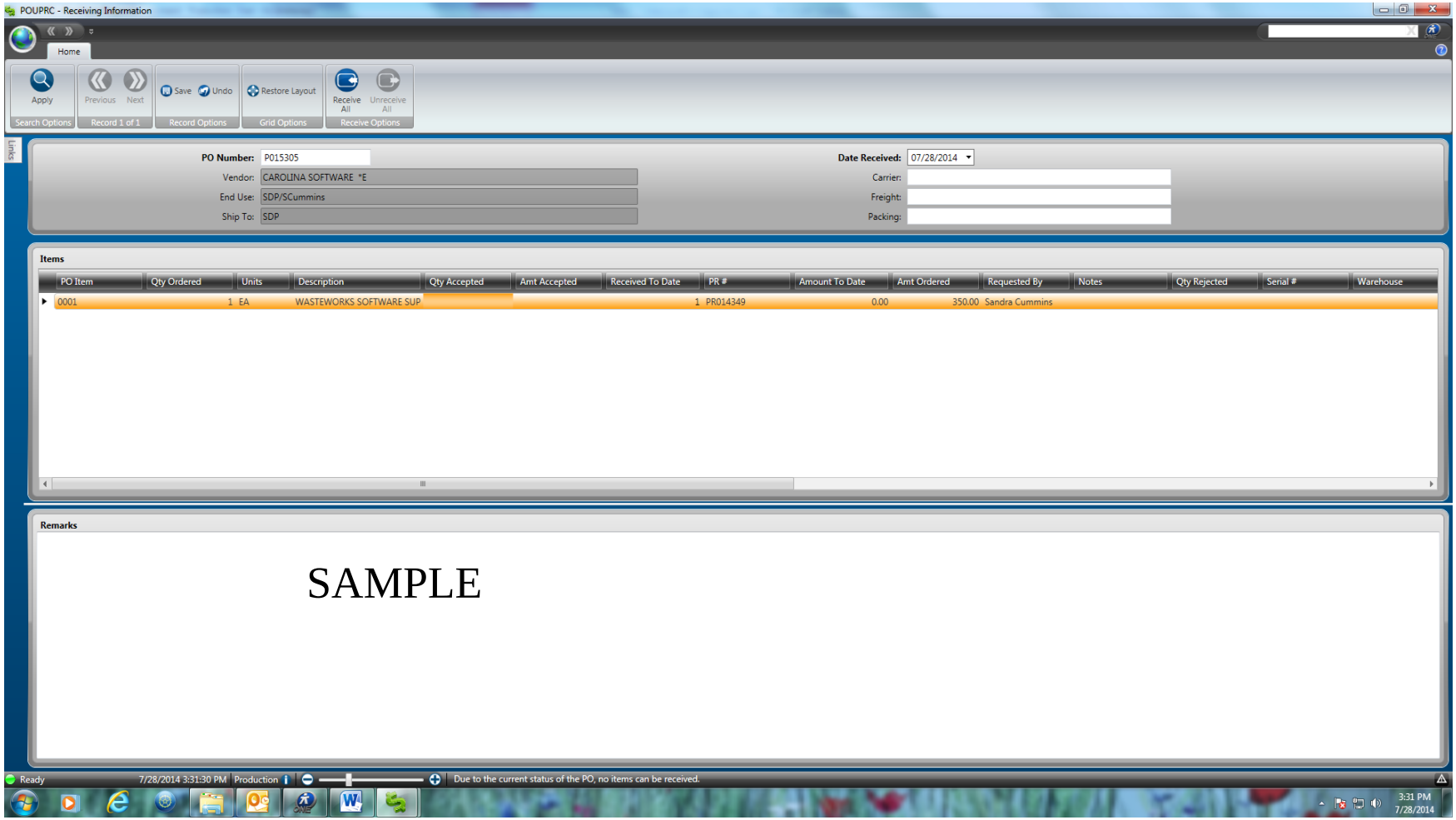


EXHIBIT 4-9 VENDOR INVOICE

198

Page 1 of 1

INVOICE

P017424

BEAR

BEAR LUMBER COMPANY, INC.
39 East Jefferson Street
Montgomery, AL 36104
(334) 834-2961

INVOICE NUMBER: 0091841-IN
INVOICE DATE: 11/04/2014

ORDER NUMBER: 0091841
ORDER DATE: 10/31/2014
SALESPERSON: 0009
CUSTOMER NO: 0322160

SOLD TO:	SHIP TO:
CITY OF MONTGOMERY FIRE DEPART 19 MADISON AVENUE MONTGOMERY, AL 36104	TRAINING

CONFIRM TO: DUTON

CUSTOMER P.O.	SHIP VIA	SHIP DATE	TERMS
	WILL CALL	10/31/2014	Next 10th

ITEM NO.	UNIT	ORDERED	SHIPPED	PRICE	AMOUNT
2171502 GOLDEN GLO BRUSH 2"	EA	4	4	5.69	22.76
1521002 PAINT THINNER-GALLON	EA	2	2	9.99	19.98

SAMPLE

6425 JOB AMM

Paint supplies for training.

M.J.

NOV 21 2014

REMIT TO: BEAR LUMBER COMPANY, INC.
P.O. BOX 2071
MONTGOMERY, AL 36102-2071

NET INVOICE:	42.74
FREIGHT:	0.00
SALES TAX:	0.00
INVOICE TOTAL:	42.74

EXHIBIT 4-10 SPECIAL PAYMENT AUTHORIZATION

CITY OF MONTGOMERY
SPECIAL PAYMENT AUTHORIZATION

VOUCHER # _____

CONTRACT # _____

INVOICE/ITEM # _____

DESC 1 - _____

ACCT #		AMT		TOTAL AMOUNT	$0.00
ACCT #		AMT		VENDOR #	
ACCT #		AMT		DATE DUE	
ACCT #		AMT		DATE IN	
ACCT #		AMT		CHECK #	
ACCT #		AMT		INPUT BY	
ACCT #		AMT			

(Do not write above this line)

AUTHORIZATION FOR PAYMENT TO: DATE: 01/00/00

COVERING: AMOUNT: $0.00

ACCOUNT # _____

LICENSE # _____ Department Approval

1099 STATUS _____

W-9 _____ FINANCE DEPT. APPROVAL

EXHIBIT 4-11 MILEAGE REIMBURSEMENT FORM

MILEAGE EXPENSE CERTIFICATE

CITY OF MONTGOMERY, ALABAMA

DEPARTMENT		**NAME**	

Itemized statement of authorized mileage on official city business for the month of 20

DATE	MILEAGE	EXPLANATION OF MILEAGE CLAIMED	DATE	MILEAGE	EXPLANATION OF MILEAGE CLAIMED	
1			17			
2			18			
3			19			
4			20			
5			21			
6			22			
7			23			
8			24			
9			25			
10			26			
11			27			
12			28			
13			29			
14			30			
15			31			
16						
subtotal	0		subtotal	0	Monthly total	0
Mileage Claimed			@	$0.545	per mile	0

I certify that use of my personal automobile on official business has been duly authorized in writing by the Commissioner in charge of my department; that no mileage to and from work is included hereon; and that there has been filed with the City Clerk, proper and sufficient evidence that the City of Montgomery is fully indemnified by a policy of liability insurance in the sum of not less than $10,00 - $20,000 for personal injuries and $5,000 for property damage, all public liability insurance.

I further certify that the amount hereon of $_____ for the month of _____ 20____ is correct, due and unpaid.

Sworn to and subscribed before

me this ____ day of _____ ___

_____ _____

Notary Public Signature of payee

I certify that the mileage on official City Business as claimed hereon was authorized and that the amount of $ _____ for _____ at $.____ per mile is true, correct and properly chargeable to this department.

_____

Department Head

NOTE: *This certificate is based upon City Ordinance #17-52 adopted by the City Commission on March 11, 1952. All directives and restrictions of this Ordinance will be complied with through the proper completion of this Certificate.*

EXHIBIT 4-12 TRAVEL ADVANCE FORM

City of Montgomery
Travel Advance

Officer or Employee Name: _____ Employee ID: _____

Department Name: _____ Account No. _____

Dates of Travel: From _____ To _____

Estimated Expenses:

Transportation	_____
Mileage	_____
Room	_____
Food	_____
Registration and Fees	_____
Other (specify): _____	_____
Total:	_____

- I (the traveler), agree to submit a travel expense claim and itemized receipts within ten business days from the date of return from my trip.
- I (the traveler), agree to reimburse the City of Montgomery for any unspent advance travel made to me.
- All prior travel advances made to me (the traveler) have been settled.
- I (the traveler) authorize the City of Montgomery to withhold from any compensation due to me, any and all amount of the advance travel or prepaid expenses paid on my behalf that have not been settled timely.

I certify that the above is true and correct and/or agree with the above, and that the amounts advanced to me are for travel or official City business.

_____	_____	_____	_____
Date	Traveler's Signature	Date	Departmental Approval

EXHIBIT 4-13 TRAVEL EXPENSE CERTIFICATE

City of Montgomery
Travel Expense Certificate

Submit to the Finance Department within ten business days from the date of return from the trip.

Check No. _____ paid to _____ in the amount of $_____ as an advance for a trip on official City business from Montgomery, Alabama to _____ _____ and return for the purpose of attending _____.

Itemized Expenses:

Transportation	_____
Mileage	_____
Room	_____
Food	_____
Registration and Fees	_____
Other (specify): _____	_____
Total Expenses: _____	
Amount Advanced:	_____
Unspent Balance Returned to City Treasurer herewith	_____

I hereby certify that the itemized expenditures as stated are actual and authorized travel expenditures incurred for official City of Montgomery business. I also certify that I have not received nor will I claim any reimbursement from another source for these expenditures.
.

_____	_____	_____	_____
Date	Traveler's Signature	Date	Departmental Approval

EXHIBIT 4-14 PETTY CASH RECEIPT

PETTY CASH VOUCHER # _____

PAY OUT

Date: _____

Amount: _____

Purpose _____

Received By: _____
(Employee's Signature)

Approved By: _____
(Custodian's Signature)

RETURN

Date: _____

Amount Spent: _____

Amount Returned: _____

Received By: _____
(Employee's Signature)

Approved By: _____
(Custodian's Signature)

EXHIBIT 4-15 REQUEST FOR CREDIT CARD CHARGE

Request for Credit Card Charge	
Department:	Date:
From:	Approving Signature of Department Head is below
Telephone Number:	
This section is for a Request for Buying or Renting - Reminder we do not pay sales tax	
Name of Vendor	
Item(s) or service(s) being purchased	
Estimated Cost should not exceed	
Account Number to Charge	
Account Number to Charge	
This section is for a Request for Travel -	
The following information is required for credit card charges involving travel. You must also attach the following with your request: 1. Written approval from your Cabinet Head or the Mayor that include dates of travel, names of travelers, destinations, name of hotels, registration costs, name of conferences, types of transportation costs that will be involved and any other estimated costs etc. 2. Literature that supports your request such as meeting brochures, registration information, etc.	
Account Number to Charge	
Account Number to Charge	
Note any special information we may need to know below:	
NOTICE	
In order to use the credit card this form must be completed along with any required accompanying documentation. All gray fields must be completed or your request will not be approved. You should attach all forms and email your request to Barry Crabb, Betty Beville and Lana Hankins.	
You will be notified via email when you may pick up the credit card. The credit card should be returned immediately along with a copy of your actual charges. If you have any questions please call Rene Pasley at 625-2032.	

CITY OF MONTGOMERY, ALABAMA
FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 5
FIXED ASSETS

I. CLASSIFICATION OF FIXED ASSET PURCHASES

The following procedures **are required** for the proper coding and classification of Capitalized and Non-Capitalized fixed assets.

A. NON-CAPITALIZED ASSETS

Equipment and other assets costing $1,000 - $4,999.99 per item/unit must be coded (charged) to XXXXXXX-753XX except Land which will be coded (charged) to XXXXXXX-75001. **The exception to this policy is computer(s) which cost less than the $1,000.00 threshold the computer(s) should be charged to XXXXXXX-75307.**

B. CAPITALIZED ASSETS

Equipment and other assets costing $5,000 or more per item/unit must be coded (charged) to XXXXXXX-743XX except Land which will be coded (charged) to XXXXXXX-74001.

II. COST CALCULATION

The cost of Capitalized and Non-capitalized assets should include all normal and reasonable cost associated with getting the asset in place and ready for use. The cost per item/unit may include the following:

- Purchase Price
- Freight
- Installation
- Training cost associated with initial use of the asset
- Maintenance agreements cost associated with initial use of the asset
- Software license cost associated with initial use of the computer asset

If assets are purchased in a lot or in bulk, the **unit** cost per item will determine the proper classification for that asset.

A. EXAMPLES

1) A City department purchases 10 monitors costing $579.00 each. The total cost of the invoice including freight is $5,908.00. This transaction would be expensed due to the unit cost being under the $1,000 threshold for non-capitalized assets.

2) A City department purchases a ventilator pump. The pump's purchase price is $950.00 and requires special installation by the manufacturer. Installation charges are $75.00 and freight charged on the shipment is $38.19. The ventilator would be coded to XXXXXXX-**75301** and receive a City property tag. The pump would be

classified as a non-capitalized asset because the total cost of the pump is $1,063.19 and falls within the threshold for non-capitalized assets.

3) The City purchases a dump truck for $158,000.00. The dump truck would be coded to XXXXXXX-**74304** and receive a city property tag. The dump truck is a capitalized asset.

III. DONATED ASSETS

Donated fixed assets must be valued at fair market value at the date of donation. City property tags must be attached to donated assets prior to placement into service. Land cannot physically be tagged. However, a property number will be assigned to donated land and maintained in the City's files by the Fixed Asset Accountant.

Supporting documentation for donated land must include a physical address of the land, legal description of the land, total square footage donated, and fair market value at the date of donation.

IV. DOCUMENTATION AND FLOW

After a department has obtained proper authorization to purchase a **fixed asset**, completed the purchasing process, and received the appropriate **asset or equipment**, a **MATERIAL RECEIPT FORM** **must** be completed. The material receipt form must include:

- Department which purchased goods
- Vendor from which goods were purchased
- Purchase order number associated with this merchandise
- Date goods were received
- Quantity received
- Description of goods
- Serial number(s) of each item received
- Unit cost of each item
- Total cost
- Department to charge for purchase
- Coding

The material receipt form **must be dated (actual date goods were received), signed** certifying that the goods were received, and any shortages or damaged goods should be noted. The **original** completed material receipt form must accompany the vendor's invoice and both documents sent to the Accounting Division for payment. Documentation for lease purchases must be sent to Finance Administration.

For departments authorized to purchase equipment and other fixed assets on behalf of other departments (i.e., Fleet Management, Information Technology, etc.) the fixed asset number assigned to each fixed asset purchased must be included with the merchandise description and its serial number on the material receipt form.

V. TAGGING

Only assets costing $1,000 or more **per unit** must have a City of Montgomery property tag affixed to the asset. The property tag must be attached prior to placing that asset into service. Tag placement is the responsibility of the department purchasing the fixed asset. Fleet Management, Information Technology, and Communications, are responsible for property tag placement of all fixed assets that flow through their departments for all other City departments. All other departments will receive property tags along with a copy of the purchase order, FPO, or SPA for the appropriate equipment or other assets from the Finance Department.

Tag Placement - City of Montgomery property tags must be placed on each asset consistently in an area that can easily be found during an audit.

VI. REPORTING

Departments authorized to purchase fixed assets on behalf of other departments (i.e., Fleet Management, Information Technology, and Communications) are required to report to the Finance Department the fixed asset numbers assigned to each fixed asset purchased. Additional information which must be included in monthly reports to the Fixed Asset Accounting in the Finance Department is listed in the Documentation and Flow section above. Monthly reporting forms are to be obtained from the Fixed Asset Accountant.

VII. NON-LEASED ASSET PURCHASE AND AQUISITION

The purchasing of an asset includes several layers of approval. (See also, ***The Requisition Process***, Chapter 4, Part VI of this manual.) The following is a step-by-step account of a typical purchase and acquisition of an asset.

1. Budget Process: All Departments present a formal request during budget hearings to the Mayor and Finance Director for any new equipment needed for the upcoming fiscal year.
2. Once the request is approved for purchase at the Budget level, the Department Head or designee will research and develop specifications (specs) of the equipment the department plans to purchase.
3. Specs are sent for approval to the appropriate department, authorized to purchase the asset. (Authorized purchasing departments may also do specs on behalf of requesting department.)
4. A requisition for equipment is created, charged against the appropriate departmental budget, and submitted. If the requisition is for a commissioned asset (i.e., assets which are processed through Fleet Management), the requisition **must** be approved by the Fleet Management Director prior to being sent to the appropriate accounting personnel.
5. Any commissioned equipment requisitions requiring multiple purchases and parts prior to being placed into service; for example, a police cruiser requiring multiple components such as special bumpers, light bars, sirens, etc., must be processed through Fleet Management. Any other non-commissioned assets requiring multiple parts and purchases must be processed through the appropriate authorized purchasing department prior to being sent to accounting.

6. Once equipment is received from vendor, equipment must be inspected immediately by receiving department and a signed material receipt attached to the invoice. The material receipt, invoice and appropriate back-up documentation are sent to accounting for processing the payment.

VIII. GENERAL DECOMMISSIONS AND DISPOSALS

Assets which were initially processed and prepared for service through Fleet Management (i.e., automobiles, forklifts, hydraulic lifts, trailers, etc.) will be considered decommissions, once they become obsolete and removed from service. All other assets that were not processed by Fleet Management will be considered disposals once they are removed from service. Disposals include assets such as copiers, computers, printers, drug dogs, etc.

When assets, both tagged and non-tagged, become obsolete and in need of disposal or decommissioning, the Department Head responsible for the asset must submit a memorandum to the Finance Department describing why the equipment is no longer needed.

The asset, with its property tags attached, must be sent to the Purchasing Division. Purchasing will complete the **Declaration of Surplus Property form** and send it to the Department Head for signature. A copy of the signed declaration, accompanied by any other supporting documentation, is sent to the Accounting Manager or her designee for processing the disposed or decommissioned asset in the accounting system.

IX. DISPOSAL OF FTA GRANT-FUNDED FIXED ASSETS FOR THE PUBLIC TRANSIT SYSTEM

The Transit System in coordination with the Federal Transit Administration (FTA) recipient contact must contact City Finance Department's Grant Accounting, Financial Management and Purchasing Divisions to receive approval for disposal of a grant-funded vehicle(s) after FTA concurrence/guidance. The grant-funded vehicles may be disposed of under the following circumstances:

1. The City has been awarded a grant to replace a vehicle under a FTA direct grant program. The vehicle must have met or exceeded its minimum useful life. The Transit System should submit a written or e-mail request for the vehicle title to be released. Information must include the Vehicle Identification Number (VIN), year, make/model, mileage, reason for disposal, and intended disposition method. The Transit System replacing vehicles has these options for disposal of the old vehicle(s):

    - Disposal by auction or public sale. The Transit System may follow local procedures for disposal as long as the process involves an open public bid or auction process. Sale proceeds must be retained in the transit program under which the vehicle was initially acquired and used to reduce the cost of the next vehicle purchase. The Transit System should maintain a copy of documentation in the vehicle file, including page of auction or bid notice listing the vehicle, the sales receipt showing vehicle purchase price, and any

other relevant documentation. The Finance Department will require copies or review this documentation, which must be retained for three years after disposal.

- Disposal by trade-in on purchase of a new transit vehicle. The new vehicle must be for the same grant program as disposed vehicle was purchased for.

2. The City requests to transfer the vehicle to another public or nonprofit agency providing public transportation. The Accounting Division must be contacted prior to the transfer to determine if the agency and its service are eligible. The Accounting Specialist should maintain a file copy of the transfer agreement and a copy of the title transfer documenting the transfer of the vehicle.

    - If the vehicle has met or exceeded the useful life standards, the vehicle can be sold, transferred or donated. The Transit System must request that the Purchasing Division release vehicle title. Net proceeds from sale shall be used for the next vehicle purchase.

3. Casualty Loss: If a vehicle is withdrawn from service due to damage from an accident, theft, or vandalism, the agency must immediately notify the Accounting Division, the Financial Management Division and Risk Management. The following actions will be taken:

    a) If the damaged vehicle can be repaired, the agency is responsible for making necessary repairs to restore the vehicle to its original working condition. The cost of such repairs shall be borne by the agency, from local funds, and/or insurance proceeds.

    b) If the vehicle cannot be adequately repaired, is stolen, or otherwise unrecoverable, the following steps must be taken:

        - Insurance adjustor determines the Fair Market Value (FMV) of the vehicle at the time it was removed from service. The Transit System will need to provide the last mileage reading and condition.

        - The Transit System will promptly file an insurance claim for damage or loss of vehicle. The Finance Department will be provided a copy of the insurance claim, and subsequent correspondence with the insurance carrier or agent.

        - The preferred action is for the agency to use insurance proceeds, plus any additional local funds required, to replace the vehicle.

        - The Transit System would request a release of the vehicle title.

        - If for some reason the City determines that it can meet existing service

levels without replacing the vehicle, or for some other reason does not plan to replace the vehicle, the Finance Department should be notified. The City will be required to use the insurance proceeds to pay FTA the grant share at the current FMV of the vehicle.

Disposition of Surplus Equipment and Supplies/Scrap

Identification of Surplus/Obsolete Materials, Supplies, Equipment and Scrap - The identification of surplus equipment, material, or scrap shall be the responsibility of the General Manager and Maintenance Director of the Transit System. Equipment shall be surplus to the Transit System when it becomes obsolete because it has been replaced by newer equipment or because the equipment no longer supports the mission. Equipment shall be scrapped only when it is non-functional and non-repairable, and has little or no value unless functional.

Parts are surplus when the part is no longer applicable to the fleet or when stock on hand exceeds the maximum established by the usage history of the item for a period of over one (1) year. Stock levels and order levels will be reviewed for all stock items at least once annually by the Maintenance Director of the Transit System.

All scrap metal and other scrap having recovery value shall be sold for the benefit of the Montgomery Area Transit System (MATS).

Disposal of Surplus - It is the policy to dispose of surplus and scrap to ensure the highest possible return consistent with costs of disposal, while conforming to requirements of FTA Circulars 5010.1D and 4220.1F and the City of Montgomery. When considering disposal of property, the Transit System in coordination with the Finance Department's Purchasing Division, will either offer it for sale by advertised public bid or by public auction.

Pursuant to FTA Circular 5010.1D, when selling equipment exceeding its useful life with a fair market value over $5,000, or supplies sold for over $5,000 in aggregate, FTA shall be reimbursed by the same percentage of net sales proceeds as the percentage of federal interest in the original grant for the equipment or supplies. The Transit System will secure prior FTA concurrence in selling equipment before the end of its useful life and shall reimburse FTA for its share of the unamortized value of the remaining service life based on straight line depreciation, unless the unamortized value is $5,000 or less.

Surplus materials or equipment, which cannot be returned or sold, shall not be sold as scrap while such material or equipment is still applicable to vehicles or operations. The disposition of surplus materials, supplies and scrap must be authorized and approved by the General Manager of the Transit System prior to disposition. All sales shall be by cashier's check or cash.

Disposal of Scrap - Materials, parts, or equipment identified as scrap and having recovery value shall be sold to the highest of two scrap dealers willing to provide quotations and shall be coordinated through the Purchasing Division of the Finance Department. The disposition of scrap must be approved by the General Manager prior to disposition, and the

General Manager shall follow the general decommissioning and disposal guidelines as listed above. All sales shall be by cashier's check or cash, unless otherwise approved by the General Manager of the Transit System.

X. FIXED ASSETS INVENTORY PROCEDURES

A. INVENTORY OVERVIEW

Physical inventories are conducted to verify the accuracy of the City of Montgomery property records in the OneSolution System, as well as the existence and activity status of the assets. Results of the performed inventories provide an overall assessment of the effectiveness of property management and the level of compliance with established policies and procedures.

B. INVENTORY METHODOLOGY

- The Fixed Asset Accountant and/or designee will coordinate with each department to conduct the physical inventories.
- Verification of the existence and accountability of the property is done through one of the following methods:
    - For equipment, certain attributes should be verified and reconciled to the property record (see attributes below).
    - Review equipment logs/spreadsheets of department equipment.
    - Documentation in the file for non-taggable assets along with physical verification of the asset(s).
- Attributes that should be verified and reconciled to the property record include (at a minimum):
    - City of Montgomery Property Asset Tag Number
    - Description
    - Manufacturer
    - Model Number
    - Serial Number
    - Vehicle Identification Number
    - Location
    - Condition
    - Tagged or Non-Tagged Asset
    - City Vehicle Number
- Preliminary results are reported to each department within ten (10) business days after the completion of the initial physical inventory. Through this report, each department will be informed of any discrepancies and is responsible for providing resolution for those discrepancies.

C. PREPARATION OF INVENTORY

- As with most tasks, preparation is a key factor to the success of the inventory process. In collaboration with the Fixed Asset Accountant, when departments follow a few routine steps the inventory process should move very smoothly with minimal errors.

- To prepare, each department should follow the checklist below (these tasks should be performed as a matter of routine, not just prior to the inventory):
    - Identify non-taggable assets and ensure records correctly identify whether or not an asset is non-taggable.
    - Ensure the non-taggable assets are maintained and updated in the department files with the City of Montgomery Property Asset Tag attached and any disposed assets are identified in the file.
    - Ensure all assets located in a different location are identified on the equipment listings and have been updated within the last 6 months.
    - Update the Fixed Asset Accountant continually throughout the year as needed when assets are disposed, transferred or damaged.
- The Fixed Asset Accountant will notify each department approximately two (2) weeks prior to the next inventory cycle to schedule the department's physical inventory. The notification will include the current list of department assets, a schedule of dates and times available for inventory and physical inventory procedures. The department will inform the Fixed Asset Accountant or designee of the date and time selected as well as the meeting place for the physical inventory. The Fixed Asset Accountant or designee will confirm this selection by sending a meeting request to the department, who will in turn, accept the request or make any needed changes.
- A few weeks prior to the physical inventory, the department should:
    - Notify the Department Director and staff of planned inventory dates. Methods to accomplish this include phone calls, emails and staff meetings.
    - Ensure the non-taggable assets file is up-to-date and readily available for the inventory team.
    - Identify all locations of the Departments' assets (including offices, storage areas, off sites, etc.)
    - Identify areas within your department that need special attention or precautions, such as:
        - Landfill
        - Secured areas (restricted access)
        - Jail
        - Montgomery Zoo (animal locations)
        - Police Department (canine officers)
- A few days preceding the physical inventory, the department should:
    - Remind staff of the planned inventory dates
    - Arrange for escorts with the necessary keys, door codes, etc. to accompany inventory count teams on pre-scheduled inventory day(s).

D. INVENTORY OF ASSETS PURCHASED WITH GRANT FUNDS

- Once a year, a listing of the prior year grant purchased assets will be requested from the Accounting Specialist for use in verifying said grant assets. The listing will be analyzed and sent to the respective departments for verification that the grant assets

are tagged and reside in their area. The listing will then be amended (if needed) and approved by the Department Director and returned to the Fixed Asset Accountant.

- During each fiscal year, a complete equipment physical inventory of grant purchased fixed assets will be performed. When the inventory is reconciled, the asset record will be updated in the OneSolution System to ensure compliance with federal property management requirements.
- The department will consult with the Accounting Specialist and/or Department Director prior to making any decision concerning disposing of or placing an asset purchased with grant funds in Surplus Property Inventory.

E. DISPOSALS AND MISSING ASSETS

- Each department is responsible for reporting all disposals, transfers, sales or discards of purchased equipment, using the required forms. The form for sales, disposals and/or discards should be completed with appropriate departmental approvals and any supporting sales documents, and forwarded to the Purchasing Warehouse Superintendent, the Fixed Asset Accountant, as well as the Accounting Specialist for Restricted Fund purchased assets. See Exhibit 5-1 for an example of the Disposal/Lost Asset Inventory Form. See Exhibit 5-2 for an example of the Fixed Asset Location Transfer Form. The Warehouse Superintendent will complete the Declaration of Surplus Property form for the disposals of the asset(s).
- If an asset is not located during the physical inventory, the department will need to make every attempt to locate the equipment. If the item is thought to be stolen, the police department will be notified immediately and a police report will need to be completed.
- The department will be given a period of thirty (30) days to locate the items in question. If after thirty (30) days the equipment cannot be located, an affidavit will need to be completed by the Department Director stating the item(s) description, date of lost, value of item(s) and reason for affidavit with signatures.
- After thirty (30) days, the signed affidavit and declaration of surplus is completed and turned in to the Fixed Asset Accountant in order to dispose of the item(s) on the OneSolution System. The item(s) information will be forwarded to the Accounting Manager and Finance Director.
- The department will be responsible for notifying the Accounting Specialist of any equipment loss or disposal of grant funded assets.

F. INVENTORY RESULTS AND REPORTS

- Results of a physical inventory are submitted to the Accounting Manager within thirty (30) days after the completion of the reconciliation period. See Exhibit 5-3 for an example of the Physical Inventory Certification Form.

- After analyzing the results for each inventory, corrective actions for property management practices may apply and each department along with the Fixed Asset Accountant will work with each area to correct these problems.

EXHIBIT 5-1 DISPOSAL/LOST ASSET INVENTORY FORM

City of Montgomery
CAPITAL OF DREAMS.

DISPOSAL/LOST ASSET INVENTORY FORM

Contact Name	
Name of Department	
Department Number	
Date of Disposal/Lost	
Fixed Asset Tag#	
Description	
Location of Equipment	
Value of Lost Equipment	

Please check Type of Disposal:

- ☐ **Sold**
- ☐ **Wreck**
- ☐ **Trade In**
- ☐ **Scrap**
- ☐ **Lost equipment**
- ☐ **Donation**
- ☐ **Burned in Fire**

Comments:_____

Note: This form MUST include documentation for each disposal. The following items are accepted as documentation: a bill of sale including the title, a declaration of surplus property form, a police report or a decommissioning checklist.

Signature:_____ **Date:**_____

Revised 05/26/16 7

EXHIBIT 5-2 FIXED ASSET LOCATION TRANSFER FORM

City of Montgomery
CAPITAL OF DREAMS.

FIXED ASSET LOCATION TRANSFER FORM

Please fill out the fields below to request change of location for a fixed asset. A signed copy of this form must be sent to the Finance Department, Attention: Fixed Asset Accountant.

TRANSFER INFORMATION:

Asset Tag #: _____ Transfer From: _____
Department Number and Name

Serial/Vin Number: _____

Asset Description: _____ Transfer To: _____
Department Number and Name

Date of Transfer: _____

Reason for transfer: _____

_____

_____

_____

SIGNATURES:

Initial Department:

Name (Please print): _____

Signature: _____ Date: _____

Receiving Department:

Name (Please print): _____

Signature: _____ Date: _____

Revised 05/26/16 8

EXHIBIT 5-3 PHYSICAL INVENTORY CERTIFICATION FORM

City of Montgomery
CAPITAL OF DREAMS.

PHYSICAL INVENTORY CERTIFICATION FORM

Date of Physical Inventory	
Department Name	
Department Contact Name	
Fixed Asset Contact Name	

This form is to certify that the physical inventory was conducted in accordance with the policy and procedures for the City of Montgomery.

Signature:_____**Date:**_____

Revised 05/26/16 6

CITY OF MONTGOMERY, ALABAMA

FISCAL POLICY AND PROCEDURES MANUAL

CHAPTER 6
OTHER FINANCIAL POLICIES AND PROCEDURES

I. GRANT APPLICATION AND REWARD NOTIFICATION

It is imperative that the Finance Department be notified of any and all grant applications in order to comply with Single Audit Requirements. If someone other than the Grant Administrator applies for a grant, a copy of all applications should be forwarded to the Grant Administrator and to the City Comptroller. The Comptroller should also be notified when the grant is approved or disapproved.

When a grant has been approved, a financial commitment has been made to the City of Montgomery and the transaction must be recorded by the Finance Department. Consequently, it is imperative that executed documentation be immediately sent to the City Comptroller in the Finance Department.

II. POLICE FOUND OR UNCLAIMED CURRENCY

It shall be the policy of the Montgomery Police Department's Property Evidence and Supply Bureau to return or release US Currency to its rightful owner, if possible.
The following procedures will be adhered to when returning or releasing US Currency:

A. FOUND US CURRENCY

1. A reasonable search will be conducted by patrol officers to locate the owner of found currency.
2. Once it has been determined that there is no owner of the Found Currency, the currency will be impounded separately from all other property.
3. Property Evidence and Supply Bureau Officers will again make a reasonable attempt to locate an owner.
4. If no owner can be identified, the Found Currency will be held for one hundred eighty (180) days/six (6) months.
5. After one hundred eighty (180) days/six (6) months, if unclaimed, the US Currency will be converted to the Montgomery Police Department (MPD) for building maintenance, fleet purchases, MPD technology upgrades, equipment purchases and other Property, Evidence and Supply Bureau projects as well as travel and training.
6. The Property Evidence and Supply Bureau Commander will oversee the preparation of a Deposit Memorandum itemizing the items (impound number, date, case number, amount of US Currency) in question and present it to the Administrative Division Commander for approval.
7. The report must exhibit the signature of the Property Evidence and Supply Bureau Commander and the approving signature of the Administrative Division Commander.

8. The Property Evidence and Supply Bureau Commander will deliver the monies to the Montgomery Police Department Finance Bureau.
9. A copy of the receipt will be retained and attached to each property impound number that was listed on the Deposit Memorandum.

B. UNCLAIMED PERSONAL US CURRENCY

1. A reasonable search will be conducted by patrol officers to locate the owner of unclaimed currency.
2. Once it has been determined that the owner is not available to claim the personal currency, the currency will be impounded separately from all other property.
3. Property Evidence and Supply Bureau Officers will again make a reasonable attempt to locate an owner by mail. A copy of the mailed "Notification Letter" will be retained with the original Property Impound Sheet. A Federal/State/Local issued Identification Card will be required to retrieve any property from the Property, Evidence and Supply Bureau.
4. If the currency is not claimed within one hundred eighty (180) days/six (6) months of the date on the letter sent to the owner, the currency will be classified as "Unclaimed US Currency".
5. After one hundred eighty (180) days/six (6) months, if unclaimed, the US Currency will be converted to the Montgomery Police Department for building maintenance, fleet purchases, MPD technology upgrades, equipment purchases and other Property, Evidence and Supply Bureau projects as well as travel and training.
6. The Property Evidence and Supply Bureau Commander will oversee the preparation of a Deposit Memorandum itemizing the items (impound number, date, case number, amount of US Currency) in question and present it to the Administrative Division Commander for approval.
7. The report must exhibit the signature of the Property Evidence and Supply Bureau Commander and the approving signature of the Administrative Division Commander.
8. The Property Evidence and Supply Bureau Commander will deliver the monies to the Montgomery Police Department Accounting Bureau.
9. A copy of the receipt will be retained and attached to each property impound number that was listed on the Deposit Memorandum.

C. EVIDENCE US CURRENCY

1. Evidence US Currency will be held until a Court Order is issued.
2. Based on the disposition issued by the court, US Currency will either be (a) destroyed or (b) released to owner.
3. When US Currency has been determined to be destroyed, the currency will be destroyed by repurposing, shredding or burning.

4. When currency has been determined to be released to the owner, the Property Evidence and Supply Bureau Officers will follow the entire procedures outlined in Unclaimed Personal US Currency (See Section B).

II. DAMAGE CLAIMS

A damage claim is any damage to City property that has been determined to be caused by the actions of a private citizen. Processing of claims and the resulting claims reimbursement checks received from insurance companies and individuals are as follows:

A. All accident reports and incidents reports generated by the departments will be sent to the City Safety Director's Office for claims adjudication.
B. The City Safety Director's Office will attempt to negotiate with the insurance company or private citizen to collect on damages to City property.
C. If the Safety Director's Office is unsuccessful in collecting funds due to the City of Montgomery the claim will be turned over to City Investigations Department for collections.
D. The Safety Director and City Investigations will turn over all checks received to the City Risk Manager for deposit.
E. The City Risk Manager will coordinate with the Finance Department to determine which account the check should be deposited in.
F. The Risk Management Clerk will then prepare the deposit paperwork which must be signed by the City Risk Manager prior to being sent to the Treasurers' Office for deposit.
G. Checks received by the City will only be deposited into the appropriate accounts by the City Treasurer's Office.
H. No City employee shall sign any form of liability release for the City of Montgomery unless first authorized by the City Attorney

III. TAX-EXEMPT DEBT COMPLIANCE POLICY

To maintain the tax-exempt status of tax-exempt and tax-favored warrants and other obligations (herein "Warrants") issued by the City of Montgomery, Alabama

A. COMPLIANCE WITH QUALIFIED USE OF PROCEEDS AND FINANCED PROPERTY REQUIREMENTS

Warrant-financed facilities will comply with governmental ownership and use rules and regulations.

1. All warrant-financed facilities will be owned by the City or some other governmental entity until final payment of the tax-exempt obligations financing such facilities.

2. Warrant-financed facilities will not be used by any private for-profit organization, the federal government or any non-profit organization. For purposes of this Policy, "use" of a warrant-financed facility will include ownership, use under a lease arrangement, non-qualifying short-term use and use under a non-qualified management or service contract.

3. Gross proceeds of Warrants will be allocated to project expenditures in a manner demonstrating compliance with qualified use requirements upon final expenditure of the gross proceeds of the Warrants. Such allocation will be made in a manner consistent with allocations made to determine compliance with arbitrage yield restriction and rebate requirements for the Warrants as well as other federal tax filings.

4. The use of any land, buildings, facilities and equipment financed with proceeds of tax-exempt or tax-favored warrants will be monitored on a regular basis, and if the City determines that there is any new private business use of any such property or that the use of any such property has changed from use by the City, some other governmental entity (other than the federal government) or the general public to private business use, the City with the assistance of bond counsel, if necessary, will determine if such use causes the City to exceed the limitations on private business use. If the City determines that a change in use has caused the City to exceed the limits on private business use with respect to any Warrants, the City will promptly determine if "remedial action" under Section 141 of the Internal Revenue Code is permitted, and, if so, will take appropriate remedial action for all nonqualified Warrants.

B. COMPLIANCE WITH ARBITRAGE YIELD RESTRICTION AND ARBITRAGE REBATE REQUIREMENTS

1. Investment of the gross proceeds of Warrants prior to expenditure thereof will be made only as permitted by the respective Ordinance approving the Warrants and only in fair market value investments.

2. The City will maintain all records of the expenditure and investment of the gross proceeds of Warrants and will make timely arbitrage rebate payments to the United States Treasury as required based upon the advice of a qualified professional.

C. ANNUAL REVIEWS

The Finance Director will perform an annual compliance review of all Warrants. Results of annual reviews will be kept with the books and records of the City relating to each outstanding issue of Warrants.

D. LONG-TERM LEASING PROCEDURES

Any long-term lease of City facilities with outside persons or organizations must be approved by the Finance Director, who will be responsible for determining whether facilities to be leased under the proposed lease are warrant-financed facilities. The Finance Director will approve long-term leases of warrant-financed facilities to an outside person or organization only upon advice of Counsel. For purposes of this Policy, long-term use means use for more than two hundred (200) days.

E. SERVICE AGREEMENT PROCEDURES

Service Agreements with outside persons or organizations (e.g., for food service, administrative or other management services) relating to City facilities will be approved by the Finance Director, who will be responsible for determining whether the proposed agreement meets applicable compensation, term and other requirements under Revenue Procedure 97-13 as amended by Notice 2014-67.

F. ALLOCATION OF WARRANT PROCEEDS TO EXPENDITURES

Upon final expenditure of Warrant proceeds, and in no event later than eighteen (18) months after warrant-financed facilities are placed in service, the Finance Director will use a reasonable, consistently applied accounting method to account for the investment and expenditures of the gross proceeds of the Warrants.

G. ARBITRAGE REBATE COMPUTATION OR SPENDING EXCEPTION DOCUMENTATION

Upon final expenditure of the gross proceeds of the Warrants, and in no event later than the 5th anniversary of the date of issuance of the Warrants, the Finance Director will consult a qualified professional to prepare a spending exception report or an arbitrage rebate computation (as applicable) for the Warrants. The Finance Director will take the steps necessary for the City to make a timely payment of arbitrage rebate due to the United States Treasury (if any) prior to the due date for such payment.

H. DEFINITIONS

1. "Counsel" means counsel having a nationally recognized standing in matters relating to the validity of obligations issued by or on behalf of states or local subdivisions thereof.
2. "Warrants" means any outstanding tax-exempt or tax-favored warrants or other obligations issued by the City as of the date of any review.
3. "Warrant-Financed Facilities" means facilities financed or refinanced with the proceeds of Warrants.
4. "Ordinance" means the City Ordinance(s) pursuant to which Warrants have been issued.
5. "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended or the Internal Revenue Code of 1954, as amended and not superseded by the Internal Revenue Code of 1986.
6. "Regulations" means final, temporary and proposed regulations promulgated pursuant to the Internal Revenue Code of 1986.

IV. TAX ABATEMENT POLICY

An abatement of taxes is forgone tax revenue granted to specific individuals or entities for the purposes of economic development or other actions beneficial to the City. For proper financial statement disclosure, any current or future tax abatement agreement the City enters into with an entity must be submitted to the Internal Audit Manager.

Any tax abatement agreement will address various issues, including but not limited to, the following:
1. General description of the project.
2. Amount of the tax abatement and percent of value to be abated each year.
3. Method of calculating the value of the abatement.
4. Duration of the abatement, including commencement date and termination date.
5. Legal description of the property, if applicable.
6. Kind, number, location and timetable of planned improvements, if applicable.
7. Specific terms and conditions to be met by applicant.
8. The proposed use of the facility and nature of construction, if applicable.
9. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment.

V. INVESTMENT POLICIES AND PROCEDURES

This investment policy applies to all financial assets of the city of Montgomery, Montgomery, Alabama. These funds are accounted for in the Comprehensive Annual Financial Report and include:

- General Fund,
- Special Revenue Funds (certain restrictions),
- Capital Project Funds,
- Debt Service Funds, and
- Any New Fund(s) created, unless specifically exempted.

A. OBJECTIVES

Funds of the City of Montgomery will be invested in accordance with the appropriate State of Alabama statues governing investment of public funds. **Safety of principal is the foremost objective of the City of Montgomery**. Each investment transaction should first ensure that capital losses are avoided while at the same time receive the best return for the investment. The City of Montgomery seeks to attain rates on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and laws that restrict the placement of certain public funds. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Funds of the City of Montgomery may be invested in:

1. U.S. Treasury Securities,
2. Fully insured or collateral's Certificates of Deposit (CD) at commercial banks,
3. Repurchase Agreements collateral's by U.S. Treasury securities, and
4. Money Market Mutual Funds whose portfolios consist entirely of U.S. Government Securities.

B. DELEGATION OF AUTHORITY

The Accounting Manager is designated as investment officer and is responsible for investment decisions and activities, under the direction of the Finance Director.

C. MONITORING AND ADJUSTING THE PORTFOLIO

The investment officer daily monitors the contents of the portfolio, any new funds available for investing and adjusts the portfolio accordingly.

D. PRUDENCE

The investment officer should use prudence overseeing these funds. Investments should be made with judgment and care with safety of principal always first and foremost. The investment officer should show integrity for the trust bestowed upon the position.

E. SHORT-TERM PORTFOLIO DIVERSIFICATION

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payrolls, bond payments, etc.) as well as considering sizable blocks of anticipated revenue (sales taxes, license, etc.).

F. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

Any financial institution participating in the bid process for investments by the City of Montgomery must be a Qualified Public Depository in the Security for Alabama Funds Enhancement or SAFE program.

Before the City invests any surplus funds, a competitive "written bid" process shall be conducted. Each financial institution shall be given the maturity date, amount of principal with these instructions:

'These funds have to be secured with a U.S. Government security'.

The bidder may call back with their financial institution's bid; however, it must be followed with a written bid statement on company letterhead that can be faxed to the investment officer. The time called and the person contacted should always be recorded on a bid sheet. In the event of a tie, the financial institution getting their written bid in first should receive the bid if all guidelines have been met. The bid sheet should be kept at least until after the financial audit. After the investment has been awarded, it is permissible to release results of the bid.

G. SAFEKEEPING AND COLLATERALIZATION

All investment securities purchased by the City shall be held in safekeeping by the primary agent. All written information pertaining to investment securities including the specific type, rate, maturity, and any other pertinent information shall be kept in a secured area by the investment officer.

VI. DESTRUCTION OF DOCUMENTS

A. Non-Original Documents

Non-original documents containing sensitive information (i.e. copies of bank statements, copies of employee forms, reports with identifying information, etc.) should not be discarded in trash receptacles. These documents must be shredded to prevent fraud and misuse.

B. Original Documents

Original documents containing sensitive information should be destroyed in accordance with statute (*Code of Alabama 1975*, § 41-13-23), which states:

> No county, municipal or other local government official shall cause any county, municipal, or other local government record to be destroyed or otherwise disposed of without first obtaining the approval of the Local Government Records Commission.

A destruction notice must be obtained from the Records Retention Manager in order to be destroyed by shredding, landfill, burning, or recycling.