

RESOLUTION NO. 1622**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARTHAGE, MISSOURI ADOPTING A POLICY STATEMENT TO FORMALIZE THE CONDITIONS AND PROCEDURES TO BE FOLLOWED BY THE CITY REGARDING REIMBURSEMENT REVENUES**

WHEREAS, periodically, private individuals and agencies would like to make donations or compensate the City for general or specific services provided by a City department or individual employee; and

WHEREAS, the Mayor and Council have responsibilities regarding the care, management and control of the city and its finances, including establishing an annual budget; and

WHEREAS, the Council, as a whole, through its resolutions and ordinances, establishes basic policy which the City Administrator and other City staff implement and administer; and

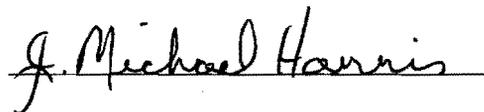
WHEREAS, policy matters should be highlighted and documented in resolution format for discussion so that the policy may be approved, adopted and communicated to relevant parties; and

WHEREAS, a Council Committee has reviewed the submitted policy statement and determined that it adequately conveys the desires and needs of the City and are providing a recommendation to adopt the Resolution:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI, THE MAYOR CONCURRING HEREIN, AS FOLLOWS:

That the attached policy on "REIMBURSEMENT REVENUE TO THE CITY OF CARTHAGE, MISSOURI" be hereby adopted effective upon approval by the City Council.

PASSED AND APPROVED THIS 22 nd DAY OF February, 2011.



J. Michael Harris, Mayor

ATTEST:



Lynn Campbell, City Clerk

POLICY ON REIMBURSEMENT REVENUE TO THE CITY OF CARTHAGE, MISSOURI

OBJECTIVE AND PURPOSE

Periodically, private individuals or organizations wish to make donations or compensate the City for general or specific services provided by a City department or individual employee. Occasionally, Department Heads request these to be netted against an expense line item. The purpose of this policy is to formalize the conditions and procedures to be followed by the City to properly record said revenue. The objective is to be accountable to the Citizens of Carthage, follow governmental accounting principles and represent an accurate approved budget.

SCOPE

This policy on reimbursements to the City includes the City and its agencies, boards and commissions.

DEFINITIONS

Reimbursement - Reimbursement to the City for the purpose of this policy consists of revenues from cash, money order, check or wire only, and is defined as any act of compensation for an incurred expense on behalf of an individual or group of employees and/or direct expenses incurred in providing a public service by a City department, or a loss cause by damage to City property or equipment.

POLICY/PROCEDURES

The City Administrator and City Clerk will review a designation request from a contributor to determine if the revenue should be classified as a reimbursement, donation, grant or previously approved budgeted revenue item. (Refer to Donation and Grant Policy).

GENERALLY

- According to Generally Accepted Accounting Principles (GAAP), if the City has an expense that is reimbursed with insurance proceeds and the expense occurs in the same year the proceeds are received, the revenue is netted against the expense. If the proceeds come in the fiscal year after the expense was incurred, it is a revenue.
- In general terms, if a reimbursement is designated for a previously approved budgeted expense, it will be classified as a revenue. In this case, and if the revenue is not a donation, grant or a previously budgeted revenue source, it will be posted as miscellaneous revenues in the appropriate fund.

- If the reimbursement is to offset a non-budgeted expense or unexpected occurrence, it may be netted against the expense provided both occurred in the same fiscal year. If the reimbursement comes in another fiscal year than in which the expense was incurred, it will be classified as a revenue.

ACTUAL "CASE BY CASE" EXAMPLES FOR FUTURE REFERENCE

- **Employees who use stamps, postage meters, office supplies, copiers for personal use or make personal long distance calls**

Reimbursement is netted against the expense line item

- **Employees who, when traveling incur charges not covered by the City's travel policy**

Reimbursement is netted against the expense line item

- **Insurance proceeds for damages incurred when repairs were paid out of an expense line item in the same fiscal year. For example a car accident or vandalism**

Reimbursement is netted against the expense line item

- **Judge order restitution from defendant to the City for damages to City Property with both the restitution and the repairs occurring in the same fiscal year.**

Reimbursement is netted against the expense line item