**RESOLUTION 16-213**

A RESOLUTION OF THE CITY OF WOODBURN, INDIANA

COMMON COUNCIL REGARDING

INTERNAL CONTROLS PROCEDURES

WHEREAS, Internal Controls are designed to make all individuals that deal with funds or property of the City of Woodburn accountable;

WHEREAS, developed methods are required to discourage and eliminate, as much as possible, the threat of theft, negligence, or passive allowance of such behavior;

WHEREAS, these procedures will be updated as needed in a future resolution;

WHEREAS, minimal requirements are required to be in force by January 1st, 2017;

NOW THEREFORE, BE IT ORDAINEDby the Common Council of the City of Woodburn as follows, to be effective January 1st, 2017:

1. Daily deposit amounts made at Horizon Bank will be compared to the amount processed in the Banyon software, be they utility payments or any other type of check or cash deposit. The Clerk-Treasurer and the Deputy Clerk will both initial for a given transaction in this way, as either the preparer of said transaction or the one who confirmed that it was processed correctly. If for some reason this process will not be timely, either set of initials can be replaced by the initials of a Council member.
2. Petty Cash, while not used very often, still has a function within the Clerk-Treasurer’s office. Petty Cash will be reconciled quarterly, or sooner if there exists a need, and will be logged and verified by both the Clerk-Treasurer and the Deputy Clerk.
3. Monthly reconciliation will be performed by the Clerk-Treasurer and confirmed by the Deputy Clerk in a timely manner following a given month. The Clerk-Treasurer will initial to confirm that reconciliation has occurred, followed by either the Deputy Clerk, or if they are unable to do so timely, a Council member.
4. The Clerk-Treasurer will provide the Council with documentation showing the reconciliation of City funds in a timely manner after a quarter of the year has concluded.
5. The Deputy Clerk will inspect payroll check origination quarterly under the direction of the Clerk-Treasurer and this process will be confirmed by a log of the event and initials of both the Deputy Clerk and the Clerk-Treasurer.
6. All checks that are originated by the City of Woodburn will be signed by the Clerk-Treasurer and either the Mayor or the current Council member who was delegated to have that authority.
7. For any check that is to be originated, a claim docket will be presented to Council for their approval. In order for a claim to be considered valid, all present members of that quorum that were in favor of paying the claims as presented, need to sign the claim register. In the case that the Clerk-Treasurer originates a check under their authority prior to the presentation and approval of Council, signatures of that claim register in a similar method, even though signed after origination, will be considered valid.
8. Anyone on the City of Woodburn’s payroll that has access to a City credit card or line of credit from a vendor are to abide by the format listed in an Ordinance, not yet in force, that will be passed before February, 2017 regarding the use and procedures for credit cards and lines of credit. Should this Ordinance not be in force by January 31st, 2017, then section 8 of this resolution will not apply and the City will not be bound to execute it in any capacity.
9. Currently, only the Deputy Clerk and the Clerk-Treasurer handle City funds. If any other department is dealing with a customer or resident who wishes to have a payment processed, they are to refer that customer to City Hall. The only potential exception to this is the Woodburn Police Reserves. They are to handle all incoming and outgoing funds, if any, according to their established procedures.
10. For any loss in either City funds or City property, the party who discovers the situation is to follow the current structure that is in place for the City’s materiality threshold. This will determine whether or not it can be handled internally or if the State Board of Accounts needs to be informed of the loss.
11. Anyone who suspects the possibility of fraud is encouraged to report their concerns to their department head, the Clerk-Treasurer, or the Mayor. The State Board of Accounts is always an acceptable option as well, particularly if you doubt the integrity of the individuals involved regarding the resolution of said potential conflict.

Adopted and Resolved this 7th day of November, 2016.

< **SIGNATURES ON NEXT PAGE** >

**WAIVER OF SECOND READING**

On motion duly made and seconded, the second reading of the foregoing Resolution was unanimously waived and the Resolution was deemed effective as of the date of passage.

**COMMON COUNCIL OF THE CITY OF WOODBURN, INDIANA**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Daniel Watts, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mike Voirol, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dean Gerig, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

John Renner, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michael Martin, Councilman

ATTEST:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Timothy Cummins, Clerk-Treasurer

**COMMON COUNCIL OF THE CITY OF WOODBURN, INDIANA**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Daniel Watts, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mike Voirol, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dean Gerig, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

John Renner, Councilman

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michael Martin, Councilman

ATTEST:

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Timothy Cummins, Clerk-Treasurer

The foregoing resolution passed by the Council is signed and approved ( ) / not approved ( ) by me on the same date.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Joseph Kelsey, Mayor of the City of Woodburn