

Sabine County

Financial Procedures

INTRODUCTION

The purpose of financial management policies is to provide sound guidelines in planning the County's financial future. Sabine County considers the expenditure of funds to be an important responsibility and requires all persons involved with the purchase of goods or services to exercise good judgement in spending taxpayers' contributions.

SCOPE OF AUTHORITY

The County Treasurer is responsible for administering the accounting records and verifies the legality and validity of county disbursements.

Financials

- A. Bank Depository
 - 1. The County designates a depository for banking services. The County Commissioners' Court reviews the selection every two years unless circumstances deem otherwise.

- B. Accounts Payable
 - 2. Four (4) individuals are authorized to sign checks written on the bank depository accounts: County Auditor, County Treasurer, and two assistants with the County Treasurer's Office. All checks are required to have two authorized signatures, Auditor and one person from the County Treasurer's office. No exceptions.

- C. Accounting
 - 3. The County Treasurer is responsible for establishing the structure for the Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the County's financial position. The Treasurer shall provide financial reports to the Commissioners Court monthly.

- D. Audit of Accounts
 - 4. An independent audit of the County accounts is performed annually. The Independent Auditor is retained by and is accountable directly to the Commissioners Court. The Commissioners Court reviews the selection every five years unless circumstances deem otherwise.

- E. Internal Controls
 - 5. Written procedures will be established, maintained, and assessed per 2 CFR 200.303 by the County Treasurer for all functions involving cash handling and/or accounting throughout the County. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

The County ensures duties and responsibilities are segregated so that no one individual has

complete authority over a financial transaction.

PROCEDURES

A. Record Requisition -

1. Sabine County uses CYMA software to record and track all payment to vendors. A requisition for products or services must be completed and submitted to the Treasurer's office by the department that will be incurring the expenditure. The Treasurer's office will review the quote for budgetary purposes and issues a Purchase Order (PO) if the expenditure is budgeted as requested. Any purchase over \$100 must have a purchase order with the invoice.

B. Input Invoice into Record Keeping System -

2. Once the product or service is rendered an invoice must be submitted as soon as possible to the Treasurer's Office with acknowledgement of receipt. Departments must review invoices prior to submitting to the Treasurer's Office. They acknowledge that all the products and services have been completed. After invoice is submitted then the accounts payable clerk reviews invoice. The invoice is processed through "CYMA". The software is designed to create an error if there is a duplicate invoice number. Payment will not be issued to a duplicate invoice number.

C. Review of Invoice -

3. County Auditor reviews invoices prepared by the County's Treasurer's office before submitting claims to Commissioners' Court for accuracy. Claims require a require, a purchase order (if over \$100), an invoice, and a packing slip.

D. Timeline for Payment -

4. Commissioners' court approves all payments. Recurring and monthly are approved through resolution. All other expenses must be approved thru claims. In order for payment to be processed through claims, the invoice with PO# referenced needs to be submitted three business days prior to the meeting date.

E. Issue Payment -

5. Accounts payable inputs all invoices. Payments go before Commissioner's Court for approval of disbursement. After approval accounts payable prints checks. One person from the County Treasurer's office signs the check and then checks are taken to the County Auditor for signature. Once both signatures are obtained the County Treasurer distributes the payables.

F. Payment Reconciliation -

6. First Assistants reviews and reconciles banks statements.

G. Record Keeping -

7. Vendor files are retained by Auditor's Office for three years. The current and prior fiscal year are kept in office, the most current two years.

PROCEDURES FOR GRANT PAYMENTS

1. A requisition for products or services must be completed and submitted to the Treasurer's office by the department that will be incurring the expenditure. The Treasurer's office will review the requisition for budgetary purposes and issue a Purchase Order (PO) if the expenditure is budgeted as requested.
2. Invoice must be approved by a county official responsible for the grant implementation or the County Judge. Approval is acknowledged by initialing the original invoice or through Court action.
3. Invoice is received for products and services and, if necessary, a request for reimbursement from grantor is prepared by grant consultant and proper signatures obtained from County Treasurer and County Judge as authorized in original grant approval. Treasurer's office reviews the invoice and compares it to the grant budget.
4. Upon grant reimbursement to county, a demand check is entered into the system and printed by the Treasurer's office. The County Treasurer and County Judge's signature appear on the approved checks. Checks are then disbursed by the County Treasurer. When the County receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement of those funds on allowable costs of the applicable federal program. (2 CFR 200.305) For specific funding, Sabine County will follow the most stringent of the local, state, or federal requirements to be in compliance.
5. Copies of the request for payment, invoice, canceled check copy and bank statement showing receipt of grant reimbursement is retained in the Treasurer's or Auditor's office grant file depending which department is responsible for said grant.

The County Treasurer and County Judge authorize payments and issuance of checks. Two signatures are required on each check, one signature from Treasurer's Office and one from the County Judge. The County Treasurer is responsible for reconciling the monthly bank statements.

CASH MANAGEMENT AND DISBURSEMENT PROCEDURES

The County shall make timely payments to vendors and minimize the time between transferring funds from the State Treasury and disbursement of funds to vendors in compliance with the terms and conditions of the federal contract, grant, regulation, or statute.

To ensure vendor compliance, invoices/pay applications/pay estimates will be reviewed for accuracy for such items but not limited to change order approvals, outstanding lien/payments to subcontractors, labor standards, and verification of work completed as invoiced prior to disbursement or request for funds from State Agency. The County shall notify the department and/or vendor of an error in an invoice submitted for payment by the vendor.

Generally, the County receives payments of federal award funds on a reimbursement basis. In some cases, the County may receive an advance of federal grant funds.

Reimbursements.

The County will request reimbursement for actual expenditures incurred under federal grants at

least quarterly, or more often as deemed appropriate. Reimbursement requests will be submitted with appropriate documentation and signed by the County's designated representative. All reimbursements are based on actual disbursements, not on obligations. The County will maintain supporting documentation of federal expenditures (invoices, payroll records, etc.) and will make such documentation available to awarding agencies upon request.

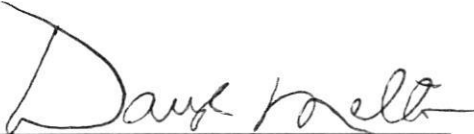
Advances.

When the County receives advance payments of federal grant funds, it must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement of those funds on allowable costs of the applicable federal program. (2 CFR 200.305) To the extent available, the County will disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments. (2 CFR 200.305) The County will maintain advance payments of federal awards in insured, interest-bearing accounts whenever not precluded by the Federal award grant guidance or whenever the exceptions per 2 CFR 200.305(8) do not apply. Interest amounts up to \$500 per year may be retained by the County for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted" annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. [2 CFR 200.305(9)]

These Policies and Procedures are implemented through the Sabine County Commissioners Court:

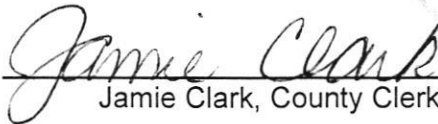
ADOPTED by the Commissioners Court of Sabine County, Texas, on the 8th day of May, 2023.

SIGNED:



Daryl Melton, County Judge

ATTEST:



Jamie Clark, County Clerk

