

NORTH SPARTANBURG FIRE & EMERGENCY SERVICES DISTRICT

**8767 Asheville Highway
Spartanburg, SC 29316**

FISCAL POLICIES & PROCEDURES



	POLICY AND PROCEDURE NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT	NO. 102.1 PAGE 2 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

TABLE OF CONTENTS

Subject	Page Number
Accounting Systems	4
Accounts Payable & Cash Disbursements	16-17
Accounts Receivable	18
Bank Accounts and Transfer of Funds	12
Bank Reconciliations	16
Bi-weekly Payroll Tax Deposits	18
Budgeting Preparation	5
Capital Purchases	9
Capitalization Policy	5
Cash Receipts/Deposits	17
Collateralization of the District's Funds	15
Compensation for Volunteer Calls	12
Credit and Charge Cards	12-15
<i>Policy, Types of Credit Cards, Compliance with Policy, Violations and Consequences, Ownership & Cancellation of the Credit Card, Spending Limits, Receipts, Disputed Items, Protecting the Credit Card & Charge Card, Validation & Safekeeping, Lost or Stolen Credit Cards, Cardholders, Cardholder Responsibilities</i>	
Depreciation	8-9
<i>Date placed into service, Cost or Acquisition Value, Salvage Value, Estimated Useful Life, Depreciation Method</i>	
Disposals and Transfers	10
Fixed Assets Procedures	5-9
<i>Definition, Classifications, Land, Land & Building Improvements, Building, Fire Equipment, Office Equipment, Equipment under Capital Lease</i>	21
Invoicing	18
Payroll	18
Petty Cash	15
Policy	3-4
Purchase Description Cards	11-12
Purchase Orders	10-11
Purchasing	10-12
Purpose	3
Quarterly Payroll Tax Reports	19
Responsibilities	4
Retirement Reports	19
Time Cards	18
W2s & Year End Reporting	19

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 3 OF 20
	<small>TITLE</small> Fiscal Policies and Procedures	<small>DATE</small> FEBRUARY 21, 2019

I. PURPOSE

This section sets forth the financial procedures and internal controls as formulated and directed by the Board of Commissioners’ of the Fire District.

II. POLICY

The North Spartanburg Fire and Emergency Services District will operate within a balanced budget. No deficit may be planned or incurred.

The District will manage and account for Operating and Capital Budgets with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The District will develop and manage its accounting system to provide reasonable assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The District will estimate revenues in a realistic and conservative manner in order to minimize the risk of a funding shortfall.

The objective of the District’s cash management and investment program is to achieve maximum financial return on available funds while assuring a high level of safety. Cash will be pooled and invested reflecting the investment objective priorities of capital preservation, liquidity and yield.

The District’s fiscal year will run from July 1 of the current year until June 30 of the succeeding year.

The current capitalization threshold established by the Federal Government is \$5,000 and construction and improvements are \$50,000. The District’s capitalization policy for machinery and equipment is \$5,000 and \$50,000 on construction and improvements. The District will evaluate each asset on an individual basis to determine whether it is to be capitalized. Items that work together will be capitalized together (radio system for example). The \$2,500 threshold is per single item or group of items (such as radio system that each item was below \$5,000, but when grouped was greater than \$5,000).

The District will depreciate fixed assets in excess of the capitalization policy limit over their useful lives.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 4 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

The Fire Chief has the authority to operate within the intent of the budget and be able to make justified changes for the operation of the Fire District. The budget is a legal document and a guideline for the Fire Chief to operate within. The total budget can only be increased or decreased by the Commission Board at a regular public meeting.

It is the District’s goal to maintain an unrestricted fund balance of 20 percent of the prior year’s revenues as a Revenue Stabilization Fund.

The District will ensure the conduct of timely, effective and periodic audit coverage of all financial records and actions of the District, its official, employees and members. An annual independent audit will be conducted by a Certified Public Accounting firm.

III. RESPONSIBILITIES

The Commission Board will:

1. Determine the tax levy to be collected by the Spartanburg County Auditor for the purpose of defraying the expenses incurred by the Commission Board;
2. Review and approve requests for appropriations;
3. Review and approve annual budgets and budget additions, deletions and changes;
4. Approve all loans, borrowing of funds and request for bonds; and
5. Choose the financial institutions to carry out the Fire District’s daily business.

Each member of the Commission Board has full authority to the Fire District’s checking accounts. All certificates of deposit must have at least two (2) Commission Board members assigned to the account. All checks written by the Fire District must have two (2) signatures from the Commission Board members. Members will be notified by the Financial Officer when checks are ready to be signed. Every ACH or Bill Pay transaction will require initiation by the Financial Officer and approval by the Fire Chief or designee.

The Accounting and Payroll procedures are the Financial Officer’s responsibility; however, the Fire Chief and the Commission Board are the ultimate responsible parties.

IV. ACCOUNTING SYSTEM

The North Spartanburg Fire & Emergency Services District uses QuickBooks Pro to handle all the Accounting procedures and payroll. The assets including the cash accounts start out with an account code of 100. All Liabilities have an account code of 200. Account code 300 is the Fund Balance. Revenues start with an account code of 400. Account codes of 600 are the expenditures. The expenditures are broken out in detail. A copy of the expense portion of the chart of accounts may be found in the appendix.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 5 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

V. BUDGET PREPARATION

The following are guidelines used in preparation of the Fire District budget. The budget year is from July 1st of the current year to June 30th of the following year. The budget is worked on throughout the year. During March of each year, information from employees will be received concerning the upcoming year’s fiscal budget. This allows review time for the April and May Commissioner’s meetings. The final budget shall be approved at the June Commissioner’s meeting. This budget will begin July 1st of the current year.

In February each employee shall be asked for input for the upcoming year’s fiscal budget. The operations budget shall be prepared first. Capital or one-time expenditures and designated funds are submitted as a separate request in the budget. Chief Officers will do a preliminary review of figures based on past fiscal year’s actual expenditures and requests.

The preliminary budget is reviewed with the Commission Board for any changes to be made. This process should be completed by the May meeting of the Board of Commissioners. The May meeting shall be advertised as a public hearing for budget. Final reading of the budget will be at the June Commissioner’s meeting. The new budget will take effect on July 1st of the current year.

Public Notice for budget hearings will be published fifteen days prior to the public meeting. This notice will be advertised on the department website and on the public notices board at Headquarters.

VI. FIXED ASSETS

A. Definition of Fixed Assets

For purposes of the District’s accounting system, a Fixed Asset is defined as land, buildings, property or equipment acquired by the District (whether purchased, donated, traded or purchased under capital lease) that is actively used in the operations, must have value in excess of the capitalization policy limit (\$5,000), and provides benefit for a period exceeding one year. Fixed assets are reported and, with certain exceptions, depreciated for financial statements purposes.

B. Fixed Asset Classifications

The Fixed Assets are recorded by location and are divided into groups such as; Land, Land and Building Improvements, Buildings, Fire Equipment, Office Equipment and Equipment Under Capital Lease.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 6 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

C. Land

The land account includes all land purchased or otherwise acquired. It should be capitalized along with all incidental but direct costs associated with the purchase. Land shall not be depreciated. Purchased land should be carried on the records at historical cost and should remain at that cost until disposal. Donated land should be recorded at its appraised value at the time of the donation. If land and a building are acquired as a single parcel, the value of the land should be determined separately from the building and only that amount carried in the land account; the value of the building should be recorded in the building account. Costs relating to the demolishing of a structure on newly purchased land and other costs relating to the land are normally capitalized and included in the land account. A gain or loss on the sale of land is reported in the Statement of Activities.

D. Land and Building Improvements

Improvements to a building that meet the capitalization policy and extends the useful life of the building should be capitalized. They are recorded at either acquisition cost or appraised fair market value in cases of donated assets. Examples of building improvements include roofing projects, remodeling, additions to buildings, and replacing major building components. Major maintenance/improvement projects will be evaluated periodically to determine if they should be included in this account.

E. Buildings

The buildings account normally includes the value of all buildings at their acquisition costs or construction costs. Construction and related costs will be tracked in a Construction in Progress account on the balance sheet until the project is completed. A building will be added to the Fixed Asset System after all costs have been calculated and final payment has been made. For a donated building, appraised fair market value at the date of donation will be used.

F. Fire Equipment

Fire equipment includes a wide range of assets that are directly related to fire fighting and prevention. A few examples are as follows: aerial trucks, pumpers, thermal imaging equipment, etc. The property should be recorded at acquisition cost, including freight, installation and other charges incurred to place the asset into use. If acquired through donation, fair market value should be determined and assigned to the asset.

G. Office Equipment

Office equipment includes a wide range of assets. A few examples are as follows: furniture, computer equipment, office machinery, and, etc. The property should be

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 7 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

recorded at acquisition cost, including freight, installation and other charges incurred to place the asset into use. If acquired through donation, fair market value should be determined and assigned to the asset.

H. Equipment under Capital Lease

Equipment under capital lease includes all assets that have been procured using a capital lease. Examples of equipment under capital lease could include vehicles, office equipment, etc. The property should be recorded at acquisition cost, including freight, installation and other charges incurred to place the asset into use.

I. Depreciation

All fixed assets, except for land, will be depreciated. Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. The decline in the value of fixed assets must be considered if the District's net assets are to be correctly stated. There are five factors which must be known in order to calculate depreciation: the date the asset was placed in service, the asset's cost or acquisition value, salvage value, estimated useful life, and the depreciation method.

J. Date Placed into Service

When acquiring a new asset, the date placed into service will be easily determined. When adding an asset to the District's records which was already placed into service but omitted from the Fixed Assets Inventory, this date may not be readily available. Inquiring to the appropriate individuals to assign an estimated date will be sufficient. For construction projects, costs will be maintained in a construction-in-progress account until they are completed, and the acquisition date will be the date of completion.

K. Cost or Acquisition Value

Fixed assets should be reported at historical cost and should include the cost of freight, site preparation, architect and engineering fees, etc. The cost should include all charges applicable to the building, including broker fees, architect's fees, permits, and interest on borrowed money during construction or acquisition of asset. If something other than cash is used to pay for the asset, then the fair market value of the non-cash payment or consideration determines the asset's cost or acquisition value. In situations where assets are identified that have been omitted from the Fixed Assets Inventory, the historical cost may be researched. If there is no information available on the original cost of the asset, the amount will then be estimated based on the values of similar assets.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 8 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

L. Salvage Value

The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. This amount will be determined by (1) internal experience, (2) general guidelines provided by professional organizations, and (3) external auditors.

M. Estimated Useful Life

The estimated useful life of an asset is the number of months or years that an asset will be able to be used for the purpose for which it was intended. Exhibit A provides the useful lives of the District's assets by Equipment Categories.

N. Depreciation Method

The straight-line method of depreciation with mid-year convention will be used to calculate depreciation on the District's fixed assets. The annual depreciation will be calculated by subtracting the asset's salvage value from its acquisition cost and dividing by the estimated useful life. Under this method, the asset is written off evenly over its useful life (i.e. the depreciation is the same every year). The department uses a mid-year convention to determine the first and final year's depreciation. An asset placed into service at any time during the first 6 months of a calendar year will be depreciated for the entire year. An asset placed into service at any time during the last 6 months of the year will be depreciated for half a year. The total amount depreciated can never exceed the asset's historic cost less salvage value.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 9 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

EXHIBIT A

Recommended Useful Lives of Fixed Assets

Asset Category	Useful Life
Land	Not Applicable
Buildings and Building Improvements	40 yrs.
Fire Trucks	20 yrs.
Fire Equipment	10 yrs.
Office Equipment	10 yrs.
Equipment Under Capital Lease	10 yrs.
Fire Vehicles	5 yrs.

VII. CAPITAL PURCHASES

Capital purchases are any purchase that can be classified as a fixed asset. Most of the capital purchases are budgeted and purchased as the funds become available during the year.

Occasionally, a capital item will need to be purchased that it is not a budgeted item. If this is the case, the Board of Commissioners will vote on that item. Any capital item less than \$10,000 can be purchased without a sealed bid as long as the Board of Commissioners has approved the item. However, if a capital item is over \$10,000, then three sealed bids are required before the purchase can be made.

These bids are for the purpose of the fire district to review and to determine which supplier will provide the best, cost efficient, and most reliable equipment. The fire district has the right to choose any bid or to reject any bid as it appears to be in the best interest of the district. All bids will be sealed and mailed to the Fire Chief by the due date on the bid.

After the due date, a Chief Officer or designee will review the bids, and bring his recommendation to the Board of Commissioners. The Board of Commissioners will take the Chief's recommendation into consideration and make their final decision on the purchase of that capital item. When the Board of Commissioner's approve the sealed bid purchase, the capital item can be purchased.

VIII. SALE OF EQUIPMENT

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 10 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

The fire district will have equipment that is no longer needed and needs to be sold. The procedures for selling equipment to employees are as follows:

- Notification of the sale will be made via e-mail to all employees.
- Bids will be accepted for a maximum of 30 days.
- E-mail bids and sealed bids with amount, date, time and item must be submitted within the bidding period.
- The highest bidder must pay for their item prior to taking possession within 10 business days. It is highest bidder's responsibility to remove the item from the premises once payment is received.
- The department will accept cash, check or Paypal.

The procedures for selling equipment to outsiders are as follows:

- The item is listed on Gov Deals
- The winning bidder must abide by Gov Deals policies for payment, removal, etc.
- The Fire Chief or designee will ensure transfer of the sold item.

Personnel or outside fire departments can purchase equipment that is for sale. The procedure for doing this is to notify the Fire Chief about the equipment that is for sale with the amount willing to pay.

IX. DISPOSALS AND TRANSFERS

Disposals and transfers of fixed assets should only occur after disposal form is completed with proper authorization by the District Chief or Assistant Chief. Supporting documentation should be maintained, indicating the required approval for all disposals and given to Accountant or designee so the actual disposal can be recorded in the Fixed Asset Log.

X. PURCHASING

Employees are responsible for their budget areas. Employees shall check the budget monthly for progress in their concerned areas. All expenditures greater than \$500.00, other than regular scheduled maintenance, utilities, cleaning supplies and other expenditures of this type shall be approved by a Chief Officer prior to the expenditure.

A. Purchase Orders

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 11 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

All expenditures where the vendor requires a purchase order shall require a purchase order approved and signed by a Chief Officer. Orders will be logged numerically in order with the following information in the logged:

1. Name of person requesting a purchase order.
2. The date of the purchase order being issued.
3. The Company the purchase order is going to.
4. The amount of the purchase order.

If the Fire Chief is not available to approve the purchase order, then the Assistant Chief has the authority to approve the purchase order.

All Purchase Orders require a purchase card attached. No exceptions!

Certain vendors may require a purchase order.

The Financial Officer or designee will keep track of the purchase orders. There are three copies to each purchase order. The copies will be used as follows:

The white copy goes with the invoice that is being submitted with payment.

The yellow copy is the purchaser's copy.

The pink copy is to be filed with the purchase order log to show that all purchase orders have been accounted for.

If the company that you are purchasing the product from needs a copy of a purchase order, then give that company the white copy, after you made a copy to attach with the invoice for payment.

B. Purchase Description Cards

A purchase description card must be filled out for purchases and credits with a complete, simple explanation of the purchase or credit, account number(s), a receipt attached to the card and the purchaser's printed name. Before making any purchase that exceeds \$500.00 (except for recurring purchases such as bulk fuel), a purchase description card must be completed and submitted to the Assistant Fire Chief or the Chief for approval. Once approved, the member can proceed with the purchase. Once the item is received the original receipt must be attached to the card, the actual item(s) cost entered on the card and submitted to the Financial Officer.

Invoices cannot be paid without receipts (proof of purchase). The Fire Chief or Assistant Chief approves all purchase description cards along with invoices, and purchase orders

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 12 OF 20
	<small>TITLE</small> Fiscal Policies and Procedures	<small>DATE</small> FEBRUARY 21, 2019

before payment can be rendered to a vendor. The Assistant Chief cannot approve his own purchase card and the Chief cannot approve his own purchase card.

XI. COMPENSATION FOR VOLUNTEER CALLS

Volunteers will get paid \$20.00 per emergency call to which he or she responds. This compensation is good for volunteer status only. Volunteers who also work part-time are not compensated for calls when on duty. This compensation includes calls from December 1st. through November 30th. The funds will be issued through the accounts payable process and presented at the annual awards banquet or mailed to the recipient in December. No minimum is required to receive compensation. It is the volunteer’s responsibility to make sure they get credit for the call.

XII. BANK ACCOUNTS AND TRANSFER OF FUNDS

The North Spartanburg Fire District has one bank account with First Citizens and a Money Market Account with various financial institutions. The First Citizen’s account is the general operating account which all checks and drafts are debited against.

It is the discretion of the Financial Officer and the Fire Chief to occasionally review investment instruments offered by various financial institutions to obtain interest income greater than what is currently being offered by the bank. Any transfer of funds requires the approval of the board of Commissioner’s before the transfer can be executed. The District does not perform any wire transfers. To assure that unauthorized wire transfers do not occur the Fire Chief and Financial Officer monitor all accounts online at least weekly to review activity. The Board of Commissioners does not permit wire transfers to or from either bank account. Further, a PIN number is required for transfers from the SunTrust Money Market Account. The District has not established a PIN number to activate this account feature. Although the District uses First Citizen’s Business Online Banking (BOB) Advantage process for ACH Direct Deposit, wire transfers between accounts are not permitted. The Financial Institutions bill pay system should be utilized whenever possible to process all payments. All BOB ACH and bill pay transactions require two individuals to initiate the transaction-a BOB administrator and a BOB user. The BOB user initiates that transaction and the BOB administrator approves it. The BOB user is the Financial Officer. The BOB administrator is the Fire Chief or in his/her absence the Assistant Fire Chief.

XIII. CREDIT AND CHARGE CARDS

The North Spartanburg Fire District uses credit and charge cards to benefit the Fire District in prompt payment to suppliers. Credit cards are necessary to make transactions with internet purchasing, purchasing from suppliers that we do not have established credit

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 13 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

accounts and purchases in emergency situations. Charge cards are necessary to make purchases instead of using cash or pre-signed checks.

A. Issuance

Credit cards are issued at the discretion of the North Spartanburg Fire District Commission Board upon recommendation of the Fire Chief to current employees who are granted a formal delegation of purchasing authority. The cardholder agrees to comply with all applicable policies and procedures. Charge cards are acquired on an as needed basis determined by the accounting office. The charge cards remain in the control of the accounting office.

B. Types of Credit Cards

The North Spartanburg Fire District has two types of credit cards. Business credit cards issued to individual employees and charge cards used to make purchases from local retailers. The retail charge cards are kept in the accounting office and issued when needed via a sign out log.

C. Compliance with Policy, Violations and Consequences

Employee violations to this document or to any policy regarding the purchase of goods or services will be investigated and may result in either one or more of the following actions: written warning, revocation of credit card privileges, cancellation of delegation of purchasing authority, disciplinary action, and termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation.

Credit Card violations include but are not limited to:

1. Purchase of items for personal use
2. Purchase of alcoholic beverages
3. Purchase of items in violation of the Fire District travel policy
4. Use of the credit card for cash advances
5. Exceeding bank credit line limit
6. Failure to return the credit card when an employee resigns, is reassigned, terminated or upon request.
7. Failure to turn in packing slips, receipts or other back up documentation to the accounting office within 30 days of the purchase for the purpose of establishing accountable reconciliation procedures.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 14 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

D. Ownership and Cancellation of the Credit Card

The credit card remains property of the Bank. It may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. The Cardholder is accountable for the activity on the card. The bank or the Fire District may suspend or cancel Cardholder privileges at any time for any reason. The Cardholder will surrender the credit card upon request to the Fire District or any authorized agent of the Bank.

E. Spending Limits

Each credit card has a pre-set limit that may not be exceeded under any circumstances. Spending limits are set low enough to protect the Fire District but high enough for emergencies. The total business credit card limit is twenty thousand dollars (\$20,000.00).

F. Receipts

It is the Cardholder's responsibility to obtain transaction receipts from the merchant each time the credit card is used. Individual transaction receipts are to be attached to purchase cards and submitted to the accounting office. The Fire Chief will be responsible for review and approval of monthly statements. The accounting office must keep statement data and proof of reconciliation, including receipts and/or packing slips, on file for a period consistent with the record retention requirements of the law.

G. Disputed Items

It is the Cardholder's responsibility to follow-up on any erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements.

H. Validation and Safekeeping

The credit card is valuable property which requires proper treatment by the Cardholder to protect it from misuse by unauthorized parties. Sign the credit card immediately upon receipt. The credit card should always be treated with the same care as personal credit cards, bankcards, cash and checks. Keep your card(s) in an accessible, but secure location. When using the credit card for internet purchases, cardholders should ensure that the site utilizes industry recognized encryption transmission tools. When the expiration date is passed and/or after you have received a new credit card, cut the old credit card in half and dispose of it. Make sure the credit card is returned to you after each charge and verify that the returned credit card has your name on it.

I. Lost or Stolen Credit Cards

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 15 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

If the credit card is lost or stolen, contact the Bank's 24-hour toll-free number immediately.

Credit Card Cardholder Printed Name
Credit Card Cardholder Signature / Date

J. Cardholders

Cardholders must use the card responsibly and in accordance with this policy. Each credit card either bears the Fire District's name or bears the Cardholder's name but is issued to the Fire District, which is responsible for making prompt payment to the Bank. Cardholders are responsible for ensuring proper use of the card.

Credit cards are for purchasing goods and services for Fire District business use only. Cardholders should not share or lend the credit card to other users. When it is necessary for another member to use the cardholder's credit card, the cardholder accepts responsibility for its proper use. Use of a credit card must be approved by the Fire District or in accordance to Fire District policies.

The cardholder must return the credit card to the Fire District and relinquish the privilege of its use upon leaving the position which entitled use of the card, ending employment with the Fire District, or at the request of the Board of Commissioners. Cardholders must forward purchasing documents, such as sales receipts, to the Financial Officer after each use.

XIV. COLLATERALIZATION OF THE DISTRICT'S FUNDS

The North Spartanburg Fire District has all funds over the excess of FDIC insurance collateralized. The district established the pooling method of collateralization for its operating account on February 2, 2011. This collateralization method protects the district's funds above the FDIC insurance. South Carolina Treasurer's Office issues a collateralization letter annually to verify that our balance is collateralized.

XV. PETTY CASH

Petty cash is designated at \$100.00. The Financial Officer maintains \$100.00. Petty cash is stored in a locked box. Petty cash is disbursed for making payments for small incidental expenditures. Petty cash should not be used to pay vendors for personal services. Petty cash logs are maintained that list each disbursement, the payee, the date of the disbursement, and the purpose of the expenditure. Petty cash is reviewed, reconciled and replenished on an as needed basis.

XVI. BANK RECONCILIATION

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 16 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

Bank Reconciliation is the process by which a comparison is made between what should have passed through the bank and what did. This important control ensures that the proper disbursements and receipts have been properly received and recorded. The bank statements shall be opened and reconciled by the Accountant or designee. The reconciled bank statement is compared to the cash in the bank in the general ledger to ensure accuracy. Then, upon completion of the bank reconciliation, the Accountant or designee gives it to the Fire Chief for review. Currently, the Fire Chief or designee reviews the bank statements for accuracy and initials the statement after his review. Once the reconciliation has been reviewed by the Fire Chief or designee, it shall be reviewed and initialed by at least 2 commissioners at the next meeting.

XVII. ACCOUNTS PAYABLE

The Fire Chief, or in his/her absence the Assistant Fire Chief, must approve all purchases before any item is ordered or bought. For all non-recurring payments, the member ordering the item completes a Purchase Description Card before the invoice is received. Completed Purchase Description Cards are given to the Financial Manager. The Finance Manager will match the completed Purchase Description Card with the invoice and forward the Purchase Description Card and invoice to the Fire Chief for approval. Approved invoices are returned to the Financial Officer who processes payment for the purchased item. When checks are required, they are matched with the invoices and other supporting documentation, so that they can be signed by Commissioners. Two Commissioners must sign each check. Following the Commissioners' approval and signing, the Financial Officer mails the checks to the appropriate vendor. Payments not requiring a printed check may be processed using the financial institutions on line bill payment system. Once invoices and purchase cards are matched and approved by the Fire Chief or designee. All BOB ACH and bill pay transactions require two individuals to initiate the transaction-a BOB administrator and a BOB user. The BOB user initiates that transaction and the BOB administrator approves it. The BOB user is the Financial Officer. The BOB administrator is the Fire Chief or in his/her absence the Assistant Fire Chief. The payment will be initiated by the financial officer and approved by the Fire Chief or designee. Accounts payable are processed 2 to 3 times a month.

XVIII. CASH DISBURSEMENTS

A Cash Disbursement is the amount of payment by check for an invoice or a travel advance. All disbursements are recorded as debits to the appropriate expense or balance sheet accounts and credited to cash.

All disbursements shall be made on preprinted and pre-numbered checks. These checks are kept in the Financial Officer's office and the office is locked upon leaving. Before printing checks, the Financial Officer must make sure the next check is in sequence with

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 17 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

the last one printed. The Financial Officer must make a copy of all checks that are printed and keep in Check Disbursement Book.

For a disbursement to be processed a Purchase Description Card must be attached to an invoice. Purchase orders may be required by certain vendors for purchases (see purchase section in manual). A disbursement will not be processed from statements alone. A copy of the invoice with the description of what was purchased must be attached. Any monthly bill that is drafted out of our bank account will be stamped in lieu of a purchase description card and approved just like a purchase description card.

Two signatures are needed on all checks and Commission Board members are the only ones that have signatory authority. The Commission Board reviews and signs the checks and then gives them back to the Accountant or designee to put into envelopes and mail. One of the check stubs is stapled to the purchase Description card with the appropriate invoice.

Voided Checks will have VOID boldly written in ink across the face of the check. The Chief will initial above the check number of the voided to acknowledging that he is aware of the voided check. If more than three checks are voided in a row due to a printer problem or whatever the case may be, then the reason for this will be written on the first voided check of the stack. All checks must be accounted for and there is no reason to be missing a check.

XIX. CASH RECEIPTS/DEPOSITS

Most of the income received for the North Spartanburg Fire & Emergency Services District is property taxes. The Spartanburg County Treasurer's Office is responsible for levying and collecting enough property taxes to meet its funding obligation for the District. The obligation is established each year by the commissioners of the District and does not necessarily represent actual taxes levied or collected. Such property taxes are considered both measurable and available for the purposes of recognizing revenue and are recognized as a receivable from the County at the time they are collected by it. Property taxes are levied and billed by Spartanburg County on real and personal property based on the assessed value as of October 1 of the current year at the rate of up to the approved Millage rate.

Tax income is received by check written to our fire district. The funds are listed in the General Ledger in a separate account. Grant income is received directly into our checking account by an electronic deposit from the Federal Government. The funds are listed in the General Ledger in a separate account. The Fire District discourages anyone giving cash for a payment. However, if cash is given it is usually for a sale of equipment or a donation. A cash receipt is written and given to the payee at the time the cash is given.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 18 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

The following procedures take place in processing a cash receipt:

1. Bank deposit slips are prepared, and checks stamped with the bank name, the Account #, For Deposit Only.
2. Copies of all checks deposited are kept on file in the Financial Officer's Office.
3. All deposits are made by a Chief Officer.
4. All Receipts are entered into the Accounting System, posted to the appropriate income account and reconciled immediately.

XX. ACCOUNTS RECEIVABLE

Invoicing – The Financial Officer will perform all invoicing. Fire and medical training invoicing will be done on an as needed basis. The Fire District also invoices Spartanburg Emergency Medical Services (SEMS) for the use of their Wingo Park station located at 2621 New Cut Road on a quarterly basis. It is the responsibility of the Financial Officer to ensure timely payment from their customers.

XXI. PAYROLL

Payroll is processed internally by the Financial Officer or designee. The payroll period begins on Sunday at 8:00 AM and ends 14 days later on Sunday at 7:59 AM. Employees are paid every two weeks on Wednesday following the end of the two-week pay period. If a bank holiday falls on the Monday at the end of the pay period, the pay checks are deposited on the following Thursday. This schedule is listed on the time cards. All employees are required to fill out a time card, and have it completed by the end of the pay period (see time card policy).

Employee's salary is private; therefore, it should remain private.

All employees are responsible to have a W-4 and any other forms up to date for their payroll deductions. All employees are required to use automatic draft to receive their paychecks. Employees will receive their paystubs via e-mail or www.viewmypaycheck.com.

XXII. TIME CARDS

It is the policy of the Fire District that all employees must complete and sign their time card and have the approval of their supervisor before their time card will be processed.

Failure to complete a time card properly will result in the employee's pay being held until the time card is completed correctly and may be delayed until the next pay cycle.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 19 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

Exceptions shall be made for foreseeable events. Employees shall always accurately document time off and time worked. The Assistant Fire Chief or designee shall match time off request sheets and/or daily shift logs to actual time cards to ensure accuracy. Any personnel proved to be willfully falsifying time and/or attendance shall be disciplined. An honest mistake shall be corrected as soon as possible.

XXIII. BI-WEEKLY PAYROLL TAX DEPOSITS

The Fire District is liable for bi-weekly payroll tax deposits. These payments are the responsibility of the Financial Officer or designee and are processed bi-weekly after completion of the payroll. The tax liability for these payments is due five business days after the date of the payroll. The Federal and State deposit are administered electronically, and the funds are drafted out of the operating account.

XXIV. QUARTERLY PAYROLL TAX REPORTS

Every quarter there are several reports that need to be filed with the I.R.S. and the State of South Carolina. The 941 is the employer’s quarterly Federal tax return and the 944 is the employer’s annual Federal tax return. Each is required to be filed within thirty (30) days after the quarter end.

The WH-1605 is the South Carolina Withholding Quarterly Tax Report and the WH-1606 is the annual reconciliation of the South Carolina Withholdings Report. Each is due within thirty (30) days after the quarter ends.

The UCE-120 is the Employer Quarterly Contribution and Wage Report. It is due within thirty (30) days after the quarter end and is submitted to the South Carolina Employment Commission.

The Fire District does not pay in unemployment wages; however, funds are set aside as part of the reserve account to cover this expense. South Carolina requires the report to be completed and filed even though no payment is due.

XXV. RETIREMENT REPORTS

The South Carolina Retirement System reports are filed monthly and reconciled during the last month of the quarter as a quarterly report. Each report is due on or about thirty (30) days after the month or quarter end date. The monthly report is submitted with the payment due for the month’s retirement. The quarterly report includes the employee’s quarterly wages and the retirement deduction for each employee along with the final payment due for the quarter.

	POLICY AND PROCEDURE <i>NORTH SPARTANBURG FIRE AND EMERGENCY SERVICES DISTRICT</i>	NO. 102.1 PAGE 20 OF 20
	TITLE Fiscal Policies and Procedures	DATE FEBRUARY 21, 2019

XXVI. W-2S & YEAR END REPORTING

W-2s are generated internally by the Accounting department after the last pay period of the calendar year. W-2s have to be distributed to the employees by January 31st of the following year. South Carolina requires a six-part W-2 for each employee. The copies should be distributed as follows:

- ❖ Copy “A” needs to be filed with the Social Security Administration by February 28th
- ❖ Copy “B” is to be filed with the employee’s Federal Tax Return.
- ❖ Copy “C” is for Employee’s Records.
- ❖ Copy “D” is for the Employer’s Records.
- ❖ Copy “1” needs to be files with the State, City, or Local Tax Department by February 28th
- ❖ Copy “2” is to be filed with the Employee’s State, City, or Local Income Tax.

The following forms need to be distributed to the employees as follows:

- ❖ Copy “B”
- ❖ Copy “C”
- ❖ Copy “2”

The following forms need to be mailed by February 28th to their respective place:

- ❖ W-2 Copy “A” and W-3 forms should be filed with the Social Security Administration by February 28th. The address is on the W-3 transmittal sheet.
- ❖ Copy “1” needs to be filed with the State_of South Carolina and the SC Employer Withholding along with the Fourth Quarter/Annual Reconciliation form by February 28th. The address is on the Fourth Quarter/Annual Reconciliation form, WH-1606.

Revisions:

September 20, 2004
 March 28, 2007
 March 27, 2008
 November 6, 2009
 August 16, 2010
 March 15, 2012
 November 21, 2013

February 21, 2019