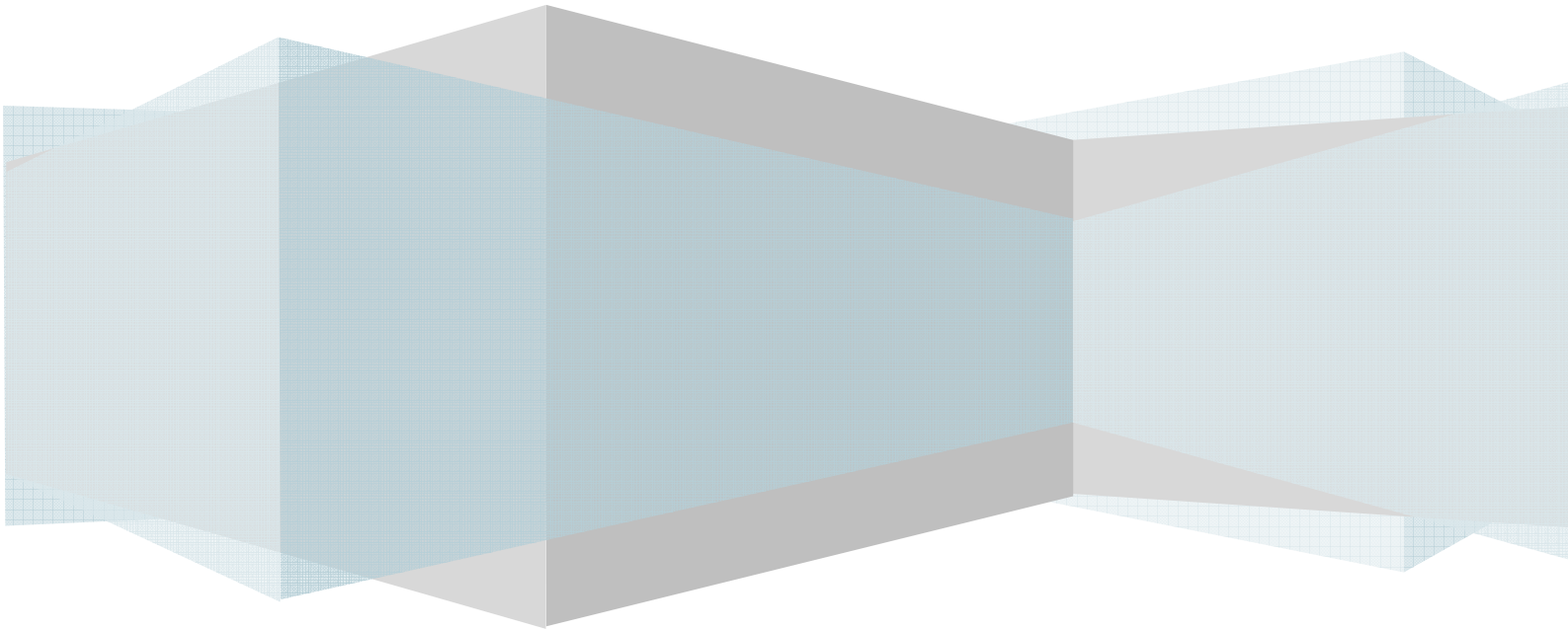


# BUSINESS PLAN

**FINANCE DIVISION**  
**CITY OF BILLINGS, MONTANA**  
September, 2009



## **SUMMARY**

Finance is a division within the Administration Department of the City of Billings reporting to the Assistant City Administrator. Finance provides a wide array of services for Internal and External customers. These services are provided by a staff of 11 dedicated City employees. The staff includes a Cashier, an Accounts Payable clerk, a Business License clerk, an Administrative Assistant, a Tax Specialist, a Debt/Investment Coordinator, three Accountants, a Purchasing Agent, and the Financial Services Manager.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Billings, Montana, for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty-fifth consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

For the seventeenth consecutive year, the City received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2008-2009 annual budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

Following is an approximate breakdown of hours per year by major services within Finance:

- General Administration – 500
- Front Counter – 1,000
- Accounts Payable – 2,250
- Revenue – 5,300
- Investments – 1,060
- Debt – 830
- Accounting – 5,034
- Budget – 3,080
- Downtown Revolving Loans – 625
- Purchasing – 2,975
- Health Insurance Fund – 200

## **MAJOR SERVICES**

### **General Administration**

General Administration consists of work that does not fit into any of the major services.

- Pay all invoices for Finance by creating POs or encumbrances, or paying anything possible on Pcard.
- Re-allocate Finance's Pcard charges, and after the monthly statement is available, organize and balance a packet to be sent to Purchasing.
- Submit City Council memos and legal ads.
- Proof and edit letters and memos.
- Monthly memo that is sent to Administration.
- Managing, balancing, and dispersing a petty cash fund for 5-10 departments utilizing a \$500 fund. This includes posting the appropriate funds to the correct department accounts for reimbursement to the petty cash fund monthly, or more frequently when necessary.

### **Front Counter**

Finance serves the citizens of Billings at the front counter.

- Bus passes are sold and staff provides information about the Met Transit system.
- Parking ticket and water payments are taken. This includes calling PW Belknap as necessary to clarify payments or stop water shut off if the bill is delinquent or requesting Parking staff to help with certain parking issues.
- Business licenses are also sold.
- The Finance front counter is an initial point of contact for citizens to obtain information on how to get to their destination, whether it is City, County, State, or Federal business.
- The front counter averages 35-40 customers and \$1,500-\$2,000 per day.

### **Accounts Payable**

- Create New Vendors by getting W-9 and New Vendor paperwork from departments.
- Input vendor information and reply to the New Vendor Email in box.
- Update Vendor Information.
- Once a month, clean up Procurement Card Error list by matching vendors with appropriate procurement card receipts. If a vendor is not in the system, one is created to match procurement charge.
- File vendor paperwork in numerical order according to vendor number.
- Process all purchase orders (POs) and send payments to vendors for the entire City.
- Approximately 46,000 POs are processed every year.
- Finance assists City Departments with paying contractors correctly, including the proper retention and 1% State tax.
- Work with PW, COP Construction, and First Interstate Bank for CDs in lieu of retention payments.
- Run daily reports for encumbrances, accounts payable, inventory adjustments, and issues. Check to make sure everything is in the correct fiscal year, research

and correct, or re-key as needed; then update. These reports also need to be compared with the P&I reports run by IT.

- Create project numbers for travel requisitions for employees as requested by other City departments.
- Process travel advance payments, including creating Accounts Payable batches and making sure that travel advancement checks are received by the employees with adequate time for travel.
- Create batches and enter 300-400 Northwestern Energy, Montana-Dakota Utilities, and Public Works water bills for payment. Copy all utility invoices and send to applicable departments.
- Reconcile and pay blanket vendors on a monthly basis.
- Reconcile statements for all vendors, check payment status, request copies of invoices, and send outstanding invoices to departments for entry and payment.
- Assist vendors with payment status inquiries and errors in payments; research and request correction by departments.
- Assist vendors with remittance advice.
- Select purchase orders for payment, create an EAL, print checks, run check reports, and submit reports to specific departments. Stuff checks and remittance advice as supplied, and mail checks.
- File, maintain, and store all purchase orders. Pull and track purchase orders as requested by others for their use.
- Run Encumbrance Error lists and correct discrepancies between P&I and GMBA.
- Create and cancel Blanket Purchase Orders.
- Accounts Payable- Balance Detail to General Ledger.
- Periodically review Accounts Payable for stale Accounts Payable checks.
- Contract retention – Balance Detail to General Ledger .
- Reconciliation of Vendor Warrants Bank Account.
- Purchasing card downloads.
- Fleet module interface.
- Quarterly Purchase Order Review.
- Budget adjustments for Prior Year Encumbrances Cancelled.
- 1099-Misc. mailings for request of Federal ID numbers from City vendors (3 mailings).
- 1099-Misc. mailing to verify Federal ID number and type of organization.
- 1099-S Real Estate Transactions.
- 1099-Misc.generated on H.T.E., printed, and mailed to recipients.
- Encumbrance Rollover.
- Budget for Encumbrance Rollover.
- Balance Inventory for Motor Pool and Street Lights.
- Confirm Fiscal Year at year end processing and make necessary corrections.

## **Revenue Generation**

### Taxes/Special Assessments

- Billing property taxes and special assessments.
- Spread multiple tax and other revenue payments to the proper funds on a monthly basis.
- The tax specialist works with each department to prepare resolutions for annual assessment rates.
- Work with the BID to get the amounts to be manually entered into the tax system for the yearly assessed amount for over 100 tax codes.
- Work with Anderson Zuhrmuehlen Accounting Firm to get the amounts for the TBID tax to manually enter into the tax system for over 50 tax codes, and do a journal voucher to the County to manually apply the 3<sup>rd</sup> and 4<sup>th</sup> quarter to the revised tax statement.
- Customer Service:
  - Work with five Title Companies, Yellowstone County, the DOR, and many Realtors and Appraisers regarding SID payoffs and various SID and tax questions.
  - Answer questions and complaints from property owners in regards to their property taxes, or direct them to the right office if unable to assist them.
- Contact and work with the Engineering Department and the Debt/Investment Coordinator to get spreadsheets for the spreading and re-spreading of approx. seven SIDs and Sidewalks for the tax year.
- Create a Tax Billing Schedule to be utilized by the following departments: Public Works, Solid Waste, Engineering, IT, and Finance.
- Create and submit to City Council approximately 15-20 public ads, memos, Resolutions, and attachments to approve levies, Special Assessments, and SIDs.
- Create a City Charges Sheet for the current tax year as a quick reference guide to be used by Solid Waste, Public Works, and Finance.
- Set up Entity Codes, Charge Codes, and Revenue Distribution information, and set up deferred revenue accounts for all new projects.
- Monthly Tax Payment File ( approximately \$50 million in collections per year):
  - Reconcile Yellowstone County's Trial Balance sheets to the payment file received before processing payment file of levy and assessments for the month; correct any adjustment or refunds given during the month.
  - Review and reconcile IT's payment file to the Finance spreadsheet for collection of Real and Personal Property taxes. Investigate, review, and solve any issues if records don't balance.
  - Process payment file year by year and review edits before creating CR batch and posting to the GMBA system.
  - Input personal property into spreadsheet and verify its accuracy, put into an extract, and post to GMBA.

- Do dashboards download each month for TBID and BID, verify against fund balance, and then request a PO to pay the vendor.
- Balance approximately 50 SIDs to GMBA, research, and create adjusting entries if it is not in balance.
- Balance all special assessments including: 160 LMD's, 40 PMDs, Storm Sewer, Arterial, Street Maintenance, Weed, and Levy; research; and create adjusting entries if they are not in balance.
- Transfer to Tax approximately \$26 million in Special Assessments.
  - Review tax calculations to verify they are correct before submitting to Yellowstone County.
  - Run transfer to tax processes for all SIDs and special assessments, make sure amounts are submitted accurately, and fix any issues, such as location IDs and invalid tax codes.
  - Review and verify the A/R file received from the County once the City has submitted the special assessments for the tax year.
- Write off 5<sup>th</sup> year of delinquent taxes and assessments.
- Compile tax statements for all City owned properties that have non-city fees, contact departments to get funds to pay for these assessments, and write checks to Yellowstone County by November 30<sup>th</sup>.
- Housing Authority of Billings (HAB) properties: Run reports to retrieve properties owned by HAB and adjust amounts in excess of how much the HAB paid.
- Internal City Taxes: Compile spreadsheet with all City owned property with internal City charges, research to see what departments are responsible for the special assessments, and send out notices to the departments in order to verify that they are responsible for the specific tax codes and obtain the account number to charge.
- Work with the land management coordinator doing research of properties in regards to special assignments.
- Splits and Combines: Assign new assessments for lots that are split or combined at the property owner's request. If there is an SID on the properties, the loan has to be written off and a new loan made for the SID.
- Re-spreading of SIDs: Bonds are sold based on estimates of construction. Once construction is complete and the City has actual amounts, write off old loans and create new loans with the new actual amounts to spread.

#### Daily Deposits

- Collecting, verifying, balancing, and depositing monies from all City departments; averages approximately \$625,000 in cash, checks, credit cards, and wire transfer with 40-50 deposits from 10-15 departments.

- Posting the funds to the proper accounts, balancing postings with deposits, printing cash edit sheets, attaching remittance/payment stubs to the cash edit sheets, and distributing the cash edit sheets to the appropriate departments daily. This includes calling the departments when they have indicated an incorrect account number on their CR.
- Key in, balance, and update PUD cash sheet and General Depository cash sheet.
- Post cash receipts, which includes balancing cash and payments and running accounting reports to update.
- Put receipts and reports together to create a monthly cash receipts book.
- Look up numerous checks that do not have remittance slips.
- Open mail for receivables.
- Sort mail to each department.
- Key in mail batch payments, balance the batch, print cash edit sheets, attach remittance, and distribute to correct departments.

#### Banking

- Monitor ten bank accounts and deposits daily; review cash balances and cash flow for A/P payments, debt service payments, investments, and payroll.
- Assist departments that have problems with deposits or procedures.
- Record all cash entries into H.T.E. from daily bank report. Sweep activity, all returned checks, returned payments for bad checks, and all ACH payments requested by various departments.
- As needed, investigate ACH payments and NSF checks when no information has been provided.
- Provide instructions to departments on ACH procedures and wiring instructions and take appropriate paperwork to bank for authorization.
- Maintain communications with ECollect on collection of NSF checks.
- Work with customers who have written NSF checks to the City.
- Maintain records of all NSF checks and notify departments with problems.
- Monitor Positive Pay for problems with checks.
- Communicate problems with departments and Positive Pay customer service representatives.
- Coordinate with departments for Fiscal Year end deposits going to the bank.
- Provide copies of cancelled checks when requested by departments and vendors.
- Process stop payments on checks per requests submitted by departments.
- Register bank discs for archived checks.
- Prepare all signature card changes for deletion or addition of employees.
- Order deposit slips and check blanks for bank accounts as needed.
- Make H.T.E. entries for PEPSCO and ICMA.
- Make H.T.E. entries for payroll taxes and HSA.
- Signature stamp manual payroll checks and verify.

- Provide manual checks as needed for departments.
- Write yearly checks from the First Interstate Bank accounts to ensure that the balance does not exceed FDIC amounts.
- Act as liaison between City departments and US Bank on any banking issues or problems.

*Electronic Fund Transfers:*

- ICMA Deferred Compensation.
- Nationwide-Deferred Compensation.
- Payroll Withholdings.
- Wire PEPSCO and ICMA, and make H.T.E entries.
- Investments.
- Debt service payments.

Business Licenses

- Update Fire Inspection report monthly.
- Open daily mail for business license renewals and questioners.
- Sort pieces of mail and write CRs for new licenses and renewals, and then give to cashier to deposit.
- Enter new licenses and renewals into H.T.E. and balance batch: approximately 500 renewals a month and 200 new licenses a month.
- Print and mail third and fourth renewals monthly.
- Enter questioner information daily: approximately 500 a month.
- Print licenses and issue delivery permits by hand weekly: approximately 50-75 delivery permits per week.
- When return mail comes in, hand write envelopes and re-mail.
- Process Going Out of Business Licenses.
- Once a week, sort and copy new licenses by Residential, Out of City, and Existing Building; and send new licenses paperwork to both Code Enforcement and Fire Department: approximately 20 to 40 new licenses a week.
- At the beginning of the month, run report on Health Inspections and give payment information to the Assistant to process the payment to Yellowstone County.
- Put new licenses in order of Business License Number and file.
- Put copies of license in numerical order and file by month.
- Put renewals in order alphabetically and file by month.

Credit Cards

- System Administrator for Virtual Merchant (VM).
- Coordinate with IT to set up debit and credit card machines as computers are moved or exchanged.



- Work with VM to establish departments with Merchant ID number or resolve problems.
- Work with departments to set up new users or to delete former users.
- Provide training and assistance for 12 departments using Virtual Merchant and equipment.
- Provide training and assistance for three departments using on-line payments.
- Monitor monthly bank fees and work with banking rep for payment.
- Conduct periodic audits of credit/debit card transactions.
- Record monthly manual credit/debit card transactions that are not run through PRPL software.
- Coordinate and monitor cut-off times with departments for Fiscal Year end transactions.

## **Investments**

Finance is responsible for investing reserves in all funds.

- The goal is to get the best rate of return while safeguarding the assets.
- Finance follows the Investment Policy adopted by City Council when selecting investments.
- Finance uses “laddering” as a strategy for investing City money. This strategy helps mitigate risk due to market changes.
- Investments are put out to bid for all brokerage firms and banks that have asked to participate in City investments. The best bid is chosen for the investment.
- Monitor cash that is not needed for bills or payroll that the City may have to invest.
- Monitor \$107.5 million of investments for compliance with City and State policies.
- Record and input all investment transactions in H.T.E. and Sympro.
- Maintain relationships with financial institutions and brokers.
- Submit pledged collateral to Council for approval (quarterly).
- Submit investment report to Council for approval (twice a year).
- On a monthly basis, distribute actual and accrued interest, investment market to value, and realized loss or gain from investments to approximately 150 funds and approximately 320 sub-funds (light districts, PMDs, etc.).
- Reconcile all investments monthly.
- Monitor activity of STIP and record interest earnings monthly.
- Monitor investment markets and activities.

## **Debt**

### Bond Call

- Prepare Bond Call worksheets twice yearly to access cash flow for bond calls in January and July.
- Input information on called bonds into the bond module and balance H.T.E. to call worksheet.
- Prepare notices to bond holders and paying agents.

- Prepare bond call ads to be published in the *Billings Times*.
- Act as paying and transfer agent for 20 bond issues and 43 SIDs.
- Initiate wire transactions for approximately \$4.5 million in SID and sidewalk bond payments.
- Record all payment and bond transactions in H.T.E.

#### Debt Service Payments

- Verify payments and check cash availability for all debt service payments.
- Initiate wire transactions for approximately \$5.3 million for debt service payments semi-annually.
- Record all payment transactions in H.T.E.
- Monitor Series B (Dehler Park) bank account and donations.

#### Loans and bond sales

- Establish time line for resolutions and sale.
- Make contact with necessary individuals and institutions for sale, and provide time lines and information on costs and projects.
- Participate in conference calls to various agencies such as DNRC, Dorsey, and Springsted.
- Provide information for Official Statements when needed.
- Make phone calls to potential bidders to alert them of upcoming sales.
- Prepare bond sale resolutions.
- Coordinate closing, review closing documents, and complete signatory pages on documents and overnight mail to appropriate agency.
- Work with paying agent on sales.
- Provide wire information and record transactions.
- Coordinate the drawdown of the DNRC monies with PW and record.
- Provide notary services as needed for loan closing.
- Provide information yearly for continuing disclosure and highway finance report.
- Provide information to public and agencies on debt procedures, outstanding balances, and bond sales.
- Yearly 1099-Bs to investors.
- Maintain relationships with Bond Counsel and Financial Advisor.

### **Accounting**

#### Bank Account Reconciliation

- Reconcile repurchase bank account, vendor warrants bank account, regular checking account, and investments monthly.
- Bank reconciliations for the General Depository, PUD main account, Airport, Bond/Coupon, five Water accounts, and two credit card accounts.
- Reconcile Payroll bank account monthly and make corrections as needed.
  - Review outstanding items and run cleared checks report.
  - Update payroll checks that are manually processed for withholdings and garnishments.

- Reconcile Health bank account and upload checks from third party administrator EBMS.
  - Review outstanding items and run cleared checks report.
- Municipal Court
  - Reconcile Full Court bank account monthly and prepare entry to record monthly transactions in total.
  - Review outstanding items and prepare transfers in/out of Full Court to/from General Depository.
  - Record entry from Full Court accounts in H.T.E. to General Fund quarterly for interim reporting purposes.

### General Accounting

- Balance sheet rollover from one year to the next.
- Projects rollover from one year to the next.
- Monthly Parking transfer to the General Fund.
- Monthly transfer of Water/Wastewater franchise fees to the General Fund.
- Update all monthly charges for cost allocation (IT, Telephone, Radio, Courier, Utility, and PW Administration).
- Update monthly charges for Light Maintenance Districts (Finance, PW Administration, Streets, and Engineering).
- Assist departments monthly with Webdocs report retrieval software.
- Correct cash receipt entry errors requested by departments, customers, or Finance. Assess the importance of correcting the error and notify all related parties.
- Monthly Health Insurance Cash Report.
- Quarterly Parking Advisory Board Report.
- Cancel voided Health and Flex checks as requested by EBMS.
- Annually cancel stale Payroll, Health, and Flex checks and submit to City Council for approval. Give City employees the option of re-issuing checks that have been lost if they pay a bank stop-pay fee.
- Identify SIDs and Sidewalk debt service projects that are no longer collecting tax dollars and send a memo to City Council. Once approved, close them out to the SID Revolving Fund.
- Balance all payroll withholding accounts. The amounts deducted from employee checks for FICA, Medicare, Federal withholdings, PERS, HSA, Vision Insurance, etc., are frequently missed or paid the wrong amounts and require monthly balancing.
- For Health Insurance withholdings, transfer amounts to the Health Insurance Fund on a monthly basis.
- Update biweekly payroll after it is updated in the payroll module and correct any account errors. Make sure that all manually entered termination checks are also updated.
- Investigate problems and make corrections to bank reconciliations for the following accounts: General Depository, PUD main account, three First Interstate

Bank water accounts, US Bank West water account, two credit card accounts, bond and coupon account, and airport account.

- Complete downloads of SID and Sidewalk bond call transactions in January and July. H.T.E. entries need to be allocated for pooled SIDs and Sidewalks for both the principal and interest paid. The pooled bond issues that are low on cash need to be proportionately allocated for the bond call by the pooled projects that do have cash. An H.T.E. batch is created with each bond call.
- At the end of the month, look at the funds with negative cash and determine if the negative balance is the result of a timing problem or another issue. Give or refund loans to the appropriate funds. Create adjusting journal entries for loans for negative cash for Transportation Enhancement Grant, CDBG Grants, Home Grants, CC Planning, Historic Districts Grants, Housing First, Development Services – Federal Appropriation, and Court Grants.
- At the end of the month, give or refund SID/Sidewalk loans to the appropriate project funds that have negative cash.
- At the end of the month, transfer cash out of the Transit Tax Collection Fund to the Transit Operating Funds.
- Close out funds that are no longer needed and write up the appropriate General Ledger entries to close.
- Record monthly entry for loan receivable payments to the Community Block Development Grant Fund for amounts that H.T.E. does not post automatically with cash receipts of loan payments
- Post adjusting journal entries for insurance, rent and building assessment charges, Forestry transfer, Cost Allocation, Cost Allocation-PMDs, General Fund-Public Safety transfer, Street Division Allocation, Public Works transfer, CC Planning/Fire transfer, Capital Replacement transfer, Parks/Cemetery Transfer-Transfer Interest Earned, Victim/Witness transfer-negative cash, Parks Charges - liaison between Parks and IT, transfer from Storm Sewer Operating to Debt Service, Debt entry for Storm Sewer debt paid, interest earned on the Utilities Bank Accounts, and GIS entry for CC Planning.
- Post adjusting journal entries for loan payments for inter-fund loans.
- Tax Increment Funds:
  - Print and deliver report of the Tax Increment Fund monthly.
  - Review drawdown of grants made by the Downtown Billings Partnership with Tax Increment Fund money in accordance with development agreements.
- Review all funds monthly for over budget issues.
- Analyze the Trial Balance for all City funds for discrepancies.
- Bargaining Unit Contracts:
  - Aid in evaluating costs of contract proposals.
  - Aid in implementing contract provisions into payroll system.
  - Aid in reviewing contracts and the related payroll applications for assessment of proper implementation.

- Review internal controls for proper segregation of duties within departments as needed.
- Audit cash balances, including change funds and petty cash funds, of departments for proper accounting, amounts, and procedures.
- Track Council Contingency Expenditures.
- Accounting software support and security, file maintenance, and training
  - Adjusting file maintenance in H.T.E. for City employees who do not have access to certain accounting functions or funds.
- Set up new H.T.E. account numbers that correspond with asset, liability, revenue, and expenditure guidelines.
  - Set up the pooled equity account numbers for any new funds.
  - Set up project numbers for that account number and make sure that the proper software links, as well as the project table, are established.
- Building Department Yearend Report for State of Montana.
- EOC 911 report for the State of Montana.
- Balance Inter-fund Receivables/Payables.
- Void Accounts Payable checks that are over a year old.
- Verify that health inspections and fire inspections have been completed.
- Review revenue correction forms, expenditure correction forms, adjusting journal entries, and inter-fund transfers that are generated by the departments. Spot check the accuracy of the account numbers on the forms as well as check the validity of the entry.
- Assist departments with accounting transactions.
- Create Budget Adjustments for grants rolled from one Fiscal Year to the next.
- Create Budget Adjustments for new grants.
- Create new account numbers into the accounting software for new grants.
- Check contract retention in the safe for due dates.
- Identify items for record disposal.
- Collect, tally, and post the copier count for twelve copiers. This includes entering totals to three spreadsheets for posting to correct department accounts for charge for services.
- Create journal entries as needed to keep General Ledger accounts and other accounts in balance.

#### Fixed Assets

- Keep spreadsheets from the previous year's CAFR of the total fixed assets for all the funds. Transfer the amounts to the current year's fixed assets spreadsheets. Determine additions from the capital outlay expenditure accounts, as well as deletions. Pull invoices for each capital item purchased to obtain the cost, serial number, model number, depreciable life, trade-in values, etc. Add the asset to the Fixed Asset module.
- Search for deleted assets from the H.T.E. system for the fiscal year by comparing the previous year assets to the current year assets and write up entries.

- For assets that are trade-ins, calculate the gain or loss of the disposed item.
- Send two copies of schedules to departments for governmental activities. Departments indicate which assets should be deleted and return schedules to Finance. Then Finance keys the deletions into H.T.E.
- Reconcile vehicles between the Fleet Module and the Fixed Asset Module.
- Ensure use of the capitalization procedure for fixed assets.
- Run printouts of the capital outlay accounts for all funds and determine if there is a difference between the capital outlay totals and the total additions to fixed assets. Investigate any differences.
- Land held for Re-sale Schedules.

#### Accounts Receivable (A/R)

- Balance the A/R module to the General Ledger on a monthly basis. Investigate differences and correct with a General Ledger entry.
- Update monthly A/R charges to the General Ledger and ensure they are going to the correct accounts.
- Assist departments with A/R errors, irregularities, and new rates.
- Correct A/R entry errors that were either posted to the wrong customer number or that should not have been a payment on account.
- Process refunds for A/R customers that have overpaid on their account, and ensure the refund is charged to the correct receivable account.
- Mail out past due notices for A/R customers. For those that don't pay, turn them over to CBB collection agency.
- Process write-offs for A/R customers.
- Weed invoices:
  - Keep spreadsheet of all the seasonal weed bills that are generated.
  - Generate monthly invoices for the past due invoices that are on time pay.
  - Assess weed charges annually to tax codes in the H.T.E. tax module.
- Monthly garage parking charges.

#### Other Reporting

- Arbitrage – required for bond issues of the City:
  - Work with Springsted to acquire information from H.T.E. to be used in properly filing arbitrage report.
  - Filings are done up to four times per year for the various bond issues.
- Continuing disclosure for bond issues of the City:
  - Work with Springsted to acquire information from H.T.E. to be used in properly filing continuing disclosure.
  - Filings are done up to four times per year for the various bond issues.
- Create an individual balance sheet and income statement for every bond issue.
- 1099s and 1098s:
  - 1098s—Interest received from Downtown Revolving Loans receivable.
  - 1099-Gs—Tax Increment Fund grant recipients.
- Review grant draw-downs to ensure all amounts were properly drawn for the following grants:

- Drug Court Grant.
- DUI Court Grant.
- Mental Health Court Grant.
- Airport.
- Met Transit.
- Public Works.
- Police.
- CDBG and Home
- Other grants received by the City.
- Prepare quarterly reports for Victim/Witness and Domestic Violence.
- Complete annual surveys, such as ones from ICMA and GFOA.

## Audit

### Schedule of federal awards:

- 65 Grant Confirms:
  - 7 Airport
  - 9 Transit
  - 6 Developmental Services
  - 3 Court
  - 17 Police
  - 2 Planning
  - 2 Fire
  - 14 Public Works
  - 5 Other
- 71 Other Confirms:
  - 56 Bank confirms
  - 7 Investment confirms
  - 7 Debt confirms for 21 accounts
  - 1 Other
- Provide information and assistance to auditors and staff during audit.

Audit work papers must be done prior to the Auditors arrival.

See Appendix A

Auditors must complete the State Compliance Audit.

See Appendix B

## CAFR

- Allocate internal service fund to various departments for government-wide statements.
- Prepare government-wide statements and government fund reconciliation and tie to the notes of the financial statements as applicable. This includes making

spreadsheets for deferred revenue, net assets, City debt, and compensated absences, and reconciling the government wide balances to the individual fund balances. Adjustments made after initial entry result in updating these spreadsheets.

- Prepare schedules for every asset and liability in the balance sheets for all funds to be given to the auditors. Some balances require many spreadsheets not only to determine the correct balance of a particular line item, but also to illustrate to the auditor that the balance is justified and correct.
- Download Budget Adjustments and categorize between the original budget and the adjusted budget.
- Eliminate intra-fund transactions.
- Generate re-class journal entries.
- Answer questions presented by the auditors which are generally to explain activities within the City and how a particular account balance is justified.
- Enter fund account balances into Excel spreadsheets, which are then linked into additional spreadsheets that result in the CAFR book. Adjustments made after initial entry result in updating these spreadsheets.
- Prepare notes to Financial Statements including:
  - Schedule for Downtown Revolving Loan Fund for loans receivable, loans payable, and deferred revenue.
  - Write notes for cash and debt.
  - Pension Footnote.
  - Construction Commitments.
  - Inter-fund Receivable/Payable Schedule.
  - Transfer In/Transfer Out Schedule.
  - Defeased Debt Schedule.
  - Governmental Capital Asset Schedule.
  - Business-type Capital Asset Schedule.
  - Cash footnote.
  - Receivables footnote.
  - Operating lease receivable footnote.
  - Capital lease obligations footnote.
  - Long term debt footnote.
  - Risk management footnote.
  - Subsequent events footnote.
  - Claims and judgment footnote.
  - Contingent liabilities footnote and determine the amount that must be disclosed and/or recorded.
  - Capitalized Interest.
  - Compensated Absences.
- Statistical information for the CAFR including:
  - Net assets by component.
  - Changes in net assets.



- Tax revenue by source.
- Fund balance of governmental funds.
- Changes in fund balances of governmental funds.
- Assessed and estimated market value of taxable property.
- Property tax rates.
- Principal property taxpayers.
- Property tax levies and collections.
- Legal debt margin.
- Ratios of outstanding debt.
- Pledged revenue and demographic statistics.
- Principal employers.
- Full-time equivalent employees by function.
- Operating indicators by activity.
- Capital asset statistics by activity.
- Property value, construction, and bank deposits.
- Compile all the sections and pages into one complete document:
  - Proof the entire book.
  - Make all changes and have staff review the updated pages.
- Check the entire book to verify completeness and to make sure the book is in correct order.
- Print, compile, and organize a second, clean copy that will be used for printing.
- Number the pages of the book.
- Create the Table of Contents page.
- Send the book to auditors for printing.
- Submit CAFR to GFOA for the Certificate of Achievement for Excellence in Financial Reporting award.
  - Complete the application for submittal.
  - Complete GFOA 85 page criteria checklist
- Mail copies of the CAFR to the State for filing, and disperse to City Departments and private citizens as requested.

### Quarterly Budget Reports

- Check that the reports balance to the software.
- Add new funds.

### **Budget**

Finance works closely with City departments and Administration during the annual budget process.

- Assist the Equipment Replacement Committee each fall to develop the funding for governmental funds.
- Assist the consultant to prepare the City cost allocation plan for the upcoming budget year.
- Assist Administration with developing budget guidelines based on Council input and the budget calendar.
- Prepare the budget module for departments' input. Prepare the supplemental budget request database for departments' input.
- Prepare projections for copier, postage, utilities, and vacancy savings for each department.
- Conduct a citywide budget training session and provide a budget training manual.
- Prepare revenue estimates for General Fund and Public Safety Fund.
- Download and distribute payroll information to departments for payroll estimates.
- Develop and distribute the budget schedule.
- Calculate the General Fund transfer to the Public Safety Fund.
- H.T.E. software duties for budget:
  - Rollover budget levels from one Fiscal Year to the next.
  - Rollover worksheets from one Fiscal Year to the next.
  - Create budget levels.
  - Maintain security for budget.
  - Balance budget module to budget document.

### Budget Document

- The budget document is prepared in various ways three times throughout the process:
  - Department requests.
  - City Administrator recommended budget by Fund type.
  - Approved budget by fund type.
- Excel spreadsheets are used to create the budget book for all funds:
  - Update the actual numbers to balance to the CAFR.
  - Update numbers from the budget module in H.T.E.
    - Check individual spreadsheets to the Summary Sheets.
  - Check Summary Sheets to City Wide Sheet.
- Review department narratives to see if the numbers match the Excel spreadsheets.
- Prepare, or aid in the preparation of, fund budgets. This includes reviewing actual activity from prior years, obtaining input from departments and estimating budget amounts using research obtained.
- Assist departments with current year estimates. This includes downloading information from H.T.E. for actual revenues and expenditures and meeting with departments.

- Assists with payroll estimates using information downloads from the payroll module if necessary.
- Pick the item and picture to be depicted on the cover of the budget book and write the first page of the book describing what the cover is about.
- Request and receive Council and department goals.
  - As this information comes back to the Assistant, it is formatted correctly, edited, and combined it into one document to be added to the budget book.
- Request and receive supplemental information, capital improvement plan, and non-routine capital from the departments.
  - As this information comes back to the Assistant, it is formatted correctly, edited, and combined by each group into its corresponding sections to be added to the budget book.
  - Some of the supplemental information also has to be researched via the internet and phone calls.
- Send out the previous year's narratives to the departments, receive responses, reformat and publish.
- Update the Fund Description pages, the budget process page, the City of Billings page, and the glossary.
- Compile all the sections and pages into one complete document.
  - Proof the entire book.
  - The book is then sent throughout Finance for staff to proof their worksheets and for the supervisor to proof the entire document.
  - Make all changes and have requesting staff review the updated pages.
- Verify completeness and correct order.
- Compile and print a second, clean copy that will be used for printing.
- Number the pages of the book.
- Create the Table of Contents page.
- Send the book to print.
- The budget book is submitted to GFOA for an Annual Budget Award.
  - Complete the application for submittal.
  - Complete GFOA five page criteria checklist.
  - Respond to the previous year's GFOA comments.
- Submit copies to the State and send to City Departments and private citizens as requested.

#### Cost Allocation Plan

- Generate reports from H.T.E. and various departments for the cost allocation consultant.
- Meet with departments to discuss cost allocation past practices and possible changes due to new circumstances, state statutes, etc.

- Review cost allocation plan as prepared by the consultant for any irregularities and adjust as necessary.
- Apply cost allocation plan by entering amounts into budget modules for all departments/accounts affected.

### **Downtown Revolving Loan Fund**

- Attend loan meetings and the Assistant prepares the committee minutes.
- Prepare Council memo, loan paperwork, and meet with loan recipients for signatures on loan documents.
- Track monthly loan payments to ensure all loans are current. Notify borrowers of missed payments if necessary.
- Create and mail monthly payment vouchers for all borrowers.
- Write quarterly reports that detail Downtown Revolving Loan fund balance sheet, cash flow, and detail of activity by borrower as required to be submitted to inter-creditor banks per the agreement.
- Annually adjust loan interest rates in accordance with the inter-creditor agreement for both the loans from the inter-creditor banks and the borrowers of the Downtown Revolving Loan funds.
- File payment receipts with respective loan files.
- Draft loan documents for new loans as approved by the Downtown Revolving Loan Committee and Council.
- Create a purchase order for loans when the loan documents are signed and the funds can be disbursed.
- Prepare request to inter-creditor banks to fund the Downtown Revolving Loan.
- Set up projects in H.T.E. for new loans.
- Prepare monthly adjusting journal entries to record loan payments not automatically posted by H.T.E. when loan payments are received.
- Prepare adjusting journal entries to record loan issuance to borrowers and loan receipts from banks not automatically posted by H.T.E. when loan payments are received.
- Maintain proper accounting for each loan.
- Prepare monthly payments to banks for inter-creditor loans, including payment amount calculation, PO creation, and PO payment processing.

### **Purchasing**

The City has a centralized purchasing function but it is staffed by one purchasing agent. Therefore, the agent initiates some purchasing but primarily assists all other departments and divisions with Purchase Orders, Purchasing Cards, Invitations for Bids, Requests for Proposals, Requests for Written Quotes, Purchases Agreements, Services Agreements, other miscellaneous agreements, Travel Requisitions, Travel Expense Reports, and Travel Cash Advances.

### General Purchasing:

- Maintain a central site for all template/boilerplate documents and continue to refine those documents. Some of the general documents include:
  - Contract routing form.
  - Contract routing checklist.
  - Prevailing Wage Rate language and instructions.
  - Sample thank you letter to send to vendors after completion of any process.
  - The most up-to-date Purchasing Policy and Procedures.
- Assist departments and divisions in determining when specific language is necessary in various documents, such as:
  - Prevailing wage language and rates.
  - Withholding of gross receipts taxes.
  - Increased insurance coverage.
  - Exemption from worker's compensation insurance.
  - Performance, labor and materials, or payment bonds.
- Assist departments with cooperative purchasing through State Term Contracts.

### Invitation for Bids (IFBs):

- Maintain a central site for all template/boilerplate IFB documents and continue to refine those documents, including:
  - Invitation for Bid advertisement.
  - Invitation for Bid document.
- Assist departments and divisions in recognizing when the IFB process is necessary.
- Assist departments and divisions in preparing IFB documents; at times, drafting the documents for the departments or divisions.
- Assist departments and divisions in preparing for advertisement, Council, and other IFB deadlines.
- Prepare and complete all aspects of most, or all, IFBs for Finance, Human Resources, and Administration.
- Assist the City Clerk at Bid openings by completing the Bid Tabulation Summary and fielding any questions or addressing irregularities that might occur. Opening and reading bids in the Clerk's absence.
- On average, 67 bids are received and opened annually. Bids are opened on Tuesday afternoons, approximately one hour each week = 67 hours/year.
- Depositing, tracking, and returning any bid securities other than bid bonds. The past three years have averaged 9 special securities each year at approximately 2.5 hours work each: 22.5 hours/year.
- Work with the Legal department and the bidder to manage any bid protests to completion.

### Requests for Proposals (RFPs):

- Maintain a central site for all template/boilerplate RFP documents and continue to refine those documents, including:
  - Request for Proposals legal advertisement.

- Request for Proposals document.
- Assist departments and divisions in recognizing when the RFP process is necessary and determining which contract best suits the needs of the specific service.
- Assist departments and divisions in preparing RFP documents; at times, drafting the documents for the departments or divisions.
- Review RFPs for departments and divisions to ensure all appropriate language and criteria are included.
- Frequently serve as a selection committee member for the department or division to review, rank, interview the proposing company (if needed), and make a selection from the proposals received.
- Assist departments and divisions in preparing for advertisement, Council, and other RFP deadlines.
- Prepare and complete most or all RFPs for Finance, Human Resources, and Administration.

#### Requests for Written Quotes:

- Maintain a central site for all template/boilerplate quote documents and continue to refine those documents, including:
  - Quote form.
  - Quote via fax form.
- Assist departments and divisions in recognizing when the Request for Written Quotes process is necessary and how best to issue the request for quotes (via email, fax, mail, etc).
- Assist departments and divisions in preparing quote documents; at times, drafting the documents for the departments or divisions.
- Review quotes and attachments for departments and divisions to ensure all appropriate language and criteria are included.
- Approve quote forms for departments and divisions to place orders from the lowest responsive vendor, or approve any variation, if justified.
- Prepare and complete most or all Requests for Written Quotes for Finance, Human Resources, and Administration.

#### Contracts:

- Maintain a central site for all template/boilerplate contracts and continue to refine those contracts. The templates/boilerplate contracts at this time include:
  - Services agreement for under \$25,000.
  - Purchases agreement for under \$25,000.
  - Architectural/Engineering/Land Surveying agreement.
- Assist departments and divisions in recognizing when a contract is necessary, determining which contract best suits the needs of the specific purchase or service, and negotiating contracts when necessary.
- Assist departments and divisions in preparing contract documents; at times, negotiating contracts and drafting the documents for the departments or divisions.

- Review contracts for departments and divisions to ensure all appropriate language and documentation are included. Each contract packet is then forwarded to the Legal department, the City Administrator or Council, and the City Clerk.
- Negotiate and prepare most or all contracts for Finance, Human Resources, and Administration.
- Create, track, review, and continue to maintain Citywide contracts for paper and office supplies, uniform and laundry services, mailing services, courier services, newspaper ad printing, on-line advertising and promotions, and legal advertising services.

### Travel

- Receive, review, and approve all travel requisitions for City staff.
- Approve and issue travel cash advances.
- Receive, review, and approve all travel expense reports for City staff. Ensure all proper documentation is attached, actual expenses are supported by receipts, and per diem expenses are within policy guidelines.
- Review all agendas and/or itineraries to determine if travel occurred appropriately and if any meals were provided as part of the training, for which per diem may not be requested.
- Complete a Journal Entry to reverse each travel cash advance issued – on average 110-125/year at 1 hour each = 117.5 hours/year for issuing and reversing. Run reports periodically to check that there are no outstanding balances in the cash advance holding account.
- Research and announce the IRS mileage rate each year.
- In general, verify that the City's travel policy has been followed for each trip.

### Purchasing Credit Card Program (Pcard):

- Responsible for all aspects of City Pcard program (serve as the Program Administrator with US Bank):
  - Maintain a listing of all cardholders, with pertinent and confidential information – currently 178 cardholders.
  - Create profiles for, and assist Pcard Administrators for each department.
  - Receive authorization from departments to create new cardholder accounts. Close accounts when needed.
  - Determine what account numbers and detailed information is needed for each cardholder. Create the cardholder account in the US Bank system.
  - Receive all cards and provide them to the cardholder with activation, training, and policy information. Provide individual guidance or training when necessary.
  - Unblock types of vendors for specific cardholders and increase credit limits, with departmental and City Administrator approval.
  - Download Citywide Pcard statement each month for distribution to Pcard Administrators for reallocation and packet creation, as well as management review.

- Examine monthly City-wide statement for unusual purchases to bring to the attention of Administration.
- Receive 26 monthly packets of compiled individual statements and supporting receipts and/or invoices for each charge.
- Complete a monthly random audit of 3-5 departmental packets (approximately 4 hours) and all packets on a quarterly basis (approximately 15 hours). Audits require 108 hours annually.
- Create and download a monthly transaction detail report (or spending report) of all charges for transfer to H.T.E. by the IT Division.
- Compare transaction detail download to City-wide statement by US Bank for accuracy and request statement be paid.
- Create and download a monthly tax and compliance vendor summary report for vendor data entry and authentication for H.T.E. and 1099 completion.
- Enter new account codes into the US Bank system as needed. There are currently over 6,000 account codes which have been uploaded or individually added to the US Bank system. Approximately 96 are added, modified, or deleted throughout each year.
- Create and download annual reports through the US Bank system to gain a better understanding of where dollars are being spent and for further reporting purposes.

#### Vendor Relations:

- Establish and maintain vendor relations with those doing business, or wishing to do business, with the City.
- Work with vendors to set up City credit or charge accounts when necessary.
- Work with vendors to complete W-9s for set up in the City's H.T.E. system.
- Meet with salespeople who wish to do business with the City – on average 13-15/year – forwarding information to relevant departments or divisions, or determining if a centralized contract would be practical and/or cost effective.

#### Training:

- Create presentations and conduct Citywide, departmental, and individual training on Purchasing Policies and Guidelines, Travel and Training, Purchasing Card Administration, as well as other topics. The Purchasing Agent tries to train with at least one department quarterly and one individual monthly, at approximately 5 hours each, with prep and actual training time = 80 hours/year.

#### Surplus Auction:

- Responsible for coordination and administration of the annual City surplus property auction.
- Field questions from the public throughout the year regarding the date and location of the annual auction.
- Open the database and send requests to departments with a timeline to enter surplus auction items. Field questions and assist departments during the process.



- Close database and send complete list to departments for review and to determine if items may be used in other departments. Remove items from the list that are found to be usable by other departments.
- Create memo to send the auction list to Council for approval.
- Place notice on calendar and upload auction item list to the City's website.
- Copy and circulate detailed list for public distribution.
- Arrange for 20-30 tables to be delivered to the auction site for display of the items.
- Arrange for transportation of items to the auction site.
- Request and receive proposals from local companies to provide auctioneer services.
- Create, negotiate, and execute the auctioneer services contract.
- Work with auctioneer to determine what items should be highlighted in promotion and advertising efforts. Take pictures when necessary.
- Advertise and promote auction through various media sources.
- Attend auction and assist where needed.
- Assist in distributing auction proceeds to the departments.

#### Accounts Payable:

- Ensure that written quotes have been received for any purchase over \$5,000.
- Ensure that the competitive bid process has been completed for any purchase over \$50,000.
- Ensure that professional service contracts of \$20,000 or more are selected via the RFP process.
- Purchase Orders
  - Verify all necessary supporting documents, such as invoices, quote forms and written quotes, Council memos awarding contracts for orders or encumbrances, or copies of contracts are attached to the PO; and the amounts requested for payment coincide with the attached documentation.
  - Sign the POs.
  - Sort the POs according to payment amounts requested.
  - Forward the POs as needed for additional signatures.

#### Miscellaneous:

- Serve as the main contact with the State Procurement Office for questions, guidance, buying through term contracts, etc.
- Pay Mailing Technical Services for Citywide mail services, as well as any special mailings each month.
- Work with a software company to create and maintain a central supply source website for one-stop purchasing by City users.
- Assist departments with land purchases and sales.
- Assist with the budget preparation and process as requested.

- Proofread the budget document and miscellaneous documents, memos, and letters as requested.
- Communicate and coordinate with City Council and various advisory boards.
- Supervise, guide, schedule, and support three full-time Finance staff.
- Maintain the City's copier fund, which currently tracks and replaces ten copiers for eight departments or divisions. Replace copiers when due for replacement.
- Serve as the sole editor of the City Link, the City's quarterly citizen newsletter: solicit articles, write articles, proof and edit articles, coordinate with the Billings Gazette, proof drafts, and finalize. Serve as the City's unofficial photographer and reporter.
- Serve on various communications and public relations committees for the City.
- Training and assistance to Purchasing/Accounts Payable, especially new employees to City.
- Purchasing/Inventory Module H.T.E. software file maintenance, including system controls, codes, and security.
- Software training and support; and resolving operational problems with software

### Health Insurance Fund

- Prepare the annual Budget
- Attend Health Insurance meetings
- Take minutes, type up, and distribute to committee.
- Prepare monthly cash balance worksheet
- GASB 45 – Other Post Employment Benefits liability reporting

### FINANCIAL

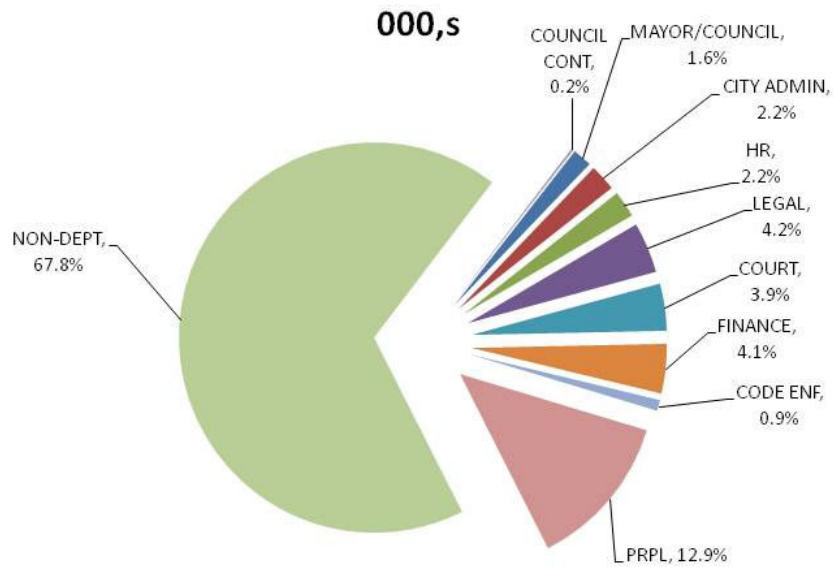
The following spreadsheet shows a five-year projection for Finance. The assumptions for the projections include: Personal Services increasing five percent each year, Operations and Maintenance (O & M) at zero percent increase for controllable costs and various percent increases for uncontrollable costs.

Approximately \$400,000 of O & M expenditures are charges for services and costs for the independent audit, software maintenance, and cost allocation plan. All of these costs are uncontrollable by the Finance Division.

	Budget FY 10	Estimate FY 11	Estimate FY 12	Estimate FY 13	Estimate FY 14
PERSONAL SERVICES	\$ 728,995	\$ 765,000	\$ 803,000	\$ 843,000	\$ 885,000
OPERATIONS AND MAINTENANCE	460,025	469,000	479,000	488,000	498,000
CAPITAL	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-
TRANSFERS	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,189,020</b>	<b>\$1,234,000</b>	<b>\$1,282,000</b>	<b>\$1,331,000</b>	<b>\$1,383,000</b>
% Increase		3.8%	3.9%	3.8%	3.9%

The following graph shows the FY 2010 General Fund budget and that Finance represents approximately 4% of the total.

## FY 10 General Fund Expenditure Budget



## **CHALLENGES**

Meeting the constantly changing financial reporting and compliance requirements:

- Changes to Federal and State laws regarding financial reporting, debt issuance, and investments.
- Completing the State Compliance Audit.
- Compliance with Governmental Accounting Standards Board (GASB) pronouncements.
- Council initiatives, resolutions, and ordinances.
- Administration mandates.
- Grant Accounting.

The 2004 Financial Services Analysis and Recommendations Study by Management Partners, Inc. states: “Just as an “army moves on its stomach” the heart of any city organization is the financial services function. Without a legal budget and a compliant annual audit, supported by functional accounting, payroll and treasury systems, a city cannot run. Breakdowns in this system can be costly and create long term credibility problems for city government. It is ironic that such core, critically important, functions are largely unrecognized almost to the point of being taken for granted. This study reflects an effort by the City of Billings to proactively address organizational needs in this area to ensure that it maintains and improves this crucial part of the organization.”

The Finance Director position was eliminated in 2004. That position’s former duties such as investments, debt issuance, Downtown Revolving Loan Fund, RFPs for Banking, Audit, Cost Allocation, and various other duties had to be picked up by the Financial Services Manager (formerly Comptroller).

The Financial Services Study also recommended hiring an additional accountant, as the number of City of Billings accountants was significantly below any comparable city. Due to the elimination of the Finance Director position, this accountant assumed some of the Financial Services Manager’s excess duties. For example, GASB 34 and subsequent pronouncements have added additional steps to financial reporting and completing of the annual CAFR. Furthermore, some previously neglected duties, such as continuing disclosure and arbitrage, became part of the new accountant’s responsibilities.

## **OPPORTUNITIES**

The Financial Services Study contained 41 recommendations to strengthen the finance function. Finance has completed 22 of those recommendations.

Purchasing completed the largest number of recommendations:

- Moved Purchasing from an independent function to Finance
- Updated Purchasing Policy and Procedure.
- Streamlined the purchase order process.
- Initiated using procurement cards.
- Bid and approved contracts with single suppliers for mail and office supplies.

- Standardized purchasing documents.

Finance is updating written financial procedures, which will be adopted by Administrative Order.

### **SERVICE LEVEL REDUCTION IMPACTS**

For every \$10,000 reduction in the Finance Division budget, the General Fund will have a net savings of \$2,300. This is because \$7,700 of the expense is offset by charges for services to departments outside of the General Fund. If Finance reduces its budget, it can no longer charge those expenses to the departments, thus the General Fund loses \$7,700 and the net saving is \$2,300. Of the \$7,700, all Public Works Funds would save \$2,750, Airport/Transit would save \$819, and the Library Fund would save \$418.

Because only \$60,000/year, or about 5% of the annual Finance budget, is discretionary spending, the only meaningful way to reduce Finance expenses is to eliminate personnel. Eliminating positions would have the indicated impacts. Finance does not recommend eliminating any of the positions.

#### Cashier

- The General Fund would see a personal services savings of \$10,414.
- Each department would become responsible for its own deposits.
- Loss of internal control over cash/checks.
- Increased time for other Finance staff to reconcile bank accounts
- Close the front counter from 8:00 am to 1:00 pm.
  - Inconvenience to citizens.
  - Increased work for City departments when Finance does not accept payments 5 hours/day.

#### Accounts Payable

- The General Fund would see a personal services savings of \$8,604.
- Departments would be responsible for processing and paying vendors.
- Vendor payments would be uncoordinated and potentially slower, losing prompt payment discounts
- Reduced Internal Controls, increasing the opportunities for fraud and/or embezzlement.

#### Business Licenses

- The General Fund would see a personal services savings of \$9,634.
- The General Fund would lose revenue of \$625,000/year.

#### Tax Specialist

- The General Fund would see a personal services savings of \$12,863.
- Individual departments would have to bill and distribute taxes and assessments.
- Reduced internal controls over billing and receipts.
- Impacts \$50 million dollars/ year in tax/assessment revenue collection.

- Potential for imbalances on SIDs, PMDs, etc., slow or no payments on bond calls, inaccurate taxpayer billing and uneven tax revenue distributions.

#### Administrative Assistant

- The General Fund would see a personal services savings of \$12,409.
- Budget and CAFR would have to be outsourced or prepared by an operating department.
- Departments would be responsible for producing and coordinating material to be published in these documents
- Eliminates backup for cashier, accounts payable and business licenses.
- Finance professionals and boards/committees would lose administrative support.

#### Debt/Investment Coordinator

- The General Fund would see a personal services savings of \$17,212.
- Each department would be responsible for banking and Virtual Merchant (debit/credit card) issues.
- Departments would be responsible for investing, monitoring, and recording their share of the \$107.5 million dollars of investments.
  - Debt policy and MCA could be violated.
- Each department would make its own semi-annual debt service payments (\$10.6 million/year).
  - Loss of internal controls by giving departments access to bank accounts and the ability to wire funds.

#### Purchasing Agent

- The General Fund would see a personal services savings of \$18,824.
- Bid opening discrepancies.
- Migration from standard purchasing forms.
  - Legal would spend more time reviewing inconsistent documents
- Elimination of centralized P-Card program.
- Departments would have to organize their own auctions.
- Travel advances and travel reimbursement requests would be slower and less accurate.
- Vendors lose the single source of contact and an ombudsman for resolving problems with City payments

#### Three Accountants

- The General Fund would see a personal services savings of \$18,442/position
- Probable qualified audit opinion.
  - Lose ability to sell bonds at affordable rates.
  - Lose Federal and State grant and loan eligibility
- Budget accuracy will be compromised.
- Incomplete, inconsistent or inaccurate Federal and State grant/loan reporting.
- Inability to comply with all GASB pronouncements.
- Organization financial oversight compromised.

### Summary

The duties and potential negative impacts cited above are only examples of what may occur if Finance reduces its personal services expenses. It is important to note that eliminating the positions does not relieve the City from performing the work; it simply transfers it from Finance to operating departments or to outsourcing. Both scenarios will raise multiple union, legal, compliance, financial audit, budget, purchasing and other issues that will require substantial preparation and monitoring.

## Appendix A

w/p ref.		Workpaper	Assigned to:	Completed	Workpaper file	Due
101	100	Cash Lead	Teri/Niki			Teri
101	110	Cash Allocation	Teri			Teri
101	120	Treasurer's Group Pooled Cash Detail	Teri			Teri
101	130	Inside Bank Transfer Cut-off Schedule	Teri			Teri
101	140	Outside Bank Transfer Cut-off Schedule	Teri			Teri
101	150	Petty Cash Accounts Detail	Alene			Alene
101	160	Cash with Fiscal Agent Detail	Teri			Teri
101	170	Detail of Investments	Teri			Teri
101	180	Accrued Interest Purchased Detail	Teri			Teri
101	190	Average Cash Balance Worksheet	Teri			Teri
101	200	GASB 40- Sympro	Teri			Teri
101	220	GASB #3 Disclosure Workpaper	Teri			Teri
101	230	Investment to Fair Market Value Schedule	Teri			Teri
101	240	Investment Purchased and Redeemed for cash flows	Niki			Niki
107	100	Detail of Accrued Interest Receivable and Discount/Premium	Teri			Teri
107	120	Accrued Interest Report (by Group) for Account 107	Teri			Teri
111	110	Aging of Taxes & SIDs Receivable	Steve			Steve
111	120	Money Received from the County Detail	Steve			Steve
112	110	Taxable Value Calculation	Steve			Steve
112	140	Real Property Taxes Receivable Detail	Steve			Steve
112	150	Tax Increment Detail	Steve			Steve
113	100	Allowance for Uncollectible Taxes Detail	Steve/Niki			Niki
115	100	Accounts Receivable Lead Schedule	Jim			Jim
115	110	Water & Wastewater Accounts Receivable Reconciliation	Dwile Weagel			Other
115	111	Water & Wastewater Accounts Receivable Aging	Dwile Weagel			Other
115	112	Water & Wastewater Billing Proration- Accrued Revenue	Dwile Weagel			Other
115	120	Airport A/R Detail with Aging	Vicky			Other
115	130	Notes Receivable - General Fund	Niki			Niki
115	140	Airport Lease Schedule	Dean			Other
117	100	Notes Receivable - Tax Increment Fund / evaluation	Niki			Niki
117	110	Notes Receivable - CDBG Grant Funds	Niki			Niki
117	120					
117	130	Notes Receivable - Motor Pool	Niki			Niki
122	100	Special Assessments Detail	Steve			Steve
122	110	SID Taxes Detail	Steve			Steve
122	120	Reconciliation of Deferred Special Assessments	Steve			Niki
141	110	Inventory Detail	Alene			Alene
141	111	Water/Wastewater Storeroom Inventory reconciliation	Dwile Weagel			Other



160	100	Schedule of Fixed Assets - Enterprise Funds	Jim	Jim
160	110	Detail Asset Register and Depreciation Schedule for Each Fund	Jim	Jim
160	120	Fixed Asset Schedules by Fund for All Funds	Jim	Jim
160	130	General Fixed Assets Schedule by Classification/Function	Alene	Alene
160	140	General Fixed Assets Additions Summary	Alene	Alene
160	160	Schedule of Total Investment in General Fixed Assets by Source	Alene	Alene
172	100	Airport - Amortization of Bond Issue Costs	Vicky	Other
172	110	Airport - Amortization of Deferred Loss	Vicky	Other
201	100	Accounts Payable Lead Schedule	Alene	Alene
201	120	Retainages Payable Detail by Fund and by Department and Vendor	Alene	Alene
222	110	Deferred Revenue Liability Detail	Steve/Niki	Niki
227	100	Accrued Liabilities Lead Schedule	Jim	Jim
227	110	Accrued Wages and Benefits Schedule	Jim	Jim
227	115	Accrued Wages and Benefits Schedule By Major Fund '07	Jim	Jim
227	120	Sick Vac	Jim	Jim
227	125	Sick Pay Accrual '08 - Footnote Disclosure	Jim	Jim
227	130	Allocation of Compensated Absences Detail	Jim	Jim
227	135	Benefit hours	Jim	Jim
227	140	Average Pay Per Hour Rate Calculation	Jim	Jim
227	150	Workers Comp Liability- payroll funds 4-1-08 TO 6-30-08	Jim	Jim
227	161	Landfill Financial Assurance	Jim	Jim
227	162	Landfill Y-T-D Trust Payments & Interst Earned	Jim	Jim
227	163	Landfill Accrual	Jim	Jim
227	170	Accrued Interest Payable Detail	Jim/Niki	Jim
227	180	IBNR Health Benefits Fund	Niki/Pat	Niki
229	110	Bid Deposits Detail	Jim	Jim
231	110	General Obligation Bonds Payable Detail	Teri	Teri
231	120	General Obligation Bonds Maturity Schedule	Teri	Teri
232	130	Detail Budget Reports of Bond Reserve Transfers-HTE Report	Jim	Jim
232	140	Revenue Bonds Maturity Schedule	Teri	Teri
233	110	Sidewalk Bonds Maturity Schedule (Principal & Interest)	Teri	Teri
233	120	Special Assessment Maturity Schedule	Teri	Teri
233	130	Registered Bonds Maturity Schedule (Principal & Interest)	Teri	Teri
234	110	Notes Payable Detail and Maturity Schedule	Jim/Niki-	Notes
234	120	Amortization schedule - Koch Financial (BOC)	Niki	Niki
234	130	Intercreditor Loans - banks (RLF)	Niki	Niki
234	140	Comm Dev. Home Program Loan - Wells Fargo \$100,000	Niki	Niki
235	110	Defeased Debt Tie Out	Alene	Alene
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244	110	Detail Encumbrance Reports by Fund	Alene	Alene
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279	521	PARKING - Capitalizd Interest 2007	Jim	Jim
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