

**PRE-MEETING AGENDA
MOUNTAIN BROOK CITY COUNCIL**

**CITY HALL PRE-COUNCIL ROOM (A106)
56 CHURCH STREET
MOUNTAIN BROOK, AL 35213**

MARCH 25, 2019 6:15 P.M.

1. Funding agreement with the Alabama Department of Transportation (ALDOT) for resurfacing various roads in the City- Sam Gaston (See attached information. This item may be added to the formal agenda.)
2. Neighbors by RING MOU- Ted Cook (See attached information. This item may be added to the formal agenda.)
3. Revised internal control policies and procedures-Steven Boone (See attached information.)



Kay Ivey
Governor

ALABAMA DEPARTMENT OF TRANSPORTATION

EAST CENTRAL REGION
OFFICE OF REGIONAL ENGINEER
100 CORPORATE PARKWAY
SUITE 450
HOOVER, AL 35242
P.O. BOX 382348
BIRMINGHAM, AL 35238-2348
TELEPHONE: (205) 327-4962



John R. Cooper
Transportation Director

March 15, 2019

Honorable Stewart H. Welch, II, Mayor
Mountain Brook City Hall
56 Church Street
Mountain Brook, Alabama 35213

RE: ST-037-999-019
Resurfacing of Various Streets In Mountain Brook
Project Reference Number: 100069733
City of Mountain Brook
Jefferson County

Dear Mayor Welch,

Please find attached a funding agreement between The State of Alabama and the City of Mountain Brook. This agreement is to obligate funds for construction and engineering inspection on the above-referenced project.

In order to execute this agreement it must be signed by the Mayor with the City seal affixed. In addition, the attached resolution must be completed authorizing the Mayor to be the signatory on behalf of the City. After this agreement is executed by the City please return to this office for Regional authorization.

Should you have questions or need additional information, please contact this office.

Sincerely,
DeJarvis Leonard, P.E.
Region Engineer

Jesse P. Miller, Jr., P.E.
County Transportation Engineer
East Central Region-Birmingham Area

DL/GMB /JPM/SJ/jcm
attachment
pc: file

**CONSTRUCTION
AGREEMENT
FOR A
STATE PUBLIC ROAD AND BRIDGE FUNDING
PROJECT**

**BETWEEN THE STATE OF ALABAMA
AND
CITY OF MOUNTAIN BROOK
Jefferson County**

**Project No. ST-037-999-019
CPMS Ref# 100069733**

PART ONE (1): INTRODUCTION

This Agreement is made and entered into by and between the State of Alabama (acting by and through the Alabama Department of Transportation), hereinafter referred to as the STATE; and the City of Mountain Brook, Alabama, hereinafter referred to as the CITY.

WHEREAS, the STATE and the CITY desire to cooperate in the resurfacing various streets in the City of Mountain Brook; Project# ST-037-999-019; CPMS Ref# 100069733.

NOW, THEREFORE, it is mutually agreed between the STATE and the CITY as follows:

PART TWO (2): FUNDING PROVISIONS

- A. **Project Funding:** The STATE will not be liable for State funds in excess of the State's share of the cost hereinafter set forth. State Public Road and Bridge Funds shall be limited to \$100,000.00 for this project. Any deficiency in State funds or overrun in construction costs will be borne by the CITY from CITY funds. In the event of an underrun in construction costs, the State funds will not exceed their proportional share.
- B. The estimated cost and participation by the various parties is as follows:

FUNDING SOURCE	ESTIMATED COSTS
State Public Roads and Bridge Funds	\$ 100,000.00
City Funds	\$ 0

TOTAL (Incl CE&I and Indirect Cost)	\$ 100,000.00

It is further understood that this is a cost reimbursement program and no federal funds will be provided to the CITY prior to accomplishment of the work for which it is requested. Furthermore, no federal funds will be reimbursed for work performed prior to project authorization.

Any cost incurred by the CITY relating to this project which is determined to be ineligible for reimbursement by the Federal Highway Administration (FHWA), or in excess of the limiting amounts previously stated, will not be an eligible cost to the project and will be borne and paid by the CITY.

- C. **Time Limit:** This project will commence upon written authorization to proceed from the STATE directed to the CITY.

The approved allocation of funds for projects containing Industrial Access funds shall lapse if a contract has not been awarded for construction of the project within (12) months of the date of the funding approval by the Industrial Access Road and Bridge Corporation Board, and the approved allocation shall be returned to the IARB for re-allocation. A time extension may be approved by the IARB upon formal request by the applicant.

The approved allocation of funds for projects containing Federal Transportation Alternatives Set-Aside funds may lapse if a project has not been authorized by FHWA within (24) months of the date of the funding approval by the Governor, and the approved allocation shall be returned to the STATE for re-allocation. A time extension may be approved by the STATE upon formal request by the applicant. Failure to meet other project milestones, as set forth in the TAP Guidelines, may result in an approved allocation being returned to the STATE.

PART THREE (3): PROJECT SERVICES

- A. The CITY will furnish all Right-of-Way for the project. Associated Right-of-Way acquisition costs will not be an eligible cost to the Project. The Right-of-Way acquisition phase is hereby defined as the appraisal fees, appraisal review fees and the cost of acquisition incurred.

All work accomplished under the provisions of this Agreement will be accomplished on property owned by or which will be acquired by the CITY in accordance with applicable Federal and state laws, regulations, and procedures. Any exceptions to this requirement must be approved by the STATE in writing prior to incurring costs for which reimbursement is requested by the CITY. In cases where property is leased or easements obtained, the terms of the lease or easement will not be less than the expected life of the improvements.

Acquisition of real property by the CITY as a part of this project will conform to and be in accordance with the provisions of the Federal Uniform Relocation Assistance & Real Property Acquisition Policies Act (49 CFR 24, Subpart B), all federal environmental laws, and all other applicable state and federal laws.

Any property or property interests acquired shall be in the name of the CITY with any condemnation or other legal proceedings being performed by the CITY.

The CITY shall follow all Federal regulations related to the Management, Leasing, and Disposal of Right-of-Way, uneconomic remnants and excess Right-of-Way as found in CFR 23 § 710 Subpart D. Proceeds for Leases and Disposals shall be credited to the Project or to the Title 23 Collector Account.

No change in use or ownership of real property acquired or improved with funds provided under the terms of this Agreement will be permitted without prior written approval from the STATE or FHWA. The STATE or FHWA will be credited on a prorata share, as provided in Part Two, Section B, any revenues received by the CITY from the sale or lease of property.

- B. The CITY will adjust and/or relocate all Utilities in conflict with the project improvements. Associated Utility costs will not be an eligible cost to the project. The CITY will relocate any utilities in conflict with the project improvements in accordance with applicable Federal and State laws, regulations, and procedures.
- C. The CITY will make the Survey, perform the Design, complete the Plans and furnish all Preliminary Engineering for the project with CITY forces or with a consultant approved by the STATE. Associated Survey, Design, Plan Preparation, and Preliminary Engineering costs will not be an eligible cost to the project.

If any Associated Survey, Design, Plan Preparation, and Preliminary Engineering costs are an eligible cost to the project, the CITY will develop and submit to the STATE a project budget for approval. This budget will be in such form and detail as may be required by the STATE. At a minimum, all major work activities will be described and an estimated cost and source of funds will be indicated for each activity. A signature line will be provided for approval by the Region Engineer and date of such approval. All costs for which the CITY seeks reimbursement must be included in a budget approved by the STATE in order to be considered for reimbursement. Budget adjustments may be necessary and may be allowed, subject to the approval of the STATE in writing, in order to successfully carry out the project. However, under no circumstances will the CITY be reimbursed for expenditures over and beyond the amount approved by the STATE.

The CITY will undertake the project in accordance with this Agreement, plans approved by the STATE and the requirements, and provisions, including the documents relating thereto, developed by the CITY and approved by the STATE. The plans, including the documents relating thereto, are of record in the Alabama Department of Transportation and are hereby incorporated in and made a part of this Agreement by reference. It is understood by the CITY that failure of the CITY to carry out the project in accordance with this Agreement and approved plans, including documents related thereto, may result in the loss of federal funding and the refund of any federal funds previously received on the project.

Projects containing Industrial Access funds or State funds, with no Federal funds involved, shall have completed original plans furnished to the STATE in accordance with the Guidelines for Operations for *Procedures for Processing State and Industrial Access Funded County and City Projects*, and attached hereto as a part of this Agreement prior to the CITY letting the contract.

- D. The CITY will furnish all construction engineering for the project with CITY forces or with a consultant approved by the STATE as part of the cost of the project. Construction Engineering & Inspection cost are not to exceed 15%, without prior approval by the State. Associated Construction Engineering & Inspection costs will be an eligible cost to the project.
- E. The STATE will furnish the necessary inspection and testing of materials when needed as part of the cost of the project. The CITY may request the use of an approved third-party materials inspection and testing provider, as approved by the STATE.

PART FOUR (4): CONTRACT PROVISIONS

- A. The CITY shall not proceed with any project work covered under the provisions of this Agreement until the STATE issues written authorization to the CITY to proceed.
- B. Associated Construction cost will not be an eligible cost to the project.

For projects let to contract by the STATE, the STATE will be responsible for advertisement and receipt of bids and the award of the Contract. Following the receipt of bids and prior to the award of the Contract, the STATE will invoice the CITY for its pro rata share of the estimated cost as reflected by the bid of the successful bidder plus Engineering & Inspection and Indirect Costs (if applicable). The CITY shall pay this amount to the STATE no later than 30 days after the date bids are opened. Failure to do so may lead to the rejection of the bid.

For projects let to contract by the CITY, the CITY shall comply with all Federal and State laws, rules, regulations and procedures applicable to the advertisement, receipt of bids, and the award of the contract. The CITY will, when authorized by the STATE, solicit bids and make awards for construction and/or services pursuant to this Agreement. The CITY shall not solicit bids until the entire bid package (plans, specifications, estimates, etc.) has been reviewed and approved by the STATE. Following receipt of bids, the CITY will provide all bids to the STATE with a recommendation for award.

The CITY shall not award the contract until it has received written approval from the STATE.

The purchase of project equipment and/or services financed in whole or in part pursuant to this Agreement will be in accordance with applicable Federal and State laws, rules, regulations, and procedures, including state competitive bidding requirements applicable to counties and municipalities in the State of Alabama when the purchase is made by any such entity.

- C. If necessary, the CITY will file an Alabama Department of Environmental Management (ADEM) National Pollutant Discharge Elimination System (NPDES) Notice of Registration (NOR) (Code Chapter 335-6-12) for this project without cost to the State or this project. The CITY will be the permittee of record with ADEM for the permit. The CITY and the contractor will be responsible for compliance with the permit and the State will have no obligation regarding the permit. The CITY will furnish the State (Region) a copy of the permit prior to any work being performed by the contractor.

The CITY will secure all permits and licenses of every nature and description applicable to the project in any manner; conform to and comply with the requirements of any such permit or license; and comply with each and every requirement of any and all agencies, and of any and all lawful authorities having jurisdiction or requirements applicable to the project or to the project activities.

- D. The CITY will comply with the Alabama Department of Transportation Standard Specifications for Highway Construction, Latest Edition, on this project and will ensure that work associated on this project meets the standards of the Alabama Department of Transportation, and the project will be built in accordance with the approved plans.
- E. Subject to the limitations on damages applicable to municipal corporations under Ala. Code § 11-47-190 (1975), the City shall indemnify, and hold harmless the State of Alabama, the Alabama Department of Transportation, its officers, officials, agents, servants, and employees from and against (1) claims, damages, losses, and expenses, including but not limited to attorneys' fees arising out of, connected with, resulting from or related to the work performed by the City, or its officers, employees, contracts, agents or assigns (2) the provision of any services or expenditure of funds required, authorized, or undertaken by the City pursuant to the terms of this Agreement, or (3) any damage, loss, expense, bodily injury, or death, or injury or destruction of tangible property (other than the work itself), including loss of use therefrom, and including but not limited to attorneys' fees, caused by the negligent, careless or unskillful acts of the City its agents, servants, representatives or employees, or the misuse, misappropriation, misapplication, or misexpenditure of any source of funding, compensation or reimbursement by the City, its agents, servants, representatives or employees, or anyone for whose acts the City may be liable.
- F. The CITY will be obligated for the payment of damages occasioned to private property, public utilities or the general public caused by the legal liability (in accordance with Alabama and/or Federal law) of the CITY, its agents, servants, employees or facilities.
- G. Upon completion and acceptance of this project by the State, the CITY will assume full ownership and responsibility for the project work and maintain the project in accordance with applicable State law and comply with the Department's Local Road Maintenance Certification Policy.

PART FIVE (5): ACCOUNTING PROVISIONS

- A. The CITY will, when appropriate, submit reimbursement invoices to the STATE for work performed in carrying out the terms of this Agreement. Requests for reimbursement will be made on forms provided by the STATE and will be submitted through the Region Engineer for payment. The CITY may invoice the STATE not more often than once per month for the funds due for work performed under this Agreement. Invoices for payment will be submitted in accordance with state law and will indicate that the payment is due,

true, correct, and unpaid, and the invoice will be notarized. Invoices for any work performed under the terms of this Agreement will be submitted within twelve (12) months after the completion and acceptance by the STATE of the work. Any invoices submitted after this twelve-month period will not be eligible for payment.

- B. The CITY will not assign any portion of the work to be performed under this Agreement or execute any contract, amendment or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement, without the prior written approval of the STATE.
- C. The CITY will establish and maintain a cost accounting system that must be adequate and acceptable to the STATE as determined by the auditor of the STATE.

All charges to the Project will be supported by properly executed invoices, contracts, or vouchers, as applicable, evidencing in proper detail the nature and propriety of the charges in accordance with the requirements of the STATE. All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to the project will be clearly identified, readily accessible and to the maximum extent feasible, kept separate and apart from all other such documents.

The CITY will report to the STATE the progress of the project in such manner as the STATE may require. The CITY will also provide the STATE any information requested by the STATE regarding the project. The CITY will submit to the STATE financial statements, data, records, contracts and other documents and items of any respect related to the project as may be requested by the STATE.

The CITY will permit the STATE, the Comptroller General of the United States, and the Secretary of the USDOT, or either of them or their respective authorized representatives, to inspect, at any time, vehicles and equipment utilized or used in performance of the project and any and all data and records which in any way relate to the project or to the accomplishment of the project. The CITY will also permit the above noted persons to audit the books, records and accounts pertaining to the project at any and all times, and the CITY will give its full cooperation to those persons or their authorized representatives, as applicable.

The CITY will comply with all audit requirements set forth in the 2 CFR Part 200 requirements, or the most current version of those requirements under federal law.

- D. The CITY will retain all books, records, and other documents relative to this Agreement for a minimum of three (3) years after project termination, expiration of Federal interest, or close out, and the STATE, the Comptroller General of the United States, and the Secretary of the USDOT, or either of them or their respective authorized representatives, will have full access to and the right to examine any of said materials at all reasonable times during said period.
- E. Any user fee or charge to the public for access to any property or services provided through the funds made available under this Agreement, if not prohibited by a Federal, State or local law, must be applied for the maintenance and long-term upkeep of the project authorized by this agreement.
- F. An audit report must be filed with the Department of Examiners of Public Accounts, upon receipt by the CITY, for any audit performed on this project in accordance with Act No. 94-414.

PART SIX (6): MISCELLANEOUS PROVISIONS

- A. By entering into this Agreement, the CITY is not an agent of the STATE, its officers, employees, agents or assigns. The CITY is an independent entity from the STATE, and nothing in this Agreement creates an agency relationship between the parties.
- B. It is agreed that the terms and commitments contained in this Agreement shall not constitute a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment 26. It is further agreed that,

if any provision of this Agreement shall contravene any statute or Constitutional provision or amendment, either now in effect or which may be enacted during the term of this Agreement, then the conflicting provision in this agreement shall be deemed null and void.

- C. By signing this Agreement, the contracting parties affirm, for the duration of the Agreement, that they will not violate Federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.
- D. No member, officer, or employee of the CITY, during their tenure of employment and for one year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds, profits, or benefits therefrom.
- E. The terms of this Agreement may be modified by revision of this Agreement duly executed by the parties hereto.
- F. This Agreement may be terminated by either party upon the delivery of a thirty (30) day notice of termination.
- G. Nothing shall be construed under the terms of this Agreement that shall cause any conflict with Section 23-1-63, Code of Alabama, 1975.
- H. **Exhibits A, E, H, M, and N** are hereby attached to and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by those officers, officials and persons duly authorized to execute same, and the Agreement is deemed to be dated and to be effective on the date hereinafter stated as the date of its approval by the Governor of Alabama.

ATTEST:

City of Mountain Brook, Alabama

**By: _____
City Clerk (Signature)**

**By: _____
As Mayor (Signature)**

**Type Name of Clerk
(AFFIX SEAL)**

Type Name of Mayor

This agreement has been legally reviewed and approved as to form and content.

**By: _____
William F. Patty,
Chief Counsel**

RECOMMENDED FOR APPROVAL:

**D.E. (Ed) Phillips, P.E.
State Local Transportation Engineer**

**Don T. Arkle, P. E.
Chief Engineer**

**STATE OF ALABAMA, ACTING BY AND THROUGH
THE ALABAMA DEPARTMENT OF TRANSPORTATION**

John R. Cooper, Transportation Director

**THE WITHIN AND FOREGOING AGREEMENT IS HEREBY EXECUTED AND
SIGNED BY THE GOVERNOR ON THIS _____ DAY OF _____, 20_____.**

**KAY IVEY
GOVERNOR, STATE OF ALABAMA**

RESOLUTION NUMBER _____

BE IT RESOLVED, by the City of Mountain Brook as follows:

That the City enter into an agreement with the State of Alabama, acting by and through the Alabama Department of Transportation relating to a project for:

Resurfacing various streets in the City of Mountain Brook; Project# ST-037-999-019; CPMS Ref# 100069733.

Which agreement is before this Council, and that the agreement be executed in the name of the City, by the Mayor for and on its behalf and that it be attested by the City Clerk and the official seal of the City be affixed thereto.

BE IT FURTHER RESOLVED, that upon the completion of the execution of the agreement by all parties, that a copy of such agreement be kept on file by the City.

I, the undersigned qualified and acting Clerk of the City of Mountain Brook, Alabama, do hereby certify that the above and foregoing is a true copy of a resolution lawfully passed and adopted by the City named therein, at a regular meeting of such Council held on the _____ day of _____, 20____, and that such resolution is on file in the City Clerk's Office.

ATTESTED:

City Clerk

Mayor

_____ day of _____, 20____, and that such resolution is of record in the Minute Book of the City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City on this _____ day of _____, 20_____.

City Clerk

(AFFIX SEAL)

EXHIBIT A

PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN FEDERAL-AID PROGRAM

Policy. It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises (DBE) as defined in 49 CFR Part 26 shall have the opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this AGREEMENT. Consequently, the DBE requirements of 49 CFR Part 26 apply to this AGREEMENT.

DBE Obligation. The recipient of funds under the terms of this AGREEMENT agrees to ensure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. The recipient shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to see that Disadvantaged Business Enterprises have the opportunity to compete for and perform contracts and shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of U.S. Department of Transportation assisted contracts.

Failure of the recipient of funds under the terms of this AGREEMENT, or failure of its subcontractor (if a subcontractor is authorized) to carry out the DBE requirements of this AGREEMENT shall constitute a breach of contract, and may result in termination of the contract by the STATE, or such other remedy may be undertaken by the STATE as it deems appropriate.

EXHIBIT E

TERMINATION OR ABANDONMENT

- a. The STATE has the right to abandon the work or to amend its project at any time, and such action on its part shall in no event be deemed a breach of contract.

- b. The STATE has the right to terminate this AGREEMENT at its sole discretion without cause and make settlement with the CITY upon an equitable basis. The value of the work performed by the CITY prior to the termination of this AGREEMENT shall be determined. In determining the value of the work performed, the STATE shall consider the following:
 1. The ratio of the amount of work performed by the CITY prior to the termination of the AGREEMENT to the total amount of work contemplated by this AGREEMENT less any payments previously made.

 2. The amount of the expense to which the CITY is put in performing the work to be terminated in proportion to the amount of expense to which the CITY would have been put had he been allowed to complete the total work contemplated by the AGREEMENT, less any payments previously made. In determining the value of the work performed by the CITY prior to the termination, no consideration will be given to profit, which the CITY might have made on the uncompleted portion of the work. If the termination is brought about as a result of unsatisfactory performance on the part of the CITY, the value of the work performed by the CITY prior to termination shall be fixed solely on the ratio of the amount of such work to the total amount of work contemplated by this AGREEMENT.

CONTROVERSY

In any controversy concerning contract terms, or on a question of fact in connection with the work covered by this project, including compensation for such work, the decision of the Transportation Director regarding the matter in issue or dispute shall be final and conclusive of all parties.

CONTRACT BINDING ON SUCCESSORS AND ASSIGNS

- a. This contract shall be binding upon the successors and assigns of the respective parties hereto.

- b. Should the AGREEMENT be terminated due to default by CITY, such termination shall be in accordance with applicable Federal Acquisition Regulations.

EXHIBIT H

Page 1

EQUAL RIGHTS PROVISIONS

During the performance of this contract, the CITY for itself, its assignees and successors in interest agrees as follows:

a. **Compliance with Regulations**

The CITY will comply with the Regulations of the Department of Transportation relative to nondiscrimination in federally-assigned programs of the Department of Transportation (Title 49, Code of Federal Regulations, Part 21, as amended by 23 CFR 710-405(b), hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;

EXHIBIT H

Page 2

- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

b. **Nondiscrimination**

In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, Section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, Section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the CITY agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. The CITY will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices where the contract covers a program set forth in Appendix B of the Regulations.

The CITY will comply with all provisions of Executive Order 11246 of September 24, 1965 as amended by Executive Order 11375, and of the rules, regulations (41 CFR, Part 60) and relevant orders of the Secretary of Labor.

c. **Solicitations**

In all solicitations either by competitive bidding or negotiation made by the CITY for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor, supplier or lessor shall be notified by the CITY of the CITY'S obligation under this contract and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex or national origin.

d. **Information and Reports**

The CITY will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books,

EXHIBIT H

Page 3

records, accounts, other sources of information and its facilities as may be determined by the STATE or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a CITY is in the exclusive possession of another who fails or refuses to furnish this information, the CITY shall so certify to the STATE, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

e. **Sanctions for Noncompliance**

In the event of the CITY'S noncompliance with the nondiscrimination provisions provided for herein, the STATE shall impose such contract sanctions as it may determine to be appropriate, including but not limited to,

1. withholding of payments to the CITY under contract until the CITY complies, and/or
2. cancellation, termination or suspension of the contract, in whole or in part.

f. **Incorporation of Provisions**

The CITY will include the foregoing provisions a. through f. in every subcontract, including procurements of materials and leases of equipment, unless excepted by the Regulations, orders or instructions issued pursuant thereto. The CITY will take such action with respect to any subcontract, procurement, or lease as the STATE may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a CITY becomes involved in, or is threatened with, litigation with subcontractors, suppliers, or lessor as a result of such direction, the CITY may request the STATE to enter into such litigation to protect the interest of the STATE.

g. **Equal Employment Opportunity** – The following equal employment opportunity requirements apply to the underlying contract:

1. **Race, Color, Creed, National Origin, Sex** – In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal Transit laws at 49 U.S.C. § 5332, the CITY agrees to comply with all applicable equal employment requirements of U.S. Department of Labor (U.S. DOL) regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, “Equal Employment Opportunity,” as amended by Executive Order No. 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project.

EXHIBIT H

Page 4

The CITY agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the CITY agrees to comply with any implementing requirements FTA may issue.

2. Age – In accordance with Section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, the CITY agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the CITY agrees to comply with any implementing requirements FTA may issue.
3. Disabilities – In accordance with Section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the CITY agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, “Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act,” 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

COST PRINCIPLES

The STATE'S cost principles for use in determining the allowability of any item of cost, both direct and indirect, in this AGREEMENT, shall be the applicable provisions of Volume I, Federal Acquisition Regulations, Parts 30 and 31. The CITY shall maintain costs and supporting documentation in accordance with the Federal Acquisition Regulations, Parts 30 and 31 and other Regulations referenced with these Parts where applicable. The CITY shall gain an understanding of these documents and regulations. The applicable provisions of the above referenced regulations documents are hereby incorporated by reference herein as if fully set forth.

EXECUTORY CLAUSE AND NON-MERIT SYSTEM STATUS

- a. The CITY specifically agrees that this AGREEMENT shall be deemed executory only to the extent of moneys available, and no liability shall be incurred by the STATE beyond the moneys available for this purpose.

EXHIBIT H
Page 5

- b. The CITY, in accordance with the status of CITY as an independent contractor, covenants and agrees that the conduct of CITY will be consistent with such status, that CITY will neither hold CITY out as, or claim to be, an officer or employee of the STATE by reason hereof, and that CITY will not, by reason hereof, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the STATE under the merit system or any other law of Alabama, including but not limited to workmen's compensation coverage, or retirement membership or credit or any Federal employment law. This paragraph also applies in like manner to the employees of CITY.

CITYS' CERTIFICATIONS

The CITY by acceptance of this contract certifies that the rates or composition of cost noted in Article IV - PAYMENTS are based on the current actual hourly rates paid to employees, estimated non- salary direct cost based on historical prices, the latest available audited indirect cost rate, and estimated cost of reimbursements to employees for travel (mileage, per diem, and meal allowance) based on the current policy of the CITY. The CITY agrees that mileage reimbursements for use of company vehicles is based on the lesser of the approved rate allowed by the General Services Administration of the United States Government or the reimbursement policies of the CITY at the time of execution of the AGREEMENT. The CITY agrees that no mileage reimbursement will be allowed for the purpose of commuting to and from work or for personal use of a vehicle. The CITY agrees that the per diem rate will be limited to the rate allowed by the STATE at the time of execution of the AGREEMENT. The CITY agrees that a meal allowance shall be limited to CITY employees while in travel status only and only when used in lieu of a per diem rate.

The CITY shall submit detailed certified labor rates as requested, and in a timely manner, to the External Audits Section of the Finance and Audits Bureau of The Alabama Department of Transportation. The CITY agrees that material differences between rates submitted with a proposal and rates provided as certified for the same proposal are subject to adjustment and reimbursement.

EXHIBIT M

CERTIFICATION FOR FEDERAL-AID CONTRACTS: LOBBYING

This certification is applicable to the instrument to which it is attached whether attached directly or indirectly with other attachments to such instrument.

The prospective participant/recipient, by causing the signing of and the submission of this Federal contract, grant, loan, cooperative AGREEMENT, or other instrument as might be applicable under Section 1352, Title 31, U. S. Code, and the person signing same for and on behalf of the prospective participant/recipient each respectively certify that to the best of the knowledge and belief of the prospective participant or recipient and of the person signing for and on behalf of the prospective participant/recipient, that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the prospective participant/recipient or the person signing on behalf of the prospective participant/recipient as mentioned above, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, or other instrument as might be applicable under Section 1352, Title 31, U. S. Code, the prospective participant/recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant/recipient also agrees by submitting this Federal contract, grant, loan, cooperative agreement or other instrument as might be applicable under Section 1352, Title 31, U.S. Code, that the prospective participant/recipient shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

EXHIBIT N

FUNDS SHALL NOT BE CONSTITUTED AS A DEBT

It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213 of the Constitution of Alabama, 1901, as amended by Amendment Number 26. It is further agreed that if any provision of this AGREEMENT shall contravene any statute or Constitutional provision of amendment, either now in effect or which may, during the course of this AGREEMENT, be enacted, then the conflicting provision in the AGREEMENT shall be deemed null and void.

When considering settlement of controversies arising from or related to the work covered by this AGREEMENT, the parties may agree to use appropriate forms of non-binding alternative dispute resolution.

TERMINATION DUE TO INSUFFICIENT FUNDS

- a. If the agreement term is to exceed more than one fiscal year, then said agreement is subject to termination in the event that funds should not be appropriated for the continued payment of the agreement in subsequent fiscal years.
- b. In the event of proration of the fund from which payment under this AGREEMENT is to be made, agreement will be subject to termination.

NO GOVERNMENT OBLIGATION TO THIRD PARTY CONTRACTORS

The STATE and CITY acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations of or liabilities to the STATE, CITY, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

The CITY agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided to FHWA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

**STATE OF ALABAMA
DEPARTMENT OF TRANSPORTATION
GUIDELINES FOR OPERATION**

**SUBJECT: PROCEDURES FOR PROCESSING STATE AND INDUSTRIAL
ACCESS FUNDED COUNTY AND CITY PROJECTS**

No work can be performed and no contracts can be let prior to having a fully executed project agreement, submittal of project plans to Region and notification from the Region that advertisement for bids can be made, or, in the case of force account projects, work can begin.

A project agreement will be prepared and furnished to the County/City upon receipt of grant award letter signed by the Director or Governor. The Region will prepare and submit a F-7A Budget Allotment request upon receipt of a project funding agreement at the time it is submitted to the County/City for their execution.

The County/City will submit plans prepared and signed by a registered professional engineer showing work to be performed. Plans must match the project agreement description. It is not necessary for the Region to perform an in-depth review of plans. The County/City will submit a certification signed by a Registered Professional Engineer stating that the plans have been prepared so that all items included in the plans meet ALDOT specifications. The County/City will include a letter certifying that the County/City owns all right-of-way on which the project is to be constructed.

Upon receipt of the executed agreement, the executed F-7A, final plans from the County/City, and right-of-way certification, the Region may notify the County/City to proceed with advertising the project for letting or proceed with work in the case of a force account project.

In the case where a County/City is using an in-place annual bid, the County/City will furnish the Region a copy of their bid and this bid price will be used for reimbursement.

Where the County/City is letting a contract locally, the County/City will furnish to the Region the three lowest bids with their recommendation for award. The Region will review the bids, and, if in order, advise the County/City to proceed with award of the contract to the lowest responsible bidder. The County's/City's estimate for reimbursement will be based on the bid prices concurred in by the State and supported with documentation that the contractor has been paid for work performed (copy of cancelled check).

A certification will be submitted with County/City final estimate stating that the project was constructed in accordance with final plans submitted to the State and with the specifications, supplemental specifications, and special provisions which were shown on the plans or with the State's latest specifications which were applicable at the time of plan approval.

The County/City will notify the Region when the project is complete and the Region will perform a final ride-through to determine whether the project was completed in substantial compliance with original final plans. Final acceptance will be made by the Region with a copy of the letter furnished to the Bureau of Local Transportation.

All required test reports, weight tickets, material receipts and other project documentation required by the specifications, applicable supplemental specifications, and special provisions will be retained by the County/City for a period of three (3) years following receipt of final payment and made available for audit by the State upon request. If an audit is performed and proper documentation is not available to verify quantities and compliance with specifications, the County/City will refund the project cost to the State or do whatever is necessary to correct the project at their cost.

All County/City Industrial Access or State funded projects let to contract by the State will follow normal project procedures and comply with all current plan processing requirements.

RECOMMENDED FOR APPROVAL:


BUREAU CHIEF/REGION ENGINEER

APPROVAL:


CHIEF ENGINEER

APPROVAL:


TRANSPORTATION DIRECTOR

NOVEMBER 1, 2017

DATE



Neighbors by Ring
Memorandum of Understanding

This agreement is entered into this _____ day of _____, 2019 by and between Ring LLC ("Ring") and Mountain Brook Police Department ("Agency"), (collectively the "parties") and will provide Agency access to the Neighbors Portal to communicate with users of the Neighbors app ("Ring Neighbors") and encourage community engagement as we work together to make Mountain Brook's ("Town") neighborhoods safer.

- Neighbors by Ring app ("Neighbors App") is a digital neighborhood watch that both law enforcement and the public may access free of charge by downloading the Neighbors App (iOS and Android).
- The Neighbors App allows users to share and comment on real time crime and safety events in their neighborhood.
- As part of the program, Agency may:
 - Utilize the critical crime and safety events that are posted in the Neighbors App by Ring Neighbors to assist in law enforcement operations and investigations; and
 - Post information relating to critical incidents and other incidents in the app to keep Ring Neighbors informed regarding issues in their neighborhoods.

With an understanding that a robust, active and engaged user community is essential to the immediate, sustained and ongoing success of the program, the parties agree to the following responsibilities:

Ring

- Make the Neighbors App available to Town residents free of charge.
- Make the Neighbors Portal available to Agency free of charge, including ongoing support and training for Agency employees.

Agency

- Maintain appropriate access controls for Agency personnel to use the Neighbors Portal.

Press Release

The parties shall agree to a joint press release to be mutually approved by the parties. Neither party may use the other party's name, logo, or likeness in any advertising or press release without prior written approval of the other party. Notwithstanding the foregoing, Ring shall be permitted to provide in-app alerts to Ring Neighbors announcing Agency's participation in the Neighbors App.

Term

Agency's participation in the program shall commence upon Agency's acceptance of these program terms. Either party may terminate Agency's participation in the program at any time by providing 30 days' written notice to the other party; provided that in the case of material breach of this Agreement by the Agency, Ring shall only be required to provide three days' written notice to Agency.

Privacy and Terms of Use

Ring will not provide any customer personal information, including video footage, to Agency without the prior

consent of the owner or properly issued legal process that complies with federal and state law, as applicable. Agency agrees to use the Neighbors Portal only as expressly authorized by Ring and only in connection with bona fide Agency work. Ring's terms of service and privacy notice, as posted on Ring.com, shall apply to all uses of the Neighbors App and, as applicable, the Neighbors Portal.

Compensation

At no point shall either party receive compensation from each other as a result of this program.

Confidentiality

Unless otherwise required by law, the Parties shall not disclose the terms of this program or any information that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential.

RING LLC

Date: _____

By: _____

Name: _____

Title: _____

Agency

Date: _____

By: _____

Name: _____

Title: _____



CITY OF MOUNTAIN BROOK

P. O. Box 130009
Mountain Brook, Alabama 35213-0009
Telephone: 205.802.2400
www.mtnbrook.org

Memorandum

To: Sam Gaston, City Manager
From: Steven Boone
Date: March 18, 2019
Subject: Revised internal control policies and procedures

The Office of Management and Budget (OMB) Uniform Grants Guidance (or Super Circular) consolidates and changes the administrative requirements for all federal awards. The intent of the new regulations is to improve the integrity of the financial management and operation of Federal programs and strengthen accountability for Federal dollars by improving policies that protect against waste, fraud and abuse. The Super Circular consolidates the former grants management, cost principles and audit circulars.

To address these changes, it is necessary that the City readopt and expand its internal control policies and procedures. I have attached a draft of the proposed internal control policies and procedures. These policies were distributed to affected individuals throughout the City for review and comment. The attached draft has been revised where such comments and concerns warranted revision.

I proposed that these policies be placed on the March 25, 2019, Council pre-meeting agenda for initial consideration and discussion. This matter can be formally considered for adoption on April 8 or April 23 to allow the City Council time to review.

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
2. DEFINITIONS	
<i>Appointing Authority</i> – City Manager of the City of Mountain Brook	
<i>CFDA</i> – Catalogue of Federal Domestic Assistance	
<i>CFR</i> – Code of Federal Regulations	
<i>City</i> – the City of Mountain Brook, Alabama	
<i>Council</i> – City Council of the City of Mountain Brook, Alabama	
<i>COSA</i> – Committee of Sponsoring Organizations of the Treadway Commission	
<i>FAR</i> – Federal Acquisition Regulation	
<i>GAAP</i> – Generally Accepted Accounting Principles	
<i>Grants</i> – Cash or other awards paid/given to the City or its departments. Grants are often awarded based on merit or criteria specified in an application process. Grant awards commonly require the award be utilized for a specific purpose and require some level of compliance and/or periodic reporting. It is imperative that the City adhere to the conditions specific to each grant award and establish policies and procedures to identify such conditions, monitor compliance and render reports as applicable thereto.	
<p><i>IC</i> – Internal Control is a process, effected by the Council, management, and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives:</p> <ol style="list-style-type: none"> 1) reliability of financial reporting, 2) compliance with applicable laws and regulations, 3) effectiveness and efficiency of operations, and 4) safeguarding of assets <p>On a more practical level, the purpose of implementing an IC structure is to have a system of checks and balances that works within an organization on a consistent basis which is used by every person and every system to promote accuracy, continuity and to minimize fraud, errors and omissions.</p>	
<i>IRS</i> – Internal Revenue Service	
<i>NDAA</i> – National Defense Authorization Act	
<i>Non-Federal Entity</i> – Refers to the City of Mountain Brook with respect to the	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
3. PURPOSE	
<p>This document expresses the ICs and other standards adopted and used by the City to ensure that all funds (local as well as state and federal, if and when applicable) are lawfully expended. This document describes in detail or references the City’s financial management systems including cash management, procurement, and allowability of costs, time and effort reporting, record retention and monitoring responsibilities. All City employees involved in financial and other transactions in any capacity are expected to review this document in order to be familiar with these policies and procedures and to comply thereto .</p> <p>The City is subject to a variety of laws and regulations that may overlap or conflict. When such regulations DO NOT conflict, all must be followed. When such regulations DO conflict, the most restrictive or those specified in a grant agreement shall apply.</p> <p>In developing this IC structure, the City referenced the COSO Integrated Framework of IC which has five (5) components that include:</p> <ol style="list-style-type: none"> 1) Control environment 2) Risk Assessment 3) Control Activities 4) Information and communication 5) Monitoring activities 	
4. Procurement	§200.317—326
<p>As the City strives to maximize the value of public funds expended, it is necessary to establish and follow certain policies and procedures with respect to purchasing. The maintenance of an efficient and effective purchasing system is necessary to ensure the City’s compliance with budget ordinances, the State Bid Law, federal and other grant awards and contracts when applicable and that public funds are expended for the purposes intended by the City Council. In all matters involving purchasing, the highest ethical standards must be maintained.</p> <p>The purpose of this section is to formally describe the City’s objectives pertaining to the principles governing the purchasing function and to establish formal policies and procedures to be employed throughout the City with respect to purchasing activities. In order to be effective, each department must strictly adhere to these policies and procedures.</p>	
4.1. Planning	
4.1.1. Planning for purchases should be a routine activity within each	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
department of the City with both a short-term and long-term perspective.	
4.1.2. Proper planning will facilitate budget development and administration, minimize last minute (unplanned) purchases, ensure that purchases are appropriate and serve the intended purpose, and may enable user departments to take advantage of discounts, if available.	
4.1.3. Departments initiating a purchase should determine whether the vendor has been established in the City's Accounts Payable system.	
4.1.3.1. The ordering department's representative shall contact the City's Revenue Department to determine whether 1) a business license is necessary with respect to the desired transaction and, if so, 2) that such business license is currently in effect.	
4.1.3.2. If the vendor has not been established, the ordering department's representative shall request appropriate documentation as determined by the Accounting Department (e.g., federal form W-9 and Alabama Immigration Act/e-Verify paperwork).	
4.1.3.3. Obtaining said paperwork (and whether the vendor/contractor is properly licensed should be done prior to making a purchase to avoid 1) the potential for purchasing from an unlicensed or otherwise disqualified vendor/contractor and 2) unnecessary payment delays.	
4.2. Sales tax	
4.2.1. As a political subdivision of the State of Alabama, the City is exempt from paying State sales tax on purchases of tangible personal property. The exemption is provided in Title 40, Chapter 23, Section 4(a)(11), <u>Code of Alabama, 1975</u> , as amended and further explained in the Alabama Department of Revenue's "Sales and Use Tax Rules" 810-6-3-.69.02. In many instances, the vendor or supplier may require documentation of the City's exempt status. In such instances, the Finance Department will deliver such documentation either to the requesting department for further delivery to the vendor/contractor or directly to the vendor/contractor upon request.	
4.2.2. Employees are strongly discouraged from against making business-related purchases directly from a supplier [as an individual] or without the ability to do so on a sales tax-free basis and then	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
requesting personal reimbursement by the City for said purchase. Should an employee elect to engage in such practice, except in the case of an emergency situation, thereby circumventing established purchasing policies and incurs sales tax charges related thereto, the City may withhold from the employee's expense reimbursement an amount equal to the sales tax charged.	
4.3. Ensure adequate competition	§200.319
4.3.1. Affirmative efforts to use minority, small and labor surplus area contractors	§200.321
4.3.1.1. Affirmative steps must include:	
1) Placing qualified small, minority and women's business enterprises on solicitation lists;	
2) Assuring that small, minority and women's business enterprises are solicited whenever they are potential sources;	
3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority and women's business enterprises;	
4) Establishing delivery schedules, where the requirement permits, which encourage participation by small, minority and women's business enterprises;	
5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and	
6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section	
4.3.2. All procurement transactions should be conducted in a manner providing full and open competition consistent with the standards of this section. In order to promote objective contractor performance and mitigate the likelihood of unfair competitive advantage with respect to contracts involving federal awards, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
competing for such [federal] contract procurements.	
4.3.3. In addition to publication and posting requirements provided by the Alabama Bid Law(s) with respect to competitively bid contracts and purchases, the City shall deliver specifications, requirements, statements of work, or invitations for bids or requests for proposals to all contractors who have formally requested to be added to the City's bidder list along with other prospective bidders (generally three (3) or more) to be identified by the City's Purchasing Agent or their designee.	
1) Contractors, suppliers and prospective bidders who wish to be considered for future purchasing opportunities shall be referred to the Purchasing Agent's executive assistant who shall collect the contractor's contact information and add their name to the City's master list.	
4.4. Refrain from making unnecessary purchases	§200.318(d)
4.4.1. Unauthorized purchases	
4.4.1.1. Purchase Requisitions, Purchase Orders (generally required for purchases of \$1,000 or more), and contracts must be properly issued/executed BEFORE ordering or purchasing the desired products or services.	Resolution No. 2012-135
4.4.1.2. Each Department Supervisor is responsible for ensuring that their designees adhere to this and all other policies and procedures outlined in this section.	
4.4.1.3. The issuance of unauthorized Purchase Orders (expressed or implied) may result in the purchase not being recognized by the City and payment of such purchases subject to rejection.	
4.4.1.4. Such unauthorized purchases may be designated by the City as personal expenditures the payment of which will be the responsibility of the individual that initiated the unauthorized purchase.	
4.5. Determining allowability of costs with respect to grant-funded programs and projects	
4.5.1. All costs attributable to a grant-funded program or project must be determined allowable under the specific grant award agreement and/or federal cost principles in 2 CRF 200, Subpart E.	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
4.5.2. Factors affecting allowability of costs	
4.5.2.1. Reasonable	
4.5.2.1.1. A cost can be reasonable if it meets all of the following conditions:	
1) Prudence was used in making the decision to incur the cost, considering the person’s responsibilities to the City, its employees, the public, and the federal government, if applicable	
2) It is necessary to carry out the objectives of the grant program or is recognized as an ordinary cost of operation	
3) The City applied sound business practices; arm’s-length bargaining (i.e., the transaction was with an unrelated third party); federal, state, and other laws and regulations; and the terms and conditions of the award in making the decision	
4) The price is comparable to that of the current fair market value for equivalent goods or services	
5) There were no significant deviations from the established practices of the organization which may unjustifiably increase the cost. 2 CFR § 200.404	
4.5.2.2. Necessary	
4.5.2.2.1. While 2 CFR § 200.404 does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. Meaning it is vital or required in order to meet the objectives of the grant or for the grant to be successful. Necessary does not mean “nice to have,” which means it is not necessary to accomplish the objectives of the program in that it is not vital or required for the success of the program.	
4.5.2.2.2. When determining whether a cost is necessary, the	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
City considers:	
1) Whether the cost is needed for the proper and efficient performance of the grant program;	
2) Whether the cost is identified in the approved budget or application;	
3) Whether there is an municipal service benefit associated with the cost;	
4) Whether the cost aligns with identified needs based on results and findings from a needs assessment; and	
5) Whether the cost addresses program goals and objectives and is based on program data	
4.6. Methods of Procurement	§200.320
4.6.1. Micro-purchases (generally applicable with respect to federal awards)	
4.6.1.1. Definition: The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity (City) must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.	\$3,000 per §200.320, however, raised to \$10,000 by the NDAA. Note that the FAR has not been updated to reflect the change as of Dec 2018. See also OMB M-18-18.
4.6.1.2. Micro-purchases are to be distributed equitably among qualified supplies/contractors (i.e., City shall not make purchases consistently from the same qualified supplier/contractor)	
4.6.1.3. City should obtain pricing from at least two qualified suppliers/contractors	
4.6.2. Small purchase procedures (Generally applicable for federal awards.	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
However, less restrictive than the Alabama Bid Law, therefore, generally not applicable for the City)	
4.6.2.1. Definition: Those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.	\$150,000 per §200.88, however, raised to \$250,000 by the NDAA. Note that the FAR has not been updated to reflect the change as of Dec 2018. See also OMB M-18-18.
4.6.3. Sealed bids (Again, generally applicable with respect to federal awards. This is the preferred method for federally-funded construction projects. As a practical matter, the provisions of Alabama Bid Law are generally considered sufficient to satisfy federal requirements.)	
4.6.3.1. Firm, fixed contract awarded to lowest responsible and responsive bidder (all bids may be rejected for solid reason)	
4.6.3.2. Invitation to bid must include complete and adequate specifications	
4.6.3.3. Must have at least two (2) responsible bidders willing and able to compete	
4.6.3.4. Procurement can be made using fixed price contract based primarily on price	
4.6.3.5. Must be publicly advertised and a sufficient number of bids solicited with adequate time for response	
4.6.3.6. Invitation to bid must include specification and other relevant information sufficient for bidders to respond	
4.6.3.7. Bids must be opened publicly at a prescribed time and place	
4.6.4. Competitive proposals (also referred to as Request for Proposals	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
(RFP))	
4.6.4.1. Multiple contractors must submit offers	
4.6.4.2. Generally used for and results in awards of fixed price or cost-reimbursement contracts	
4.6.4.3. To be used when the Sealed Bid Method is determined inappropriate	
4.6.4.4. Requests must be publicized and contain relevant evaluative factors including relative importance	
4.6.4.5. All responses must be considered to the maximum extent possible	
4.6.4.6. The RFP must document the method for evaluating the proposals	
4.6.4.7. The award shall be made to the proposed offering the most advantageous proposal taking into consideration price and other relevant factors	
4.6.5. Noncompetitive proposals (also known as Sole-Source procurement)	
4.6.5.1. Letters or other documentation provided by a prospective supplier/contract proclaming they are the sole-source for the desired product or service are not sufficient documentation for the City to deem such supplier/contractor as the sole-source	
4.6.5.2. May be used for a public emergency or that otherwise require immediate action	
4.6.5.3. City must obtain written approval from the federal awarding agency or the pass-through awarding agency to utilize the non-competitive process	
4.6.5.4. City must demonstrate that inadequate competition exists for the desired product or service	
4.6.6. The proposed procurement methods described in 4.6 above shall be subject to review by the federal or pass-through awarding agency	§200.324
4.6.6.1. The non-Federal entity (City) must make available upon request, for the Federal awarding agency or pass-through	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:	
1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;	
2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;	
3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;	
4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or	
5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.	
4.6.6.2. The non-Federal entity (City) is exempt from the pre-procurement review of this section above if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.	
1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;	
2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.	
4.7. General procedures	
4.7.1. Due to limited personnel resources, to avoid unnecessary delays in the purchasing function and to promote efficiency throughout the City, each department shall be responsible for purchasing decisions, ordering, receiving, etc.	
4.7.1.1. While Purchase Requisitions shall not be expressly required, their use is encouraged especially for purchases initiated by personnel further down the City's organizational structure. For supervisors, managers, division heads and department heads, the act of placing an order constitutes the "Requisition". When explicitly used, the Requisition may take many forms including, but not limited to, a pre-printed, sequentially numbered form (preferable), e-mail, manual note, supplier/vendor quote, etc. For purchases less than \$1,000, employees may be verbally authorized to initiate purchases without the use of a Purchase Requisition.	
1) The Purchase Requisition, when utilized, shall generally be attached to the invoice both of which shall be entered into the City's digital document management system where it will be electronically forwarded to assigned employees/managers in the Department, Accounting, Finance, and/or City Manager for review and approval as appropriate and applicable	
2) The Purchase Requisition must be reviewed by the Department Supervisor (or their designee) in order to ensure that (or determine whether):	
a) the requisition is accurate, complete	
b) the product or service is necessary	
c) the product or service specifications meet or exceed requirements	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
d) the items to be purchased have been budgeted (or within the overall departmental budget)	
e) the supplier/vendor is licensed and qualified to do business in the City	
f) the purchase complies with applicable laws, contract and/or grant provisions	
g) competition or other matters have been considered	
4.7.1.2. For purchases less than \$1,000	
1) The User Department may obtain price quotes. When such quotes are obtained, they should be documented in writing and such documentation attached to the digital copy of the Purchase Requisition which shall be attached to the Invoice both of which shall be stored in the City's digital document management system	
2) For such purchases, the Department Supervisors' approval of the Purchase Requisition or the Invoice, price quote or such other document alone is sufficient authorization to initiate the purchase	
3) Upon completing the purchase, receipt of the product or service, receipt of the invoice, the User Department shall enter such supporting documentation into the City's digital document management system where it will be forwarded to the appropriate staff and managers for electronic payment approval	
4.7.1.3. For purchases between \$1,000 and the applicable State Bid limit (or the federal micro-purchase or SAT threshold with respect to purchases involving federal awards):	
1) The User Department should generally obtain more than one price quote. Such quotes are to be documented in writing and such documentation is to be attached to the digital copy of the Purchase Requisition stored in the City's digital document management system	
2) For such purchases, the Department Supervisors' electronic approval of the Purchase Requisition is sufficient authorization to initiate the generation of a	See also Sec. 4.7.2

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
Purchase Order by accounting personnel.	
3) Purchase Orders shall be approved by the Purchasing Agent or their designee. Such approval may be electronic.	
4) Upon completing the purchase, receipt of the product or service, receipt of the invoice denoting the P. O. number, if applicable, the User Department shall enter such supporting documentation into the City's digital document management system where it will be forwarded to the appropriate staff and managers for electronic payment approval.	
4.7.1.4. Payment required at the time of purchase, point of sale or pick-up	
1) In those instances where the total purchase price is known with certainty and the vendor requires payment prior to delivery or at the time of pick-up by City personnel, the User Department may send (electronically) a completed Check Request along with the approved Purchase Requisition (or cross-indexed thereto and the P.O., if applicable) to the Accounts Payable Department. The completed check payable to the vendor specified on the Check Request will be delivered to the User Department for further delivery to the vendor to complete the purchase. The invoice and/or purchase receipt must be delivered to Accounts Payable (to be digitally attached to the Check Request). Accounting personnel shall cross-index the digital copies of the documents to facilitate retrieval.	
2) In those instances where the total purchase price is not known with certainty and the City does not have a charge account with the vendor, the purchase price is to be paid by the employee making the purchase. The purchasing employee should take the approved Purchase Requisition form along with a copy of documentation of the City's sales tax exempt status to the vendor. A Check Request (for a check payable to the employee) must be completed and approved by the Department Supervisor. The original invoice (and/or purchase receipt) must accompany the Check Request. Purchases of this nature are discouraged	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
in order to ensure that the City does not pay sales tax.	
4.7.2. Purchase orders	Resolution No. 2012-135
4.7.2.1. Approved Purchase Order Requisitions totaling \$1,000 or more are to be electronically delivered to the Finance Department where the Purchase Orders will be 1) generated, and 2) forwarded to the Purchasing Agent or their designee for review and approval.	
1) The Finance Department shall generally verify that the appropriate expenditure object has been assigned to the purchase and that sufficient budgetary funds are available for the purchase prior to preparing the Purchase Order	
2) Purchase Orders will generally be issued sequentially (numbers assigned automatically by the City's Purchase Order software application)	
3) Once approved by the City Manager, the Department is generally notified and the Purchase Order then delivered to the appropriate vendor in order to initiate the purchase transaction	
4) Purchase orders shall not specifically be required by the City for purchases greater than \$1,000 that have been formally authorized by Council action	
4.7.3. For non-Federal programs and projects only, purchases in excess of the State bid limit (currently \$15,000 or \$50,000 for "Public Works" projects)	
4.7.3.1. State of Alabama and Purchasing Association of Central Alabama (PACA) sponsored by the Jefferson County Commission. The Department initiating the purchase shall:	
1) Attach a copy of the purchase contract to the Purchase Order Requisition in order to substantiate such purchase complies with the State of Alabama Bid Law.	
4.7.3.2. Joint purchasing cooperative purchases. The Department initiating the purchase shall:	
1) Verify whether or not the vendor and specific	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
commodities, products or services to be purchased have been approved and are included in the State of Alabama Department of Examiners of Public Accounts website	
2) Such documentation shall be printed, attached to the Purchase Order Requisition to properly document and justify the City’s decision to forego the State of Alabama Bid Law competitive bidding procedures	
4.7.3.3. Competitive bidding—Commodities and capital equipment: When the commodities and capital equipment to be purchased are not available from an approved purchasing cooperative or the Department chooses not to purchase from said approved purchasing cooperative	
1) The User Department will prepare or draft the product specifications and bid solicitation document	
2) Consult with the Purchasing Agent or their designee as needed	
3) As directed by the Purchasing Agent or their designee, consult with the City Attorney with respect to the form and content of the bid documents and procedures outlined therein	
4) List known suppliers of such items or services to be procured	
5) Contact the Purchasing Agent’s assistant to obtain qualified contractors who have specifically requested to be included on City’s bid register	
6) Once the bid solicitation document has been approved, it shall be signed by the City Manager	
7) The bid solicitation document shall be published by posting and delivered to the suppliers/contractors previously identified	
8) Bids shall be publicly opened and tabulated pursuant to the Alabama Bid Law	
9) The City shall evaluate the proposals, a recommendation (to award or reject all bids) shall be submitted to the City	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
Council	
10) The City Council shall either 1) award or 2) reject all bids by way of resolution or motion	
11) Once the bid is awarded by the City Council:	
a) The contract and addenda, if any, shall be executed and provided to the City Clerk	
b) Vendor registration and licensing shall be completed	
c) Finance shall obtain the bid, payment and performance bonds, if applicable	
d) Finance shall obtain insurance certificates, if required, as specified in the purchase contract	
e) The Department shall use the Resolution (or Motion) and related supporting documentation as the Purchase Order Requisition to initiate the Purchase Order procedure (Note: Purchase Orders shall not specifically be required by the City when 1) not required by the supplier/contractor, 2) the purchase has been formally approved by the City Council as evidenced by a Resolution or Motion documented in the minutes of the City Council, and/or 3) an approved and executed contract has been obtained)	
4.7.3.4. Public Works, construction and renovation projects (for construction projects to be funded in part with a Federal Award, refer to the appropriate procurement method requirements enumerated in Sec. 4.6 above.)	
1) Preliminary planning	
a) City Council may appoint a Project Committee, at its discretion, to study the feasibility of the project, develop general requirements, and preliminary budget.	
b) The Project Committee, if appointed, will generally consist of the Department Supervisor of the Department initiating the project request, the City Manager, a member or members of the City Council and/or Mayor, outside volunteers with relevant	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
<p>experience, and a professional Project or Construction Manager, if determined by the City Council to be necessary. (Depending on the nature of the project, the Project Manager may be the Department Supervisor that initiated the project request, a volunteer with relevant professional experience, or an outside paid professional project manager).</p>	
<p>c) The preliminary budget may differ from the project budget included in the City’s formal budget due to the availability of more accurate and detailed information than was available at the time the formal budget was developed and adopted. Generally, budget amendments will be prepared and adopted in conjunction with the Council’s awarding of the contract or shortly thereafter.</p>	
<p>2) Project design</p>	
<p>a) The City Council shall determine at its sole discretion whether a Project Manager will be employed or whether the Department Supervisor will serve as Project Manager</p> <p>b) With City Council authorization, design professionals (e.g., architects, engineers, etc.) will be engaged to formalize the project design and bid solicitation documents</p>	
<p>3) Design Completion</p>	
<p>a) The Project Committee will review and finalize the project design, budget, and bid solicitation documents with input from the City Attorney as necessary</p>	
<p>4) Bidding procedures</p>	
<p>a) The Project Committee (which shall consult with the City Attorney as needed) will determine whether competitive bidding is required (generally, projects costing \$50,000 or more) or whether the project will be negotiated with contractor(s)</p>	
<p>b) The Project Committee will determine whether pre-</p>	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
qualification procedures will be employed and define the pre-qualification criteria	
c) The Project Manager will develop the formal bid package to be reviewed and finalized by the Project Committee with guidance from the City Attorney as determined necessary	
d) The invitation to bid shall be advertised as prescribed by law and/or grant or other contractual terms and delivered to prospective qualified bidders who have registered with the City and/or that have been identified by the Project Committee in order to promote competition	
e) Once bids and been received and reviewed, the Project Committee will deliver the proposed contract to the City Attorney for review and approval. Once the contract has been reviewed by the City Attorney and appropriate revisions have been agreed upon, the Project Committee will present its recommendation to City Council to award the contract as evidenced by formal Council Resolution (or motion).	
f) Original contract and copy of the Council Resolution awarding the contract will be delivered to the City Clerk for retention	
g) A copy of the executed contract and Council resolution awarding bid will be delivered to the Finance Department to serve as the Purchase Order Requisition. (Note: Purchase Orders shall not specifically be required by the City when 1) not required by the contractor, and 2) the purchase has been formally approved by the City Council as evidenced by a Resolution or Motion documented in the minutes of the City Council)	
h) All progress billings submitted to Accounting will be approved for payment by the Project Manager, if employed, design professionals, or the Department Supervisor	
i) Once the progress billing is approved, it shall be	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
entered along with all supporting documentation into the City's digital document management system to initiate the various inter-departmental, electronic review and approval workflow procedures required for payment processing	
5) Construction phase	
a) Written reports to the Project Committee and City Council describing construction progress, delays, change order requests, quality of work, and other matters of importance will be prepared periodically (frequency to be determined by the City Council) by either the design professionals, Project Manager, or Department Supervisor	
6) Project completion	
a) The Project Manager, design professional or City representative shall determine that the warranty, lien release, and as-built drawings are delivered to the City Manager or Department Supervisor by the contractor(s)	
b) The Project Manager, design professional, and Department Supervisor shall develop a punch list and verify satisfaction of all such listed items by the contractor(s) before authorizing payment of retainage	
4.7.3.5. Sole-source	Sec. 4.6.5
4.7.3.6. Professional Services	
1) Competitive bid procedures may not apply for certain types of professional service contracts (e.g., legal, engineering, accounting and auditing, planning, architectural, etc.). In such instances, a request for proposal (RFP) should be prepared which will include a detailed description of the services sought and other terms of the service agreement.	
2) The RFP will be prepared (with assistance from the User Department) and signed by the City Manager.	
3) The RFPs will be delivered to all providers identified by the Department and may be publicized in a manner	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
consistent with the Competitive Bid Law.	
4) Once the proposals have been received, they will be evaluated by the Department’s Supervisor and City Manager and presented to the City Council for consideration along with a recommendation as to which proposal should be accepted.	
5) All such contracts must be executed by either the Mayor, City Manager or such other official so designated as authorized by the City Council evidenced by formal Council Resolution. Such Council Resolution is to be attached (or digitally cross-referenced) to the Purchase Order Requisition, if used	
4.7.3.7. Open-Ended Purchase Orders (blanket purchase agreements)	
1) Open-ended (or blanket) Purchase Orders may be used for recurring purchases of products (e.g., sand, gravel, asphalt, concrete, sod, pine mulch, pine straw, uniforms, automotive parts, selected office supplies, etc.) where the storage of such materials is not practical due to spoilage or insufficient storage capacity.	
2) Such open-ended Purchase Orders generally may not extend beyond a period of one year. (For multi-year contracts, the Department should request a P. O. annually.)	
3) Each open-ended Purchase Order must specify either 1) the maximum number of units of a particular product (e.g., yards of sand or concrete) and a corresponding unit price for all materials to be purchased or 2) an aggregate purchase limit stated in dollars (e.g., \$5,000) where such annual limit must be less than the State bid limit unless the purchase has been competitively bid in accordance with the State Bid Law or purchased through a qualified and approved purchasing cooperative.	
4) Open-ended Purchase Orders shall not be issued where either the units, pricing or maximum purchase order limit is not specified.	
4.7.3.8. Emergency purchases	§41-16-23, Code of

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
	Alabama (1975), as revised
1) An exemption to the City’s established purchasing policies and procedures is permissible for an event or situation that imposes danger to public health, safety or convenience exacerbated by delay that will result from the City’s adhering to said established purchasing policies and procedures	
2) Generally, it is contemplated that such emergencies will involve situations and events requiring the attention of the City’s Fire, Police, Public Works and possibly Parks and Recreation departments and personnel	
3) Generally, the emergency shall be declared by the Mayor or Appointing Authority of the City, setting forth the nature of the danger to public health, safety or convenience involved in delay. Such declaration shall preferably be written but a verbal or electronic declaration to the City’s first and secondary responders is acceptable.	
4) In such declared emergencies, purchases may be authorized and/or contracts awarded without public advertisement by authorized personnel to the extent necessary to meet the emergency	
5) Such action and the reasons therefor shall be made public by the City as soon as practical and generally contemplated no later than 48—72 hours of the declaration	
4.7.3.9 Recording payment/purchase transactions in general [Note: the Finance Department may exercise judgement in the application of the policies enumerated in this section based on the materiality of the transactions in question]	9/30/2018 Audit Finding 2018-001
1) Transactions shall generally be recorded in the accounting period (year and/or month) that a) the purchase transaction is complete as generally evidenced by the City’s constructive receipt (i.e., acceptance and/or receipt of the product), b) service is performed whether in whole	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
or in part, or c) the impairment of an asset	
i. Generally, the invoice date printed on the invoice matches the product delivery date and shall be the ledger posting date	
ii. For services, utilities and similar transactions, the period of performance or service period may differ from the "invoice date". In such instances, the last date of the period of performance or last date of the service period shall be entered as the "invoice date" and shall be the ledger posting date	
iii. The act of paying an invoice does not necessarily correlate to the recording of the underlying expenditure. If payment is remitted prior to the City's constructive receipt of a product or prior to the completion of a service, generally accepted accounting principles (GFAAP) generally requires such expenditure be reported as a prepaid expense. Departmental managers should be aware that the adopted budget does not determine the timing and proper accounting of disbursement transactions. It is the departmental employee's responsibility to notify the Finance Department when an invoice or check request represents an advance payment and it is the department head's responsibility to ensure that their employees are adhering to this policy.	
iv. Invoice delays	
a. A vendor's/contractor's delay in invoicing the City does not obviate the City from properly accounting for payment/purchase transactions in the books and records of the City	
b. It is the departmental employee's responsibility to proactively press the vendor to invoice the City timely and it is the department head's responsibility to ensure that their employees are adhering to this policy	
c. In instances where the City is in receipt of an invoice but does not intend to render payment due to a) issues with the purchase/service or b) a	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
<p>dispute, it is highly probable that the underlying transaction is still required to be recorded in the books and records of the City pursuant to generally accepted accounting principles. In such instances, it is the departmental employee's responsibility to deliver the invoice in question to the Finance Department along with a description of the issues and/or dispute and that it is the department's intent (or question) as to whether to remit or withhold payment. The Finance Department shall make the determination as to proper accounting treatment and whether payment is to be remitted or withheld.</p>	
<p>4.8. Routine repair and maintenance/service calls</p>	
<p>4.8.1. Generally, when a Department manager or employee determines that a technician or worker is required to perform routine repairs (e.g., replace a broken window or door, remove obstructions in plumbing systems, repair water leaks, repair a malfunctioning air conditioning unit, etc.), the technician's invoice documenting the nature of the repairs signed by the Department Supervisor or their designee may serve in the place of the Purchase Requisition and Purchase Order. In such instances, a copy of the invoice should be attached to a Check Request entered into the City's digital document management application.</p>	
<p>4.9. Credit purchases</p>	
<p>4.9.1. The City has established credit accounts with certain merchants (including, but not limited to, Auto Apothecary, Cahaba Heights Hardware, CVS Pharmacy (Crestline Village), Harbin's Pharmacy, and Little Hardware) where miscellaneous purchases (e.g., light bulbs, small tools, non-prescription drugs, first aid supplies, and workers' compensation prescriptions, etc.) are routinely made. Generally, such merchants send duplicate invoices, tickets or receipts signed by the employee making the purchase along with a statement of the City's account. In such instances, the purchasing employee's signature on the store's charge ticket/receipt combined with the Department Supervisor's electronic authorization may serve in place of the Purchase Requisition so long as no single item purchased equals or exceeds \$1,000.</p>	
<p>1) For purchases of \$1,000 or more, the purchase order procedure</p>	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
shall be utilized before charging on the City's credit account	
4.9.2. For prescriptions attributable to workers' compensation claims, the above pharmacies have been instructed to contact the City's workers' compensation third-party administrator for authorization to fill the prescription and for payment authorization.	
1) When such authorization is sought after normal business hours or on holidays or weekends and cannot be obtained, the claimant may either return to the pharmacy during normal business hours to complete the transaction when authorization can be obtained or pay for the prescription and submit a request for reimbursement to the City's workers' compensation third-party administrator	
4.10. Credit cards/purchasing cards	
4.10.1. The City has authorized credit/purchasing cards for certain supervisors and managers. Use of these cards is restricted for business-related purchases only. Purchases determined to be unrelated to authorized business activities shall be reimbursed to the City immediately and may result in the card being cancelled or other disciplinary action, up to and including termination of employment.	
1) Generally, the purchasing policies outlined herein apply for all purchases regardless of the form of payment (e.g., City check, cash, or credit card)	
2) Employees are encouraged to limit the use of the City's credit card (i.e., it is preferable to have the vendor invoice the City for payment)	
3) Employees making purchases with the City's credit card shall immediately enter the charge receipt/invoice into the City's digital document management system to initiate the payment authorization workflow incorporated therein	
4) Credit card purchases of \$1,000 or more require a P. O. in advance of said purchase	
5) Employees shall notify the City immediately of a lost or stolen City credit card	
6) Employees shall exercise the same or greater caution and	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
security measures utilized for their personal credit cards	
4.11. Employee travel	Resolution No. 2018-040, Employee Handbook, Sec. VII. D.
4.11.1. The City will reimburse employees for the reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the Department Head. Travel advances are generally considered unnecessary, however, if requested by an employee, must be approved by the City Council.	
4.11.2. When approved, the actual cost of travel, meals, lodging and other expenses directly related to accomplishing business objectives will generally be reimbursed by the City. Employees are expected to limit expenses to reasonable amounts as approved by your Department Head.	
4.11.3. Expenses properly documented with itemized receipts generally will be reimbursed include the following:	
1) Airfare or train fare for travel in coach or economy class or the lowest available fare	
1) Car rental fees, only for compact or mid-size cars	
2) Fares for shuttle or airport bus service where available and costs of public transportation for other ground travel	
3) Taxi fares, only when there is no less expensive alternative	
4) Mileage costs for the use of personal vehicles at the IRS standard mileage rate as defined by the Internal Revenue Service, only when less expensive means of transportation is not available	
5) Cost of standard accommodations in mid-priced hotels, motels or similar lodgings. Additional lodging costs resulting from family members traveling with employees are not reimbursable by the City	
6) Cost of meals, no more lavish than would be eaten at the employee's own expense and not to exceed \$60.00 per day including tips unless approved by the Department Head and City	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
Manager. Itemized receipts are required for all meals, otherwise reimbursement shall be denied	
7) Tips not exceeding 15% of the total cost of a meal or 10% of a transportation fare. Excess tips from a meal or transportation shall not be carried-over to other meals or transportation where tips were not paid or were less than 15% and 10%, respectively.	
8) Charges for telephone calls, facsimile and similar services required for business purposes	
9) Charges for one personal telephone call each day	
10) Charges for laundry and valet services (only on trips of four (4) or more days)	
11) Personal entertainment, personal care items, alcoholic drinks, snacks and soft drinks are not reimbursable	
12) Lodging accommodations shall not be guaranteed by way of advance payment by the City. Lodging accommodations shall be guaranteed with a [personal or city-issued] credit card	
4.11.4. When travel is completed, employees should submit a completed travel expense reimbursement report within ten (10) days of returning to work. Such report must be accompanied with receipts for all itemized business travel-related expenses.	
4.11.5. Employees should contact their supervisor for guidance related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues.	
4.11.6. Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.	
5. Budget	
5.1. Upon adoption by the City Council, the budget shall be uploaded or otherwise entered into the City's electronic general ledger/accounting application	
5.1.1. While each revenue and expenditure object is assigned a budget amount for the fiscal year, management generally does not manage its fiscal operations by specific line item but rather at the	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
departmental level.	
5.1.1.1. Department managers are allowed to reclassify budgetary amounts between expenditure objects within their respective departments only by submitting requests to the Finance Director with the following exceptions which must be formally approved by the City Council by way of budget amendments:	
1) Budget reclassifications are not permitted between labor-related and other departmental expenditure objects	
2) Budget reclassifications are not permitted across departments	
3) Budget reclassifications are not permitted across funds	
5.1.1.2. The Finance Director shall generally be permitted to enter budget adjustments in the City’s accounting records that change revenues and expenditures (both within and across departments and funds) that do not affect the budgeted surplus (deficit) at the various fund levels provided such budget adjustments are consistent with GAAP reporting criteria	
5.1.1.3. Budget adjustments that change the surplus (deficit) at the fund level require formal approval of the City Council	
5.1.1.4. Unbudgeted transactions (e.g., contracts, unplanned purchases, negotiated settlements, etc.) are permitted but generally require formal approval of the City Council for said transaction	
5.1.1.4.1. The Finance Director shall be allowed to determine whether or not and the timing of presenting to the City Council for formal consideration such budget amendments for approved, unbudgeted transactions	
6. Mandatory disclosures (federal awards)	§200.113
6.1. In a timely manner and in writing, the non-Federal entity (City) shall notify the Federal awarding agency or pass-through agency of all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
affecting the Federal award.	
6.2. Non-Federal entities that have received a Federal award including the term and condition outlined in Appendix XII—Award Term and Condition for Recipient Integrity and Performance Matters are required to report certain civil, criminal, or administrative proceedings to SAM.	
6.3. Failure to make required disclosures can result in any of the remedies described in §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR Part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)	
7. Fixed assets	
7.1. Approval process for Capital Expenditures	
7.1.1. Capital expenditures are generally approved by the City Council upon its adoption of the annual budget	
1) Capital purchase requisitions that may arise during the fiscal year not specifically included in the adopted budget:	
a) Generally, must be presented to the City Council for consideration and formal approval; however,	
b) If less than \$7,500, may be administratively approved upon the issuance of a P.O. to be approved by the City Manager or their designee provided such purchase will not result in the Department’s exceeding its budgeted capital expenditures for the accounting period	
7.2. Determination whether a planned expenditure is to be capitalized or expensed	
7.2.1. The City’s informal capitalization policy is generally \$1,000 for individual pieces of machinery and equipment provided the estimated useful life of the purchase exceeds one year and \$25,000 for infrastructure	
7.2.2. Department managers and heads may seek guidance from the Finance Director or Accountant for capitalization/expense questions	
7.2.3. Upon review of the purchase requisition, purchase order, invoices or other supporting documentation, the Accounting Department personnel may reclassify the expenditure by way of amending the source documents prior to payment/posting to the ledger or journal entry if already paid and posted in order to conform with GAAP or	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
based on the City's capitalization threshold	
7.3. Purchasing and Accounts Payable systems are correctly applied	
7.3.1. All capital purchases are to be made in accordance with the City's procurement policies described in Sec. 4 herein above	
7.4. If capitalized, appropriate useful life and salvage value determined	
7.4.1. Asset lives are generally assigned during the budget deliberation procedures	
7.4.2. Final determination of an asset life shall be made by the Finance Director using accounting guidelines, manufacturer warranties, or other resources as available and determined appropriate	
7.5. Correct depreciation expense is calculated and applied each period	
7.5.1. Capital expenditures are analyzed, invoices examined and capitalization determinations are made by the Accountant and/or Finance Director with accounting adjustments as appropriate	
7.5.2. Capital assets are entered into the City's electronic fixed asset subsidiary application	
1) Generally, a digital image of the invoice or other supporting documentation is electronically attached to the asset record in the fixed asset subsidiary application for future reference	
2) As practical, the electronic asset record should be cross-referenced to the ledger, P. O., asset tag, if used, and other identifiers	
7.5.3. The asset life assigned during the budget deliberation and/or upon capital asset entry into the City's electronic fixed asset subsidiary application shall be assigned as appropriate	
1) The subsidiary application calculates the annual depreciation based on acquisition date	
2) The Finance Director analytically analyzes the calculated depreciation in relation to experience and manually scans the detailed subsidiary record to gain satisfaction that the total depreciation is accurate	
7.6. Insurance coverage relates directly to asset exposure	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
7.6.1. Annually, in conjunction with the property and general/professional liability insurance renewal, the Finance Director shall examine the current fiscal year-to-date asset additions/disposals generated from the fixed asset subsidiary application to determine which assets are to be added/removed to/from the insurance policy	
7.6.2. Insured equipment lists (automobile and inland marine) shall be reconciled to the corresponding lists generated from the fixed asset subsidiary application with adjustments to each report entered as appropriate. Adjustments necessary to the insurance lists must be reported to the City's insurance broker/agent.	
7.7. Disposals	
7.7.1. Periodically throughout the year, capital assets taken out of service or to be disposed of shall be reported by each Department to the City Clerk	
1) In the case of real property, the City Clerk shall prepare an ordinance to be presented to the City Council for formal consideration	
2) For personal property, the City Clerk shall prepare a resolution authorizing the sale/disposal of the listed assets	
a) For titled assets, the City Clerk shall complete the back of the vehicle title and deliver to the purchaser at the time of sale	
b) For titled assets or upon request by the purchaser, the City Clerk shall prepare and execute a bill of sale at the time of sale	
3) For all disposals, the City shall follow Alabama Law and/or applicable grant award contractual terms and conditions	
8. Employee Time and Effort Reporting	
8.1. Hiring	
8.1.1. General procedures	
1) Department heads shall maintain a position control (i.e., approved positions) that correlates to the personnel positions approved in the annual budget adopted by the City Council	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
2) For budgeted Merit System/Classified positions, department heads may initiate the hiring procedure in accordance with the "Rules and Regulations" promulgated by the Personnel Board of Jefferson County (PBJC)	
3) For budgeted unclassified positions, department heads may initiate the hiring procedure in a manner generally consistent with those followed when recruiting and hiring Merit System/Classified employees (except that such hires shall not be from registers certified by the PBJC)	
4) All new (or over-strength) position requests must be presented to the Appointing Authority/City Manager for pre-approval. Once approved by the City Manager, such requests shall be presented to the City Council for its consideration and formal approval. Such approval shall be documented by the adoption of a resolution (or motion) and recorded in the official meeting minutes of the City Council.	
5) Offers of employment	
a) Employment offers shall be:	
1. Presented to the candidate in writing	
2. Conditional upon the satisfactory results of:	
1) criminal background investigation performed by a third-party provider	
2) drug screen	
3) physical examination, if required for the specific position	
4) psychological evaluation, if required for the specific position	
5) motor vehicle verification in order to determine the prospective employee's automobile insurability	Resolution No. 2014-057
6) contact with references or previous employers	
3. Upon the new hire's acceptance of an employment offer, the hiring department shall notify the Payroll/Human Resource Manager to initiate the processing of new hire	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
paperwork and employee orientation. Such notification should be prior to the new hire's employment commencement date.	
8.2. Orientation	
8.2.1. New hires shall be presented with an orientation packet that shall generally include, but not limited to, the following:	
1) City of Mountain Brook Employee Handbook	
2) Payroll tax forms	
3) City-provided group benefit summary plan documents, enrollment and beneficiary forms	
4) Voluntary benefit summary plan documents, enrollment and beneficiary forms	
5) Defined benefit pension summary plan documents, enrollment and beneficiary forms	
8.2.2. New hires shall meet with 1) the Payroll/Human Resource Manager and 2) the City Manager for the purpose of:	
1) Introduction to the City, presentation of the orientation packet, and to address general questions	
2) Collecting required documents (e.g., driver license, social security card, marriage certificate, birth certificates, Form I-9, etc.)	
8.3. Time and attendance	
8.3.1. Time and attendance shall be administered at each department	
1) With respect to work conducted by employees on an assignment or project that is partially or wholly to be reimbursed pursuant to a grant award, employees shall separately account for actual time exhausted for the specific assignment or project by making appropriate notations on their time slips/cards. The employee's supervisor shall review and approve such time allocations within each applicable work period.	
2) Fire and Police	
a) Time shall generally be reported and recorded daily by each	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
division manager charged with such responsibility	
b) The time and attendance summaries shall be made available to employees for their evaluation and review	
c) Employees shall initial such time and attendance summaries to document their approval thereof	
d) After employee approval, time summaries shall be approved by division managers and department heads and evidenced by their respective initials or marks (manual or electronic)	
e) The approved time and attendance summaries shall be presented to the departmental payroll coordinator for review and entry into the City's payroll application	
f) Time and attendance reported by the division managers to the departmental payroll coordinator shall be summarized by the departmental payroll coordinator in a spreadsheet or other report which shall provide the control totals to be reconciled by the payroll manager to the time and attendance hours entered into the City's payroll application by the departmental coordinators	
3) All other departments	
a) Time shall generally be captured by way of time card punch or direct time card entry by the employee in the electronic time and attendance application	
b) Employees shall monitor their time cards and submit requests for corrections and adjustments electronically through the electronic time and attendance application. Such adjustments and corrections shall be reviewed and processed as appropriate by the division manager, department head, payroll manager or finance director.	
c) Digital time cards should be marked "approved" upon review by the division manager, department manager, payroll manager or finance director [Note: The approval of digital or other time card entries is considered ministerial. Such review is primarily for the purpose of ensuring that reported time is consistent with established policies. If questions arise regarding the reported time card entries, the manager should address such issues directly with the employee and/or their supervisor for prospective work as case law generally places the burden of proof of a misrepresentation of time worked on the employer.]	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
d) The time and attendance information from the City’s electronic time and attendance application shall be exported into a spreadsheet which shall then be imported into the City’s payroll application	
e) The time and attendance information from the City’s electronic time and attendance application previously exported into a spreadsheet in order to generate control totals shall be reconciled by the payroll manager to the time and attendance hours imported into the City’s payroll application	
f) Once the hours to be paid as reported in the payroll application have been reconciled to the source time and attendance information, the payroll manager shall generate a tentative payroll register for further validation procedures as follows:	
1. Independently recalculate social security and Medicare payroll taxes using the respective taxable income totals from the preliminary payroll and reconcile to the respective taxes reported therein	
2. Independently recalculate pension withholdings and employer matches using the pension wages reported in the preliminary payroll and reconcile to the respective withholdings and matches reported therein	
3. Analytically compare other incomes and deductions to the previous payrolls to observe unusual deviations that may require further investigation and analysis	
4. Once the payroll manager is satisfied that the hours to be paid have been reconciled to the source time and attendance documentation, social security and Medicare taxes and pension withholdings/match have been reconciled to the respective wages and other incomes and deductions appear reasonable in relation to prior payroll(s), the payroll manager may finalize the payroll processing procedure including, but not limited to: check and ACH remittance generation, electronic funds transfer procedures, and entry of third-party check requests (i.e., invoices) into the City’s digital accounts payable workflow application.	
8.4. Calculating payroll	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
8.4.1. Pay rates and deductions shall be updated regularly by the payroll manager, senior accountant, or accountant or finance director from appropriate source documentation. A notation of such updates shall programmatically be recorded and stored electronically in the City’s digital payroll application for future reference.	
1) Source documents for wage rates and employee deductions shall be filed in the [hard copy or digital] employee’s personnel file	
8.5. Benefits administration	
8.5.1. Open and new hire enrollment shall be conducted in accordance with applicable laws and benefit plan documents and/or agreements	
8.5.2. Source documents, including an employee’s declination of a benefit, shall be maintained in the [hard copy or digital] employee’s personnel file. Such source documents shall also be transmitted by the payroll manager to outside agencies and vendors as applicable in accordance with applicable laws and benefit plan documents and/or agreements.	
8.5.3. Once an employee signs-up for a benefit or submits their payroll tax forms, the payroll application deduction rates shall be updated routinely based on change forms presented to the payroll manager.	
8.5.4. Contractual premium or rate changes and income tax rate changes do not require prior employee approval for entry into the City’s digital payroll application.	
8.6. Tax administration	
8.6.1. Upon finalization of a payroll run, the payroll manager shall notify the senior accountant, accountant, accounting assistant II or finance director who shall initiate the electronic payment of federal payroll tax withholding and employer matching payments	
8.6.2. All payroll taxes shall be remitted and reported in accordance with the regulations promulgated by the various taxing jurisdictions	
8.7. Temporary and part-time employees	
8.7.1. Affordable Care Act considerations	
1) Seasonal employment is defined in the legislation	
2) Seasonal temporary employees shall generally be hired in May—August time frame only. If seasonal temps are ever hired	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
outside of this time frame, they are no longer seasonal (for Affordable Care Act purposes).	
3) Seasonal temporary employees may be scheduled and work more than 30-hours per week but such practice is discouraged for consistency considerations	
4) Temporary employees are defined in the legislation	
5) Temporary employees shall never work longer than six (6) months minus one (1) day. If any temporary employee works six (6) months or longer, they are no longer temporary and must be offered medical, retirement and other benefits, as applicable based on the number of hours worked weekly	
6) Department heads who extend offers of temporary, seasonal or part-time employment to prospective employees shall make such offers conditionally (Sec. 8.1.1 5) 2. above) AND shall be accompanied by a letter stipulating the employment commencement and end dates of no more than 6-months minus 1-day (for temporary/seasonal employees) and/or the limitation of weekly hours consistent with the provisions of this section for part-time employees.	
7) Failure to comply with the provisions of the Affordable Care Act subjects the City to monetary penalties (not to mention possible participation in the City's medical and retirement benefit plans)	
8.7.2. Retirement Systems of Alabama (RSA) considerations	
1) Except for retirees where annual income limitations from any RSA employer apply, if a part-time employee (permanent, seasonal, or temporary) has ever participated in the RSA (including the [Alabama] Teachers Retirement System (TRS) or [Alabama] Judicial Retirement System (JRS)), such employee's participation in the City's retirement plan is mandatory regardless of the number of hours scheduled or actually worked	
2) Such part-time employee's with any prior participation in a covered RSA plan may not voluntary opt out of or otherwise decline such participation	
3) Permanent part-time employees with no prior participation in a covered RSA plan shall not be scheduled or work twenty (20)	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
hours or more within a 40-hour work period (Tuesday through Monday) as doing so generally triggers the RSA’s mandatory participation in the City’s RSA plan. [NOTE: An “occasional” infraction of this policy may be excused from the RSA’s mandatory participation rules, however, department heads and/or managers responsible for scheduling and/or supervising part-time employees are expressly prohibited from consciously deviating from this policy and should an infraction occur, implement definitive measures to ensure such infractions shall not reoccur.]	
8.7.3. Medical insurance considerations	
1) No permanent, part-time employee shall work thirty (30) hours or more within a 40-hour work period (Tuesday through Monday), otherwise, such employee shall be offered medical insurance benefits	
9. Municipal court	Resolution No. 2015-175
9.1. Records and files	
9.1.1. Uniform Traffic Ticket Complaint (UTTC)	
1) UTTC number assignment and management shall be the responsibility of the Mountain Brook Police Department	
9.1.2. Municipal court case numbers	
1) Municipal court case numbers shall be automatically assigned by the municipal court application software system (“application software”)	
2) Magistrates shall download electronic ticket (e-ticket) information into the application software daily	
3) Magistrates shall also enter manual (paper) tickets into the application software system daily or as applicable	
4) Appropriate court dates shall be entered in the electronic case file record in the municipal court application upon ticket import/entry	
9.1.3. Case files	
1) Once an arrest, citation, or ticket record is created in the municipal court application software system, generally, the digital	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
record should never be deleted from the application software or totally removed from the files	
2) For cases transferred to circuit court, all hard copy (paper) information should be scanned to create an electronic copy, indexed, and stored in the City’s electronic document management software application system (unless such documentation already resides in the digital archive)	
3) Additionally, the magistrates shall enter a notation in the electronic case file record of the court application software system that the case was transferred, the date transferred, and that an electronic copy of the files transferred are maintained in the separate electronic document management software application	
9.2. Docket Management	
9.2.1. Preparing the weekly docket	
1) Generally the day before court, magistrates shall print the docket of cases for the weekly court	
2) Generally the day of court, paper case files for each case listed on the weekly docket report shall be pulled from the case file drawer and organized	
9.2.2. Administration of the court	
1) Magistrate (1) assigned to the courtroom	
a) Set-up courtroom 1–2 hours prior to court	
b) Prepare and position defendant sign-in sheet for use at the security check-point	
c) Obtain paper files for the current docket (9.2.1. 2) above))	
d) Sit beside presiding judge during the court proceedings to ensure that all tickets/cases are completed appropriately and signed as necessary	
e) Continue cases, as applicable	
f) The day following court, continuances shall be documented in the Notes field of the electronic case file in the court	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
application software	
g) Register defendants for defensive driving school, as applicable	
2) Magistrate(s) (1–2) assigned to the payment window	
a) Collect payments from defendants as specified in the case records provided from the court proceedings	
b) Enter payments into the court application software (while defendants wait)	
c) Print an electronic receipt of the payment from the court application software and present to the defendant for their records	
9.2.3. Post-court procedures	
1) Generally the day following court	
a) Finish entering continuances and notating in the electronic case file the explanation for the continuance	
b) Prepare and issue appropriate warrants for all defendants that failed to appear and for all other covered offenses	
c) Suspend driver licenses, as appropriate	
d) Run post-court docket to ensure that all cases have been addressed (i.e., fines collected in-whole or in-part as applicable, continuances entered, warrants issued, defensive and other schools assigned, community service, etc.)	
e) Transfer paper case records to the appropriate docket file drawer for storage until the assigned court date	
9.3. General Court Administration	
9.3.1. Documentation	
1) All cases where either the judge or a magistrate has documented special orders shall be scanned to create an electronic document, indexed (with Case number), and stored in the appropriate electronic document management system	
2) The electronic case file in the court application software shall be notated to indicate that the actions, municipal judge, and	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
magistrate's orders are stored electronically in the separate electronic document management application	
9.3.2. Communications	
1) All pertinent telephonic communications with defendants shall be notated in the electronic case file (date of communication, short description of said communication, and initials of the magistrate entering the notation) to facilitate future communications among magistrates with said defendant	
9.3.3. Transactions	
1) Manual Receipts	
a) Shall only be permitted in extreme circumstances such as equipment failures and void receipts	
b) Must be pre-numbered and accounted for periodically	
c) Must be printed in triplicate with one provided to the defendant, one retained for entry into the court application software, and the third maintained with the [manual] receipt book	
d) Manual receipt numbers shall be notated (cross-referenced) in the electronic case file of the municipal application software system	
9.3.4. Voided receipts	
a) Magistrates are not assigned electronic security permission to void receipts in the municipal court application software	
b) When a void receipt is necessary, documentation describing the reason for the void including a cross-reference to the corresponding manual receipt shall be provided to the Magistrate Supervisor or, in their absence, the City Clerk for approval	
c) The Magistrate Supervisor (or City Clerk) shall process the void receipt transaction and notate the manual receipt number, if applicable, in the electronic case file	
d) The Magistrate Supervisor (or City Clerk) shall sign and date the void receipt documentation and return to the magistrate to be scanned, indexed (case and receipt number), and saved in the electronic	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
document management software application system	
9.3.5. Mail-in receipts	
1) Generally, processed in the same manner as walk-in/counter receipts	
2) When cash is included in the mail receipts, the magistrate that opened the mail containing cash should turn over the cash and related ticket or citation to the second magistrate for processing	
3) If only one magistrate is present, then another Revenue Department official shall be called over to view the processing of the cash receipt in a manner consistent with walk-in/counter receipts	
9.3.6. Daily cash balancing	
1) Each magistrate shall be assigned a cash drawer (with an imprest cash balance of \$100 subject to change from time to time at the discretion of the City Clerk)	
2) Each magistrate shall print a daily "Total Receipts Report" from the court application system which reports the daily receipt posting activity to the electronic court files	
3) The total receipts as reported in the "Total Receipts Report" shall be reconciled to the cash and checks in their cash drawer (less the \$100 imprest balance) plus the bond forfeitures	
4) Discrepancies shall be recorded as cash over/(short) and reported to the City Clerk or their Accounting Department designee daily for explanation	
5) Daily, each magistrate shall prepare a bank deposit slip and present the cash and checks, deposit slip, and "Total Receipts Report" to the Revenue Examiner, Accountant, or City Clerk for deliver to the bank for deposit	
6) The "Total Receipts Report" and duplicate bank deposit slip shall be presented to the Accountant to be used to prepare the accounting entry to record such revenue in the City's general ledger	
7) A log of daily bank deposits from court receipts shall be maintained in Accounting	
8) The log shall be updated and reconciled to the bank deposits regularly (usu. daily) and totaled monthly for reconciliation to the 1) general	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
ledger deposit entries and 2) monthly court reports generated from the municipal court application system	
9.3.7. Cash bonds	
1) Cash bonds shall be entered into the court application system under the appropriate electronic Case File (noting the date of the bond, the case number, the person or entity that paid the cash bond, and the bond account)	
2) Prohibited transactions	
a) The cashing of personal checks from any City cash drawer is strictly prohibited	
b) The issuance of bond refunds from any City cash drawer is strictly prohibited	
3) Payment requests for bond refunds	
a) Documentation supporting the refund of a Court Cash Bond shall be scanned into the City's electronic document management system as an "Invoice", indexed (cross-referenced to the applicable court Case File number), and submitted electronically for approval by the City Clerk or other authorized City official	
b) The electronic Case file shall be notated/cross-referenced with the "Invoice" number assigned to the invoice submitted for payment authorization	
c) Checks issued for bond refunds shall be mailed directly from Accounting to the address provided by the magistrate (as noted on the electronic invoice)	
4) Cash Bond forfeitures	
a) Cash bonds shall be forfeited, without notice to the defendant, for all cases where the defendant fails to appear in court within thirty (30) days from their initial court date	
b) Forfeitures shall be entered in the court application system (under the appropriate Case File) indicating the date of forfeiture or application to a fine, and person or entity who paid the Cash Bond to the City	
c) Any documentation (magistrates' or judges' orders) supporting	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
the forfeiture shall be scanned to create an electronic document that shall be saved to the City’s electronic document management system, indexed, and cross-referenced to the Case File	
10. Billing, collections and revenue	
Billing, collections and revenue (or “The Revenue Cycle”) includes transactions pertaining to the revenue generation and collection functions and encompasses activities such as licenses, taxes, permits, garbage fees, municipal court and other fines, and miscellaneous billings/receipts (e.g., cost recoveries, special assessments, grants, etc.) Receipts shall be deposited in-tact daily. The holding of receipts (except those received after the afternoon cash drawer closing/bank deposit) is expressly prohibited.	
10.1. “Walk-in” receipts	
10.1.1. Cash	
1) Mail should be opened and observed in the presence of a second Revenue, Municipal Court or other City official	
2) Cashier shall enter the cash receipt in the computerized revenue subsidiary ledger	
3) Cashier shall print at least one (1) receipt for delivery to the Taxpayer (a digital version shall automatically be stored in the computerized revenue application upon receipt entry by the Cashier)	
10.1.2. Checks	
1) The Cashier will endorse all checks (immediately upon the opening of mail) using a stamp or other means that generally reads as follows: <p style="text-align: center;">“PAY TO THE ORDER OF [BANK NAME OR] CITY OF MOUNTAIN BROOK ACCOUNT NO. ## - ### - ### FOR DEPOSIT ONLY”</p>	
2) Cashier shall enter the receipt in the computerized revenue subsidiary application	
3) Cashier shall print at least one (1) receipt to be presented to	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
the Taxpayer (a digital version shall automatically be stored in the computerized revenue application upon receipt entry by the Cashier)	
4) At or near the end of each scheduled shift (usu. between the hours of 2 p.m. and 4 p.m.), all cash drawers should be closed whereby all cash in excess of the \$100 (or other authorized) imprest balance shall be totaled, a deposit slip prepared and delivered to the Accountant, Revenue Examiner or Finance Director for deposit at the bank (or delivery to the vault for overnight safekeeping, if after 4:30 p.m.)	
a) All cash drawer closings shall include the preparation of a Daily Cash Report	
b) Cashier shall reconcile the receipts to the subsidiary batch posting/update report and attach a copy thereof to the Daily Cash Report	
c) Cashier shall immediately restrictively endorse all checks as specified herein above. (Note: Restrictive endorsement should be stamped at the time of acceptance)	10.1.2. 1)
d) The cash drawer and completed Daily Cash Report shall be delivered to the Accountant, Finance Director or their designee for verification which may include their re-counting of the currency and checks in the presence of the custodian and review of the Daily Cash Report and supporting documentation	
1) Transactions processed after the daily (afternoon) closing shall be processed with the next day's business	
2) All cash drawers shall be locked and stored in the locked file cabinet inside of the locked vault for overnight safekeeping	
10.2. Mail receipts	
10.2.1. All mail shall be opened by Switchboard Attendant (Operator)/Cashier/Administrative Assistant (with assistance during periods of extremely high mail volume by the Revenue Examiner or other authorized staff member(s) all of whom must follow the procedures outlined herein)	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
10.2.2. Cash included in the mailed receipts shall be immediately forwarded to the Cashier along with the related paperwork for processing. Such cash receipt shall be processed by the Cashier immediately in the presence of the Operator and the Taxpayer's receipt shall be presented by the Cashier to the Operator who will deliver said Taxpayer's receipt via U. S. Mail.	
10.2.3. Operator shall separate checks from the remittance advice and perform the following procedures:	
1) Operator shall restrictively endorse all checks as specified above	10.1.2. 1)
2) Operator should stamp on the paperwork accompanying payment (remittance advice) and check the date such remittance advice and check were received/opened	
3) Operator shall compare the check amount to the remittance advice (e.g., license application, tax return, etc.) and evidence such comparison by circling (preferably in red ink) the "check amount" noted on the remittance advice and write the check number and initial (again in red ink) the remittance advice. In all instances where the check amount differs from the remittance advice:	
a) Operator shall make a copy of the check and attach same to the remittance advice	
b) Operator shall write (preferably in colored ink) on the remittance advice the actual amount of the check received	
4) For checks received with no accompanying remittance advice or where the City of Mountain Brook tax identification number is not readily identifiable on the face of the remittance advice, Operator shall make a copy of the check which shall serve as the remittance advice or attach the check copy to the remittance advice submitted with the payment. (NOTE: If anything about the receipt appears unusual or if any problems with proper posting in the revenue system appear likely in the opinion of the Operator, the Operator should make a copy of the check which shall then be attached (top sheet) to the remittance advice)	
5) Operator shall:	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
a) Enter in a spread sheet (hereafter referred to as Operator's batch report or batch report) the following information from the checks processed:	
1) City of Mountain Brook tax identification number	
2) check number, and	
3) check amount	
b) The batch report, shall include the date such checks were received/processed and the name of the individual preparing the batch report	
c) The list of checks (batch report) shall be totaled	
d) Operator shall print two (2) copies of the batch report	
e) Operator shall sign and date both copies of the batch report	
[NOTE: The two batch reports will be critical to the Cashier in the event the receipts entered into the computerized revenue subsidiary ledger differ from the Operator's batch report total. Any difference in these totals indicates an error which will either be 1) a posting error on the part of the Cashier in entering the receipts in the subsidiary ledger or 2) a posting error by the Operator in preparing the batch report. All differences/errors must be identified and corrected immediately. If the error is a posting error by the Cashier, the appropriate correction will be made and a revised batch entry report printed. If the error is in the Operator's batch report, Cashier shall note the appropriate correction on the report and correct the subsidiary batch report total appropriately. Any errors in the Operator's batch report should also be discovered by the Accountant during the preparation of the daily deposit.]	
6) Operator shall present the remittance advices and one copy of the batch report to the Cashier for posting to the computerized revenue subsidiary ledger	
a) Cashier shall prepare a subsidiary ledger batch posting/update report and verify that the posting total agrees with the Operator's batch control total noted on the batch report	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
b) The reconciled subsidiary ledger batch posting/update report and Operator's batch report shall be presented to the Accountant who will match same with the corresponding deposit	
7) Operator shall present the endorsed checks and Operator's second/duplicate batch report to the Accountant for preparation of the daily deposit	
a) Accountant shall verify that the deposit slip total agrees with the Operator's batch control total noted on the second/duplicate batch report	
b) Either the Accountant, Revenue Examiner, Finance Director or their designee shall physically deposit the checks at the bank each business day (or run the checks through the bank's remote check reader for electronic transmission to the bank).	
8) Remittance batch paperwork shall be filed by the Cashier or Operator (by batch number) and copy of the deposit slip delivered to the Accountant for filing (by processing date)	
9) Once the Operator has separated ALL of the checks from the remittance advices, prepared and printed the two batch reports, and delivered the checks and one copy of the batch report to the Accountant to prepare the daily deposit(s), the Operator may assist the Cashier in entering the remittance advices in the computerized revenue subsidiary ledger following all procedures outlined above	
10) Cashiers shall scan the batch reports and supporting documentation and store the digital copies in the City's digital document management system for future reference. [Note: Original paper copies will usually be retained for future reference until after the next financial audit. However, the stored digital copy shall be considered the official copy.]	
10.3. Returned checks due to insufficient funds	
10.3.1. Deposits rejected by the bank due to insufficient funds (NSF) shall be resolved as follows:	
a) The Accountant shall maintain a subsidiary ledger of all returned deposits. Accountant should generally make a copy of	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
the returned check and file same.	
b) The returned check shall be delivered to any Revenue Department staff member	
c) The Taxpayer shall be contacted via telephone and informed that the check was rejected by the bank and inquire whether the Taxpayer wishes for the returned check to be re-deposited	
d) Returned checks shall be re-deposited only one time. If rejected again, the returned check shall be delivered to any Revenue Department staff member for processing.	
1) The taxpayer's record shall be updated to reverse the tax/license payment and proper notations made effectively reinstating a delinquency. A batch reversal/posting report shall be printed and delivered to the Accountant who will match and attach same to their file copy of the returned check	
2) Penalties and interest shall be calculated on the delinquency and an NSF charge added	
3) An updated invoice shall be prepared and mailed to the taxpayer with a letter stating that the balance is due and payable within ten (10) business days or the account will be turned over to our attorney to initiate collection proceedings	
1) A copy of the invoice and transmittal letter shall be filed in a pending/work-in-process file which is accessible by all Revenue Department personnel	
<ul style="list-style-type: none"> • The pending/work-in-process file shall be organized by due date order as opposed to alphabetical or some other order • If the invoice is collected in full within the ten day period, the pending copy shall be removed from the pending/work-in-process file • If not collected within the prescribed time frame, the invoice shall be turned over to the City's collection attorneys as specified in the invoice transmittal letter • The pending/work-in-process file shall be reviewed daily by the Operator (or any other Revenue 	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
Department staff member in the Operator's absence) to ensure that deadlines are monitored and appropriate dispositions made	
e) Once the delinquency for the returned check has been received, a copy of the remittance and batch posting report shall be delivered to the Accountant in order to update their subsidiary records	
10.4. Delinquencies	
10.4.1. "Delinquencies" are automatically generated by the computerized revenue subsidiary application. Accordingly, not all reported delinquencies are correct but may indicate that a taxpayer's record has not been updated appropriately (i.e., tax or license categories have been activated in the subsidiary ledger that do not apply to the taxpayer, the taxpayer is no longer in business, or no longer conducting business inside the City).	
10.4.2. The Revenue Examiner, Operator and Cashier, individually and collectively, are responsible for maintaining the taxpayers' records in the computerized revenue subsidiary ledger.	
1) Such maintenance procedures shall be routinely conducted daily during the course of normal departmental procedures	
2) In all instances where a taxpayer's record is updated to reflect a change (i.e., marked inactive, license and tax categories activated or deactivated, etc.), a notation shall be made in the computerized revenue subsidiary ledger documenting the nature of the update, the justification for such update, and the individual updating the record	
10.4.3. The Revenue Examiner shall have primary responsibility for resolving delinquencies.	
a) Regularly, a delinquency report shall be produced by the Revenue Examiner	
b) Reported delinquencies that appear to be record maintenance issues as opposed to actual delinquencies shall be identified and resolved or delegated to other Revenue Department personnel (Operator or Cashier) for resolution and appropriate disposition. A written report of the taxpayer records updated and the nature of the update shall be returned to the Revenue	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
Examiner to verify that appropriate dispositions have been completed.	
c) All other delinquencies shall be investigated worked until disposition	
<ul style="list-style-type: none"> • Steps taken (e.g., telephone calls (first and most effective method to be utilized), letters and/or invoices mailed, audits authorized or scheduled, turned-over for collection, etc.) shall be noted in the computerized revenue subsidiary application so that all Revenue Department personnel will be aware of what steps have been taken to resolve the delinquency and when such steps were taken • Notes shall include the names and telephone numbers of persons contacted and brief comments summarizing such contacts 	
10.5. Adjustments to taxpayer accounts	
10.5.1. All credit adjustments such as waiver of penalties, invoice reversals, etc., to Taxpayer accounts shall be authorized by the Director of Finance.	
10.5.2. The Revenue Examiner, Operator, and Cashier shall present a written request for such adjustment (such written request may be from the Taxpayer or in memorandum form)	
1) The Director of Finance shall indicate in writing on the written request the authorization of such adjustment. The authorization shall include the Finance Director's signature or initials, date, and instructions regarding the adjustment	
2) The signed authorization shall be scanned and the digital image thereof attached to the taxpayer's electronic record	
10.6. Refunds	
10.6.1. Revenue Department personnel shall prepare a check request for all refunds	
1) Appropriate documentation supporting the nature of the overpayment to be refunded shall be attached to the check request	
2) Check request (or invoice) shall be entered into the digital	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
document management system in order to initiate the appropriate approval workflow	
3) All such check requests/invoices shall be approved for payment by the Finance Director or their designee who shall further deliver electronically such documentation to Accounts Payable for entry into the Accounts Payable application for processing of the refund check	
10.6.2. A copy of the signed refund check shall be delivered to the Cashier or otherwise available thereto from the City’s digital document management system	
1) The refund transaction including check number and check date should be entered by the Cashier into the computerized revenue subsidiary application	
2) The refund transaction will be recorded in the general ledger in connection with the generation of the refund check. The posting of the refund to the taxpayer’s subsidiary record will in effect be a manual posting and therefore not submitted to Accounting with other revenue batches for posting to the general ledger in order to avoid posting the refund to the general ledger twice.	
11. Permits	
11.1. Prior to the issuance of any permit, the contractor/applicant must submit a complete permit application on a form prescribed by the City	
11.1.1. Upon receipt of a complete permit application, the revenue/permit clerk shall:	
1) Verify that the contractor/applicant possesses a current City of Mountain Brook business license	
2) Verify that the contractor/applicant possesses current, applicable State of Alabama building certifications and licenses	
3) Determine whether the City codes and regulations require a bond for the particular permit sought and ensure that such applicable bond requirements have been satisfied	
11.2. Permit/revenue clerks may process and issue all permit applications upon verification and satisfaction of the requirements specified in Sec. 11.1 above except a) building, b) land disturbing and c) others that require review and	

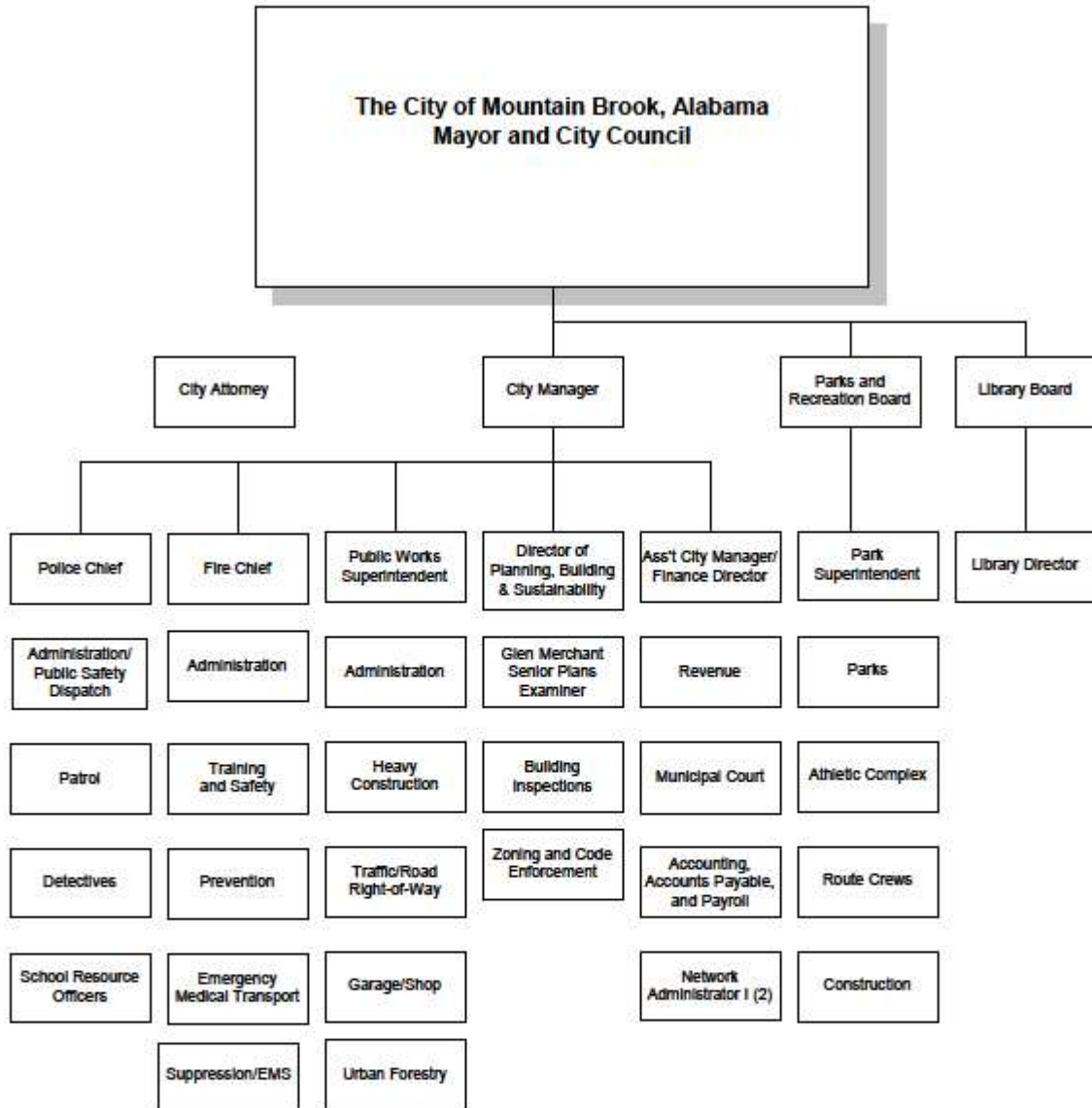
**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
approval by the City Planner or the Chief Building Inspector (e.g., those that require construction trailers, home occupations, etc.)	
11.2.1. For permit applications that require review by department supervisors, upon receipt of a permit application tentatively approved by such supervisor, the revenue/permit clerk shall:	
1) Verify that all listed/known subcontractors possess a current City of Mountain Brook business license	
2) Verify that all listed/known subcontractors possess current, applicable State of Alabama building certifications and licenses	
3) Determine whether the City codes and regulations require a bond for the various listed/known subcontractors and ensure that such applicable bond requirements have been satisfied for each	
4) Upon satisfactory completion of the requirements listed above, the revenue/permit clerk shall finalize the issuance the permit consistent with the permit application and contact the contractor/applicant for payment of the requisite permit fees and delivery of the permit to be displayed at the job site, if applicable	
12. Cash management (with respect to federal or other agency grant awards or contracts)	
12.1. Historically, the City’s grant awards have been and expected to continue to be on a reimbursement versus an advance draw-down basis. Should the City apply for a grant or award that allows for advance draws, the City shall either 1) modify its cash management policies and procedures to ensure compliance with applicable cash management provisions specified by the agency (see also 2 CRF 200, §200.6) in the grant agreement or 2) administer the award on a reimbursement basis to avoid the possibility unnecessary delays between the City’s receipt of advance draws and related project expenditure.	§200.6
12.2. With respect to the City’s cash general management policies (without regard to a federal or other grant award):	
12.2.1. Investment policies	Resolution No. 2009-053
1) Routinely, cash flows will be analyzed in order to ensure that sufficient cash is available to meet operating and short-term	

**INTERNAL CONTROL POLICIES AND PROCEDURES
CITY OF MOUNTAIN BROOK, ALABAMA**

	Reference
capital outlay requirements	
2) Investment strategies that maximize investment returns with minimal risk will be followed	
3) Receipts shall generally be deposited in-tact daily in order to safeguard assets and maximize the benefit of cash collections	
4) Regularly, the City shall analyze its cash and investment positions and investment returns and implement such changes as considered to be in the best interest of the City in keeping with its stated goals and objectives	
5) The investment performance and policies shall be reviewed by the City Council periodically	
12.2.2. [Fund balance] reserve policies	Resolution No. 2017-031
1) The City shall strive to achieve and maintain a General Fund reserve in an amount at least equal to six (6) months of operating expenses and transfers in order to ensure that reserves are sufficient to withstand temporary fluctuations in cash flows, to meet emergencies, or to take advantage of significant opportunities	
2) The City shall strive to achieve a Capital Project Fund reserve equivalent to the City's accumulated depreciation balance by transferring monthly from the general fund such amounts as budgeted where such transfers are generally based on capital asset depreciation schedules	
13. Record retention	
13.1. Generally, the City shall adhere to the more stringent requirements of 1) those promulgated by the State of Alabama Department of Archive and History or, 2) in the case of a federal or other grant award/contract, the requirements specified therein.	
13.2. State of Alabama Department of Archive and History http://www.archives.alabama.gov/slo.html	
1) For Local Agencies: Local Retention Schedules or Records Disposition Authorities (RDAs)	
No county, municipal, or other local government official shall cause	

APPENDIX 1 – ORGANIZATIONAL CHART



INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

	Reference
APPENDIX 2 – CONFLICT OF INTEREST	§200.318(c)
PURPOSE	
This policy statement sets forth the City’s standards of conduct to ensure that City Council members and employees avoid potential and actual conflicts of interest, as well as the perception thereof.	
DEFINITIONS	
Confidential information shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.	
Conflict or Conflict of interest shall mean use by a Council member or City employee of the authority of their office or employment, or any confidential information received through their holding public office or employment, for the private monetary benefit of him/herself, a member of their immediate family or a business with which they or a member of their immediate family is associated. The term does not include an action having a de Minimis economic impact, or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the Board member or district employee, a member of their immediate family or a business with which s/he or a member of his/her immediate family is associated.	
De Minimis economic impact shall mean an economic consequence which has an insignificant effect.	
Financial interest shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.	
Honorarium shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de Minimis economic impact.	
DISCLOSURE OF FINANCIAL INTERESTS	
No elected official shall be allowed to take the oath of office or enter or continue upon their duties, unless they have filed a Statement of Economic Interests disclosure statement as required law.	
Employees of the City shall file a Statement of Economic Interest disclosure statement	

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

	Reference
annually pursuant to Alabama law.	
STANDARDS OF CONDUCT	
The City maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and Board members engaged in the selection, award and administration of contracts.	
No employee or Council member may participate in the selection, award or administration of a contract supported by a federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, Council member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.	
The City shall not enter into any contract with a Council member or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Council has determined it is in the best interests of the City to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the Council member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.	
When advertised formal bidding is not required or used, an open and public process shall include at a minimum:	
1. Public notice of the intent to contract for goods or services;	
2. A reasonable amount of time for potential contractors to consider whether to offer quotes; and	
3. Post-award public disclosure of who made bids or quotes and who was chosen.	
Any Council member or employee who in the discharge of their official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record.	
No public official or public employee shall accept an honorarium.	

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

	Reference
Council members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Council policy and State of Alabama Ethics Laws.	
IMPROPER INFLUENCE	
No person shall offer or give to a Council member, employee or nominee or candidate for the Council, or a member of his/her family or a business with which s/he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Council member, employee or nominee or candidate for the Council would be influenced thereby.	
No Council member, employee or nominee or candidate for the Council shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that Council member, employee or nominee or candidate that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Council would be influenced thereby	
ORGANIZATIONAL CONFLICTS	
Organizational conflicts of interest may exist when due to the district's relationship with a subsidiary, affiliated or parent organization that is a candidate for award of a contract in connection with federally funded activities, the district may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.	
In the event of a potential organizational conflict, the potential conflict shall be reviewed by the City Manager or designee to determine whether it is likely that the district would be unable or appear to be unable to be impartial in making the award. If such a likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:	
1. The organizational relationship shall be disclosed as part of any notices to potential contractors	
2. Any employees or officials directly involved in the activities of the related organization are excluded from the selection and award process;	
3. A competitive bid, quote or other basis of valuation is considered; and	
4. The City Council has determined that contracting with the related	

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

	Reference
organization is in the best interests of the program involved.	
REPORTING	
Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the City Manager. If the City Manager is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Council President. If the Council President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the City Manager, who shall report the incident to the City Attorney.	
No retaliation shall occur as a result of good faith reports of perceived conflicts of interest.	
INVESTIGATION	
Investigation based on reports of perceived violations of this policy shall comply with state and federal laws and regulations, as applicable. No person sharing in the potential conflict of interest being investigation shall be involved in conducting the investigation or reviewing its results.	
In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.	
DISCIPLINARY ACTION	
If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the City shall take prompt, corrective action to ensure that such conduct ceases and will not reoccur. City staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.	
Violations of this policy may result in disciplinary action up to and including discharge. Disciplinary action shall be consistent with Council policies, procedures, and applicable state and federal laws.	

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

Reference

Appendix 3



New Employee Orientation Checklist

This list is a suggested guideline. Please note that depending on the type of hire some items listed may or may not be relevant.

Employee Name:	
Department:	
Position:	
Date of Hire:	

Before First Day

- Send personalized letter welcoming new employee
- Send new employee their On-boarding Packet to have completed before meeting with HR
- Send new employee copy of Employee Handbook
- Send new employee all pertinent files located on <http://intranet/hr/hiring/termination-package>
- Send new employee map of department building, department location, map of City Hall, and parking lot
- Select a mentor that will help in training new employee
- Prepare new employee's workspace, office equipment, supplies, etc.
- Schedule time for IT to set up new employee's computer
- Schedule time for new employee to meet with Amy Stephens, Human Resources, to fill out proper forms and discuss the employee handbook, benefits, retirement, etc.
- Schedule time for new employee to meet with Sam Gaston, City Manager

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

Reference

First Day

- Welcome and put new employee at ease. Encourage questions
- Introduce new employee to staff members, supervisor, and mentor
- Give tour of department, including restrooms, break room, safety features (fire extinguishers, emergency exits, etc.)
- Give new employee all pertinent phone numbers he/she should have
- Obtain emergency contact phone numbers from new employee
- Describe your management style and your expectations for new employee
- Outline new employee's duties and responsibilities (If possible, provide job description for visual aid during discussion)
- Make sure that new employee has met with HR, and that he/she fully understands benefits, retirement, etc.
- Schedule time for IT to go over computer set up with new employee
- Show new employee how to properly clock-in and clock-out
- Go over requests off - vacation time, sick time, sick leave, etc.
- Provide new employee with keys, security codes (if necessary)
- Review dress code and office protocol (tell new employee of any "unwritten rules" your department might have)
- Review pay schedule and work schedule
- Either take the new employee out for lunch, or ensure that he/she is accompanied with mentor and/or fellow coworkers
- Allow new employee to spend the rest of the day with his/her mentor (Mentor should show new employee how to effectively perform job. If there is no mentor, immediate supervisor should work in training employee)
- Assign job-related tasks/substantive reading that will provide a sense of accomplishment
- Identify any special needs the new employee may have

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

Reference

Moving Forward After First Day

- Ensure that business cards, nameplate, uniforms, and any other job-related materials are ordered and on their way for new employee
- Schedule a time for tour of City Hall with City Manager and, if possible, other departments, so that the new employee can get a sense of togetherness in working for the City of Mountain Brook
- If possible, get in contact with City Manager and schedule a time for crew/division to have lunch at City Hall
- Encourage selected mentor to have lunch with new employee at least once a month
- Continue to encourage questions from new employee to ensure that everything starts “clicking”
- Ensure that new employee is completing tasks in a timely fashion
- Assess/discuss needs for modifications in a positive, reassuring manner
- Make sure to compliment new employee for a job well done
- Schedule a time each week for the first month to meet with the new employee to ensure everything is going smoothly
- Ensure new employee understands all information pertinent to performing the job, all benefits and employee rights information
- Ask new employee his/her career goals. If possible, arrange and provide opportunities that will assist new employee in reaching his/her goals
- Schedule professional development/skill enhancement training (if needed) and Alabama Ethics Commission Ethics Training (if required)
- Establish and sign an Employee’s Performance Plan, which will outline employee’s responsibilities and will keep track of employee’s performance going forward

Employee’s Signature/Date: _____

Supervisor’s Signature/Date: _____

INTERNAL CONTROL POLICIES AND PROCEDURES

CITY OF MOUNTAIN BROOK, ALABAMA

	Reference