

**Summer Village of Sandy Beach
Financial Reporting and Expenditure Policy**

General

The Chief Administrative Officer, (CAO) has the authority to receive income and spend funds in accordance with the annual budget approved by Council on a line-by-line basis.

- Where expenditure(s) are to exceed the approved budget amount, the CAO shall provide to Council (1) a written explanation for the specific cost over run. (2) a proposal of where to obtain the increased funding, i.e., a reduction in another budget line item or payment from general or restricted reserve funds.

The CAO shall provide Council on a regular monthly basis with the following financial information:

Accounts Payable list
Consolidated Income Statement
Verification of monthly completed Bank Reconciliations

When possible, accounts payable and accounts receivable should be completed by different summer village personnel .

And on an annual basis, the CAO shall present to Council in October of each year the following:

Three-year proposed operating budgets
Five-year proposed capital budgets

And following the completion of the external audit providing Council with the audit report.

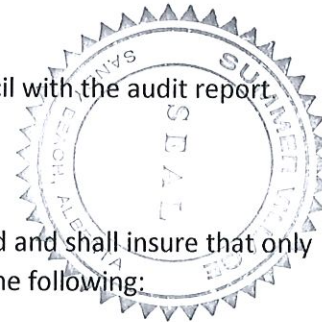
Approved Credit Card

The CAO shall maintain care and control of the approved credit card and shall insure that only authorized purchases occur. These expenses would likely include the following:

Fuel for summer village vehicles and equipment
Repairs and maintenance costs (repair shops) for vehicles and equipment
Purchase of shop supplies

Credit Limit. There shall be an approved limit on the credit card of \$10,000.00.

Any single expenditure in excess of \$1,000.00 shall require the written approval of the CVAO



Operating Budget Expenditures

The general authority of the CAO notwithstanding, the following policy on purchases shall be as follows:

- (1) If within the approved budget line expense and any single purchase is below \$7,500.00, the CAO is allowed to make the purchase
- (2) Any single purchase, as above, may be obtained from a preferred vendor and without the need of obtaining additional cost/price quotes
- (3) Any single expense above \$7,500.00 shall require demonstration that three quotes have been obtained and the vendor selected at the discretion of the CAO
- (4) Any single expense in excess of \$20,000.00, whether an operating budget line item or a capital purchase shall be sourced by the issuing of a Request for Proposal (RFP), require a minimum of three price quotes, shall be subject to the standard bid system, ensure that bids received are opened in public and that Council shall have approval on selecting the vendor. If the lowest bid is not accepted by Council, reasons for an alternate selection should be given.

