

City of Henderson

Financial Management Policy Statements

Revised June 15, 2021



HENDERSON CITY HALL



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100 Budget

Policy #
100-01

Subject:
BUDGET TIME PERIOD & TYPE

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

The City maintains an annual budget cycle. The City's budget process is performance-based. This type of system identifies a particular level of service performance for each type of service (program) and the resources it needs to operate. Resource allocation decisions are made based on goals and objectives identified in each department's Business Plan.

Tentative allocation decisions are made by the Budget Committee with final approval authority remaining with the City Council.

HISTORY

Adopted: 04/15/2003
Revised:

100 Budget

Policy #
100-02

Subject:
BUDGET CALENDAR AND INSTRUCTIONS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

With each budget cycle, a Budget Handbook is issued to all departments and managers which outlines the budget calendar and specifies when budget tasks are to be completed within identified timelines. This handbook will also provide policy guidelines and budget preparation instructions for the departments.

HISTORY

Adopted: 04/15/2003
Revised:

100 Budget

Policy #
100-03

Subject:
BUDGET COMMITTEE

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

The Budget Committee consists of a subset of the senior management team as appointed by the City Manager. The Budget Team is responsible for preparation of materials and meeting facilitation. Based on departmental business plans and Council goals, the Budget Committee will make funding decisions which best promote the overall priority goals and financial stability of the City. The recommendations of the Budget Committee will be presented to the City Council for final approval.

HISTORY

Adopted: 04/15/2003
Revised: 03/15/11, 07/03/12

Policy #
100-04

Subject:
BUDGET REPORTING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

The budget of the City shall be presented annually in the following formats:

Final Budget (State Forms)
Comprehensive Annual Budget Report (CABR) Budget In Summary
Budget In Brief

These documents will be prepared with different audiences in mind in order to provide information to all interested parties. The Comprehensive Annual Budget Report and the Budget In Summary are designed to present the budget in clear and easy-to-use formats to the intended audience.

HISTORY

Adopted: 04/15/2003
Revised: 07/03/2012

Policy #
100-05

Subject:
APPROPRIATION CARRYOVER POLICY

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

In order to establish an efficient and effective means to use the funds for budgetary items that cannot be expended within the fiscal year that the funds were approved, the City shall establish a carryover policy. The policy has been developed to require that all carryover requests comply with the written criteria.

The carryover criteria to establish eligibility for the carryover of unexpended funds is as follows:

- 1) any purchase order that has an encumbered balance and approved budget that will not be expended in the current fiscal year, and the project or approved usage of the funds has not yet been completed, will require a written justification requesting a carryover of the remaining funds
- 2) any unexpended funds, currently not encumbered, that have a reasonable explanation as to why the project or usage for the funds could not be completed in the current fiscal year, will require a written justification requesting a carryover of the remaining funds
- 3) any carryover request will not be used to further obligate the City funds over the previously approved budgeted amount
- 4) all Capital Project Funds will be eligible for carryover without qualification

The written justification must explain the reason for the request, the amount of funds to be carried forward, the intended usage, the general ledger account number, and, when applicable, the purchase order number and vendor's name. The department base budgets will not be reflective of the carryover funds in the following year since the purpose of the carryover was a one-time initiative to complete a specific targeted goal. As the funds are one-time, they will not be eligible for transfer into other operating accounts. It will be incumbent upon the departments to clear any deficit balances carried forward in the Capital Projects Funds.

Continued from Previous Page...

The carryover of funds will be reviewed by the Budget Manager and recommendations will be provided to the 5 Year Plan Committee as to the funds that should be approved for carryover to the subsequent fiscal year. Departmental requests that meet the eligibility requirements and have been approved by the reviewers will have the carryover balances augmented into their budget for the new fiscal year.

HISTORY

Adopted: 04/15/2003
Revised: 03/15/2011, 07/03/2012

100 Budget

Policy #
100-06

Subject:
TRANSFER OF BUDGET APPROPRIATIONS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

A department should process a budget transfer request form anytime a shortfall is anticipated in a line item. Transfers should include sufficient resources to cover all anticipated expenditures for the remainder of the fiscal year.

Appropriation transfers between line items may only be made within the following categories:

- Wages and Fringe Benefits
- Operating Expenses
- Capital Outlay

Transfers between categories require Budget Manager approval.

Further information on budget transfers will be found in the Annual Budget Preparation Manual.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

100 Budget

Policy #
100-07

Subject:
LIMIT MID-YEAR ADJUSTMENTS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

The City shall limit mid-year adjustments, which circumvent the normal budget process and pose a risk to long-range financial planning. The development of the business plan and the integration with resource allocation should reduce the number of mid-year adjustments needed by departments. The mid-year adjustments that will be allowable through this policy will be in the event that a department has experienced a significant change within their business practices that would adversely affect the composition of the current adopted budget. All modifications to the budget will adhere to the established Budget Preparation Manual.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

100 Budget

Policy #
100-08

Subject:
REVENUE ESTIMATES FOR BUDGETING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a budget which best reflects the needs and priorities of the City and enables the City to plan, control, and overall manage its programs, services, and finances.

GUIDELINES

In order to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003



A Place To Call Home

200 Revenues

Policy #
200-01

Subject:
BALANCE AND DIVERSIFICATION IN REVENUE
SOURCES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to adverse changes in economic conditions which impact that source. The City shall actively seek alternative revenue sources and potential revenue enhancements to further assist in maintaining a balanced budget while attempting to accommodate service level needs throughout the City.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

200 Revenues

Policy #
200-02

Subject:
REVENUE PROJECTIONS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

The City shall prepare annual revenue forecasts for a five-year period. These projections will be updated as needed based on economic conditions, changes in federal, state, or local distribution formulas, property tax adjustments, rate changes, etc. These projections will be used to determine the future financial capacity and health of the City. At the close of each fiscal year, projections will be compared to actual revenues received to ensure that methodologies used in projection preparation are as precise as possible

HISTORY

Adopted: 04/15/2003
Revised:

200 Revenues

Policy #
200-03

Subject:
USER FEES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level and establish fees. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. User fees shall be reviewed every two years to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

200 Revenues

Policy #
200-04

Subject:
PROPERTY TAX REVENUES / TAX BURDEN

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and the balance of residential and commercial/ industrial land use. The City shall also strive to minimize the property tax burden on Henderson citizens.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

200 Revenues

Policy #
200-05

Subject:
UTILITY / ENTERPRISE USER FEES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

Utility rates and enterprise fund user fees shall be set at levels sufficient to cover operating expenditures (both direct and indirect costs), meet debt obligations, provide additional funding for capital improvements, and provide adequate levels of working capital. The rates and user fees will be reviewed every two years and amended when necessary.

HISTORY

Adopted: 04/15/2003
Revised:

200 Revenues

Policy #
200-06

Subject:
ADMINISTRATIVE SERVICE CHARGES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

The City shall establish a method to annually determine the administrative service charges for overhead and staff support due the General Fund from the Enterprise Funds. Where appropriate, the Enterprise Funds shall pay the General Fund for direct services rendered. The City shall examine the existing methodology of administering the service charges on a regular basis to determine if modifications to the formula would better serve the cost recovery mechanism for the services provided.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

200 Revenues

Policy #
200-07

Subject:
REVENUE COLLECTION AND ADMINISTRATION

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

GUIDELINES

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible in order to facilitate payment. In addition, since revenue should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue, to the full extent allowed by federal, state, local ordinance and/or other pertinent law, all delinquent licensee and other accounts that are overdue in payments to the City.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 07/03/2012



A Place To Call Home

300 Expenditures

Policy #
300-01

Subject:
CURRENT FUNDING BASIS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

GUIDELINES

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings. (The use of fund balance shall be guided by the Fund Balance/Net Position Policy Statements.)

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 06/16/2012, 07/03/2012

300 Expenditures

Policy #
300-02

Subject:
AVOIDANCE OF OPERATING DEFICITS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

GUIDELINES

The City shall take immediate corrective actions if, at any time during the fiscal year, expenditure and revenue re-estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues and planned use of Fund Balance) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Net Position Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 06/19/2012, 07/03/2012

300 Expenditures

Policy #
300-03

Subject:
MAINTENANCE OF CAPITAL ASSETS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

GUIDELINES

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue to provide adequate service levels.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

300 Expenditures

Policy #
300-04

Subject:
PERIODIC PROGRAM REVIEWS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To assure fiscal stability and the effective and efficient delivery of services through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

GUIDELINES

The City shall undertake periodic staff and third-party reviews of City programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternative approaches to service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

Benchmarking and performance measurements should be used to identify areas needing improvement, for reallocation of resources, or for program consolidation. These tools will also be used to predict growth needs relative to the specific department and to relate the department's effectiveness in the areas of Responsiveness, Accuracy, Satisfaction, and Cost.

The City will use surveys and other methods to identify citizen needs and evaluate potential changes in service levels to accommodate any change in direction reflective of the results obtained in the survey.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003

300 Expenditures

Policy #
300-05

Subject:
PURCHASING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish the guidelines for obtaining goods and services necessary to complete City of Henderson (City) objectives and ensure that all procurement activities are made in compliance with applicable federal, state, and local laws.

GUIDELINES

City employees directly involved in procurement activities shall comply with City Purchasing Procedures, Financial Management Policy 1300-01, and the Environmentally Preferable Purchasing (EPP) Program.

City employees directly involved in procurement activities shall ensure the acquisition of the most suitable goods and services that fulfill the requirement for a total cost that is the most advantageous to the City.

The Purchasing Division of the Finance Department (Purchasing) is responsible for the administration and oversight of procurement activities for the City.

The Department of Utility Services (DUS) is responsible for the administration of all formal procurement activities initiated by DUS.

HISTORY

Adopted: 10/15/1999

Revised: 04/15/2003, 03/15/2011, 05/21/2013, 08/06/2019



A Place To Call Home

400 Fund Balance / Net Position

Policy #
400-01

Subject:
GENERAL FUND UNRESTRICTED ENDING FUND
BALANCE

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To maintain an adequate level of unrestricted ending fund balance in the General Fund to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

GUIDELINES

Unrestricted fund balance as defined under Governmental Accounting Standards Board (GASB) Statement No. 54 represents available financial resources for which there is no constraint placed on spending other than those imposed by the City itself. Unrestricted ending fund balance in the City's General Fund will be maintained at not less than 8.3% of General Fund revenue. A corrective action plan will be developed in the ensuing fiscal year should the ending balance fall below this minimum.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 03/15/2011, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-02

Subject:
FINANCIAL STABILIZATION SPECIAL REVENUE
FUND BALANCE

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position by restricting specific revenues for financial stabilization and defining specific conditions as to when these funds can be drawn.

GUIDELINES

In conjunction with NRS 354.6115, and Governmental Accounting Standards Board (GASB) Statement No. 54, the city will restrict 0.25% of SCCRT Loss Ad Valorem revenue to financial stabilization and maintain a balance of 8.3% of the General Fund Revenue.

Any balances in the Financial Stabilization Special Revenue Fund may be made available to the General Fund to compensate for shortfalls in actual revenues of 2% or greater as compared to the Final Budget filed with the Department of Taxation, or in the event of a natural disaster or terrorist attack that is declared by City Council.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 10/05/2010, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-03

Subject:
NET POSITION OF OPERATING FUNDS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

GUIDELINES

In enterprise operating funds, the City shall strive to maintain positive net position to provide sufficient reserves for emergencies and revenue shortfalls.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-04

Subject:
USE OF FUND BALANCE / NET POSITION

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

GUIDELINES

Fund balance/net position shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings.

Should such use reduce the balance below the appropriate level set as the objective for that fund, restoration recommendations will accompany the decision to utilize said balance.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-05

Subject:
SELF-INSURANCE RESERVES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

GUIDELINES

Self-insurance reserves shall be maintained at a level, which together with purchased insurance policies, adequately indemnify the City's capital assets. Annual reviews of reserves shall be performed by an independent actuary, and recommendations will be utilized to set the appropriate rates and reserve requirements.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-06

Subject:
DEBT SERVICE FUNDS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To account for the accumulation of resources for the payment of principal and/or interest on any general long-term debt or medium-term obligation.

GUIDELINES

The City shall maintain sufficient reserves in its debt service funds which equal or exceed the reserved fund balances required by bond ordinances while avoiding fund balances in excess of required principal and interest payments.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 03/15/2011, 07/03/2012

400 Fund Balance / Net Position

Policy #
400-07

Subject:
CONTINGENCY POLICY

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish a reserve that will provide contingencies or transitional funds during unforeseen fiscal events and circumstances.

GUIDELINES

The City has established a contingency that equals one quarter of one percent (.0025) of General Fund revenue. This contingency will be used to bridge any gap that would occur as a result of unforeseen fiscal events and circumstances. The funds would be used to supplement the existing available funds on a provisional basis in an effort to sustain existing service levels.

HISTORY

Adopted: 10/15/1999
Revised: 04/15/2003, 07/03/2012



A Place To Call Home

500 Capital Expenditures & Improvements

Policy #
500-01

Subject:
CAPITAL IMPROVEMENT PLANNING PROGRAM

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.

GUIDELINES

The City shall annually review the needs for capital improvements and equipment, the current status of the City's infrastructure, replacement and renovation needs, potential new projects, and update its five-year capital improvement program as required by NRS 350.013. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. All related costs for every capital project including, but not limited to; operation, maintenance, and replacement costs shall be fully identified by funding source.

HISTORY

Adopted: 04/15/2003
Revised:

500 Capital Expenditures & Improvements

Policy #
500-02

Subject:
CAPITAL EXPENDITURE FINANCING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.

GUIDELINES

The City recognizes that there are three basic methods of financing capital requirements:

- 1) Budget the funds from current revenues;
- 2) Take the funds from fund balance/net position as allowed by the Fund Balance/Net Position Policy Statements; or
- 3) Borrow money through debt.

Guidelines for assuming debt are set forth in the Debt Policy Statements.

HISTORY

Adopted: 04/15/2003
Revised: 07/03/2012

500 Capital Expenditures & Improvements

Policy #
500-03

Subject:
INFRASTRUCTURE AND TECHNOLOGY
REFRESH & REINVESTMENT PROGRAM

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To annually review and monitor the state of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.

GUIDELINES

The City has elected to maintain a fund that will provide an avenue to allocate Citywide funds for reinvestment and refresh for technology issues and infrastructure through the allocation of available resources. These funds will be used to upgrade or rehabilitate City structures or technological systems that will enhance the City's investment for assets or technical knowledge and improved tools. All departments responsible for maintaining the City's infrastructure or capturing the City's technological needs will be represented in this fund.

HISTORY

Adopted: 04/15/2003
Revised:

500 Capital Expenditures & Improvements

Policy #
500-04

Subject:
PAY-AS-YOU-GO CAPITAL DEVELOPMENT

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

The purpose of this program is to enable the City to proactively fund long-term capital projects by using cash reserves and avoiding debt issuance.

GUIDELINES

Annually, the Budget Committee may allocate to the Pay-As-You-Go Capital Development Program a portion of the City's non-recurring resources based on availability and Citywide goals. The use of this money will be prioritized and recommendations will be forwarded to the City Council for approval.

HISTORY

Adopted: 04/15/2003
Revised: 07/03/2012



A Place To Call Home

Policy #
600-01

Subject:
USE OF DEBT FINANCING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To utilize debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

GUIDELINES

Debt financing, to include general obligation bonds, revenue bonds, lease/purchase agreements, and other obligations permitted to be issued or incurred under Nevada law, shall only be used to purchase capital assets that cannot be acquired from either current revenues or fund balance/net position and to fund infrastructure improvements and additions. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. To improve decision making, articulate goals, provide guidelines, ensure legal compliance and demonstrate its commitment to long-term capital and financial planning, the City will maintain: (1) written debt management policy and (2) written tax-exempt bond compliance procedures.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 07/03/2012, 01/07/2014

600 Debt

Policy #
600-02

Subject:
ASSUMPTION OF ADDITIONAL DEBT

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To utilize debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

GUIDELINES

The City shall not assume more tax-supported general-purpose debt than it retires each year without conducting an objective analysis as to the community's ability to assume and support additional debt service payments. When appropriate, self-supporting revenue bonds shall be issued before general obligation bonds.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

Policy #
600-03

Subject:
POST BOND ISSUANCE AND SECURITIES
LAW COMPLIANCE

SCOPE

This policy applies to all bonded indebtedness of the City of Henderson (“City”).

PURPOSE

To formalize the City’s current processes and to guide the City, its elected officials, officers and staff in meeting the requirements of local, state and federal regulations including: continuing disclosure rules of the Securities Exchange Commission (“SEC”), bond covenants and bond indentures, the Internal Revenue Code of 1986, as amended, and Treasury Regulations (“Tax Code”) concerning tax exempt and tax-advantaged debt. Non-compliance of continuing disclosure rules may have significant financial impact on the City, as well as individual elected officials, officers and staff. Tax Code compliance ensures preferential tax-exempt status of debt issuances, which lowers the City’s borrowing costs.

GUIDELINES

I. DEFINITIONS

- A. **Arbitrage:** Any time tax exempt bond proceeds are invested at a yield higher than the bond yield, the amount earned over the bond yield is arbitrage. With certain exceptions, the City is obligated to pay (rebate) to the federal government any arbitrage earned.
- B. **Bond Proceeds:** Bond proceeds include monies received from the sale of bonds, amounts held in a reserve fund for the repayment of bonds and investment earnings on those amounts.
- C. **Capital Expenditure:** A nonrecurring expenditure attributed to a capital project with a projected final cost of at least \$10,000, resulting in a capital asset(s) with a useful life of greater than one (1) year.

D. **Compliance Officer:** The Finance Director of the City or another officer or employee of the City designated by the Finance Director in writing who is responsible for coordinating City-wide post issuance compliance efforts, in collaboration with department Debt Management Liaisons as well as outside consultants, when necessary.

E. **Davis Bacon Act:** Legislation enacted by Congress to assure local workers a fair wage and to provide local contractors a fair opportunity to compete for local federal contracts.

F. **Debt Management Liaison:** When a project is conceived for which bond proceeds will be procured and utilized, a City employee from the department overseeing acquisition, construction, or development of the asset shall be designated by that department's director to act as a liaison to the Finance Department and the Compliance Officer. This employee will represent the department expending the bond proceeds and will be responsible for coordinating departmental compliance efforts.

G. **Investment Manager:** Employee responsible for investing City funds, including bond proceeds.

H. **Material Event:** An event that triggers continuing disclosure to the Municipal Securities Rulemaking Board, per SEC Rule 15c2-12.

I. **SEC Rule 10b5:** A regulation created under the Securities Exchange Act of 1934, as amended, that makes it unlawful for any individual elected official, officer or employee, in connection with the purchase or sale of City bonds, to engage in a communication that: a) is reasonably expected to reach current or potential investors and b) makes an untrue statement of a material fact or omits a material fact. A material fact is a fact which a reasonable investor would consider the fact or omission of such fact significant to the investment decision.

J. **SEC Rule 15c2-12:** A regulation created under the Securities Exchange Act of 1934, as amended, that requires dealers, when underwriting municipal securities, to ensure that the state or local government issuing the bonds enters into a continuing disclosure agreement to provide certain information to the Municipal Securities Rulemaking Board about the bonds on an ongoing basis.

II. COMPLIANCE

A. The City shall maintain compliance with continuing disclosure requirements, pursuant to the SEC Rule 15c2-12 and SEC Rule 10b5, as well as any other requirements or covenants that may be included in a related bond indenture, resolution or ordinance.

B. The City shall ensure compliance with the Tax Code in order to maintain the tax exempt or tax-advantaged status of each bond issuance. Compliance for each issuance shall include but not be limited to:

- (1) Arbitrage rebate and yield restriction
- (2) Use of bond proceeds
- (3) Use of bond-financed facilities
- (4) Other tax requirements

C. **Compliance Officer:** The Compliance Officer shall be responsible for ensuring City-wide compliance with the requirements in this Policy and under applicable provisions of the Tax Code, as well as all other local, state and federal regulations.

D. **Debt Management Liaison Responsibility:** Each Debt Management Liaison shall work with the Compliance Officer to:

- (1) Ensure departmental compliance with Policies and applicable provisions of the Tax Code, as well as local, state and federal regulations.
- (2) Ensure that all expenditures coded to project numbers, to which bond proceeds are applied, are related directly to the qualified asset(s), being constructed or acquired as outlined in the bond documents.

E. **Training:** The City shall provide or make available all necessary training to the Compliance Officer so that he/she may develop and maintain an adequate understanding of post issuance compliance requirements relating to the debt issuances. Such training shall include, but is not limited to, training/seminars from financial organizations and associations, and the reading of related industry and IRS publications. In addition, the Compliance Officer will work with the Finance Director to provide training, as needed, for Debt Management Liaisons, Compliance Officer backup, project managers, elected officials, officers and staff.

III. SECURITIES LAW COMPLIANCE AND CONTINUING DISCLOSURE

- A. Elected officials, officers and staff have an obligation to disclose all material information related to the City's outstanding indebtedness and to meet certain standards in federal securities laws. These regulations include, but are not limited to, continuing disclosure rules such as SEC Rule 15c2-12 and SEC Rule 10b5.
- B. Sound disclosure practices enhance credibility with the community, investors in the marketplace and rating agencies. Consequences of incomplete, inaccurate or misleading disclosures may include an SEC investigation, adverse publicity, rating downgrades, adverse financial impacts to the City, such as the loss of tax-exempt status, and/or civil or criminal actions against individual elected officials, officers and staff.
- C. The Compliance Officer is primarily responsible for the annual continuing disclosure and material event reporting obligations required by continuing disclosure undertakings entered into by the City pursuant to SEC Rule 15c2-12 in connection with issuances of bonds. Proof of filings should be retained in the records, as well as copies of any notices filed.
- D. The Finance Director shall designate a backup Compliance Officer responsible for complying with annual continuing disclosure requirements.

IV. TAX CODE COMPLIANCE - QUALIFIED USE OF PROCEEDS, FINANCED FACILITIES & PRIVATE BUSINESS USE:

- A. **Bond Proceeds:** Proceeds from each bond issuance shall be tracked separately from other funds of the City by recording such proceeds in a restricted cash account along with a project number identifying it as proceeds for the given bond issuance. Proceeds shall be invested according to the City's investment policy or as stated in the related tax certificate, resolution, ordinance or indenture.
- B. **Records:** For each bond issuance, the Investment Manager shall provide the Compliance Officer detailed records of investments and earnings with respect to all bond proceeds. Compliance Officer shall maintain such records in a central location for each bond issue in accordance with Section VII herein.
- C. **Yield Restriction:** Generally speaking, tax exempt bond proceeds cannot be invested at a yield higher than the bond yield unless during certain specific temporary periods. Therefore, for each bond issuance, prior to closing, the Investment Manager will determine with bond counsel which funds do or do not qualify for a temporary period. Qualifying information will be documented in the bond file.

D. **Arbitrage Rebate:** For each bond issuance, to the extent that such rebate exists and payment is required, the City must, at a minimum calculate and potentially make rebate payments on every fifth anniversary of the City's "bond year". The Compliance Officer will work with a contracted rebate analyst to ensure proper calculation of the rebate, timely payment and/or yield restrictions.

V. TAX CODE COMPLIANCE - YIELD RESTRICTION AND ARBITRAGE REBATE

A. **Use of Proceeds:** Department Responsibility: Each Debt Management Liaison shall have the responsibility of ensuring that bond proceeds are expended in accordance with the bond covenants and maintaining detailed records regarding the use of bond proceeds for each bond issuance. If the project is also funded with non-bond proceeds, the records will reflect an allocation of expenditures between bond proceeds and other funds.

B. **Declaration of Intent to Reimburse:** No bond proceeds shall be used to reimburse an expenditure made prior to the issue date of the bonds unless the reimbursement rules, including any prior declaration of intent to reimburse, are fully complied with. Evidence of such compliance shall be maintained for that bond issuance. The Compliance Officer is responsible for adhering to reimbursement rules and accounting for all expenditures.

C. **6-Month & 3-Year Requirements:** Debt Management Liaison and Compliance Officer Responsibility: Under federal tax law, the City is expected to exercise diligence to enter into, within six months of the issue date, a binding contract to expend at least five percent (5%) of the proceeds and to have at least 85% of the proceeds expended within three (3) years. Each Debt Management Liaison shall be responsible to monitor spending levels and ensuring that such information is communicated to those making spending decisions to ensure that bond proceeds are spent in accordance with federal tax law. After the third anniversary of the issuance, if there remain unspent bond proceeds, the Compliance Officer shall inform Finance Director and advise Investment Manager that any remaining bond proceeds be yield restricted.

D. **Tracking and Monitoring:** Department and Compliance Officer Responsibility: Prior to the expenditure of bond funds, the Debt Management Liaison shall work with the Finance Department and Compliance Officer to set up the appropriate cost accounting structure to ensure clear tracking of project funding. The department Debt Management Liaison and Compliance Officer shall periodically review the progress of the projects and the expenditure of proceeds to ensure timely expenditure of proceeds and accurate record keeping.

E. **Private Business Use:** For those facilities that are financed in whole or in part with the proceeds from tax-exempt bonds, any sale or lease to, or other agreement for use by, a private party (including those related to the Federal Government) can adversely impact the tax status of the bonds. As such, the City shall not enter into any agreement which constitutes private business use relating to any bond-financed property without first providing for a thorough review of the matter by the Compliance Officer, the City Attorney's Office and bond counsel.

F. **Prior Approval Required:** Agreements Involving City Assets: Prior to entering into any sale, lease, management, naming rights, or other agreement which could constitute private business use, the related department must notify the Finance Director and the City Attorney's Office and provide all pertinent information to determine whether or not the asset(s) involved were tax-exempt bond-financed and the potential implications of the agreement. Written approval to proceed with the agreement is required from both the Finance Director and City Attorney.

VI. TAX CODE COMPLIANCE - SPECIAL REQUIREMENTS FOR TAX CREDIT BONDS – The following requirements must be met for Clean Renewable Energy Bonds (CREBs) and Qualified Energy Conservation Bonds (QCEBs).

A. **Tracking and Use of Proceeds for Tax Credit Bonds:** Department and Compliance Officer Responsibility: Prior to the expenditure of tax credit bond proceeds, the Debt Management Liaison shall work with the Finance Department to ensure that bond proceeds and related expenditures are charged to the designated project so that bond proceeds can be matched up to expenditures, ensuring clear tracking of project funding. All bond proceeds, including investment earnings, must be spent on "qualified purposes," as defined by IRS Section 54A, except that up to two percent (2%) of the proceeds can be spent on costs of issuance. Additionally, other funds can be used to a limited extent for debt service reserves under certain circumstances.

The Compliance Officer shall consult with bond counsel prior to issuance to determine that the two percent (2%) costs of issuance limit will not be exceeded, that any debt service reserves comply with applicable Tax Code requirements and that the balance of the proceeds will be spent on qualified purposes. The Compliance Officer will work with department Debt Management Liaisons who are directing the expenditure of the bond proceeds to ensure all expenditures are made for qualified purposes and sufficient records are maintained.

B. **6-Month & 3-Year Period Requirements:** Department Responsibility: Under Section 54A of the Code, at the time of issuance, the City must reasonably expect to (1) incur within six months a binding commitment to spend at least ten percent (10%) of the proceeds, and (2) spend one hundred percent (100%) of the proceeds for one or more qualified purposes within the three (3) year period, beginning on the date of issuance.

C. **Davis Bacon Act:** City Departments will collaborate with the Purchasing Division to ensure compliance with all federal labor and contract related requirements.

VII. RETENTION OF RECORDS – For each bond issuance, records, as described below, must be retained to substantiate compliance with all necessary requirements.

A. **Retention Period:** All records shall be kept in accordance with Nevada records retention policies, but in no event less than the life of the bonds plus three years and, if the bonds are refunded, for the life of all refunding bonds plus three years. The Compliance Officer is responsible for ensuring the retention periods for all debt issuances are met.

B. **Required information to be stored for each debt issuance (if applicable):**

i. Documents - Following each bond issuance, bond counsel shall send a Transcript for the debt issuance to the Compliance Officer. If a Transcript was not compiled, then bond counsel shall provide the following documents:

- i. Bond Counsel Opinion
- ii. Final Official Statement or Private Placement Memorandum
- iii. Insurance Documents
- iv. Copy of Ordinance or Resolution Authorizing Debt Issuance
- v. Declaration of Intent to Reimburse
- vi. IRS Form 8038-G, Form 8038-GC, Form 8038, Form 8038-TC, or Form 8038-B
- vii. Verification Report (for refunding debt issuances only)
- viii. Non-arbitrage Tax Certificate or similar document
- ix. All Debt Service Schedules not included in the Official Statement
- x. Winning Bid Forms
- xi. Trust Indenture
- xii. Closing Certificates and Receipts

- xiii. Any other closing documents that may be included in the Transcript
- ii. Expenditure Information – Debt Management Liaison and Compliance Officer Responsibility: Each Debt Management Liaison will be responsible for collecting the following expenditure related information and providing to the Compliance Officer as necessary.
 - i. Description of expenditure
 - ii. Date of expenditure
 - iii. Amount of expenditure
 - iv. Invoices
 - v. Contracts entered into for construction, renovation, development or purchase of bond-financed assets.
 - vi. Proof of payment (canceled check, wire/ACH information, Pcard, etc.)
- iii. Centralized Records – Compliance Officer Responsibility: The Compliance Officer is responsible for coordinating records retention in an organized, accessible manner.
- iv. Reports Completed After Issuance – Compliance Officer Responsibility
 - i. Arbitrage rebate calculation reports, and proof of payment, if applicable
 - ii. Yield restriction reports, if any
 - iii. Spending exception reports, if any
 - iv. Penalty in lieu of rebate reports, if any
 - v. Verification report for restructuring of escrow, if any
 - vi. Form 8038-T, if any
 - vii. Refund claims, if any
 - viii. Refunding documentation, if any
 - ix. Information relating to private business use of tax-exempt bond financed property, if any
 - x. Evidence of compliance with special requirements for Tax Credit Bonds, if applicable
 - xi. Other reports related to the debt issuance
- v. Investment Activity – Compliance Officer and Investment Manager Responsibility: Investment Manager shall provide statements (or equivalent) with detailed investment activity for each fund/account in which gross proceeds of the debt issuance were held to Compliance Officer, periodically. Information to support the investments that were purchased or sold should be maintained by Investment Manager. Information supporting investment activity may include such items as:

- i. General ledger
- ii. Subsidiary ledgers or other supporting schedules, as needed
- iii. Investment statements
- iv. Types of investments
- v. Dates of purchase and purchase prices
- vi. Interest rates
- vii. Interest payment amounts
- viii. Maturity dates
- ix. Interest payment dates
- x. Interest calculation methodology
- xi. Dates of sale and sales prices
- xii. Investment income allocation schedules

C. **Electronic File Storage and Backup:** Financial and accounting transactions will be retained in the City's financial system pursuant to the City's Records Retention Policy.

D. **Pcard Payments Funded by Debt Proceeds - Debt Management Liaison:** Supporting documentation for Pcard payments funded by bond proceeds shall be scanned and routed electronically to the Compliance Officer by the Debt Management Liaison. The Compliance Officer is responsible for maintaining such documentation with the remainder of the documentation related to the bond issue. Supporting documentation may include the purchase order, invoice, receiving documents, proof of payment and any other documents that support the expenditure.

E. **Destruction of Records:** Destruction of records will be done in accordance with the City's Records Retention Policy and Section VII of this Policy. In the event of conflict between the two policies, Section VII of this policy shall govern. The Compliance Officer must approve the destruction of any record associated with a bond issuance, prior to destruction.

VIII. **PROCEDURES TO MONITOR COMPLIANCE** -This policy and its related procedures shall be used to perform periodic due diligence reviews to ensure that each debt issuance for which the City has unspent bond proceeds is compliant with the Tax Code and other requirements. Checklists shall be developed, updated, and maintained to document such reviews which shall include the following:

- A. Listing of all bond issues with unspent bond proceeds with summary of expenditures to date.

B. Documentation and analysis of known private business uses of financed facilities for all outstanding bonds. This includes identification of all leases, management agreements, licensing, naming rights or any other third party agreements related to facilities funded by tax exempt or tax-advantaged bonds. These contracts or agreements must be analyzed for compliance with Safe Harbor rules.

C. Confirm required arbitrage rebate and yield restrictions calculations were completed and all necessary payments or filings were submitted.

D. Confirm record retention requirements are being met for bond-related expenditures and investments.

E. Identify all continuing disclosure requirements as outlined in the Continuing Disclosure Undertakings and the Continuing Disclosure Certificate in the Final Official Statement.

F. Confirm that all required disclosures or material events were timely filed with the Municipal Securities Rulemaking Board via Electronic Municipal Market Access (EMMA).

G. Identify and list all bond indentures, resolution or ordinance requirements and confirm that all requirements were met.

IX. **PROCEDURES TO CORRECT NON-COMPLIANCE** – If it is determined that the regulations, policies or procedures have been violated related to a debt issuance, the City will take appropriate action to remediate such non-compliance. Such action may include, but is not limited to the following steps:

A. Notify the Finance Director and Chief Financial Officer

B. Notify bond counsel and financial advisor

C. Resolve non-compliance in a timely manner to reduce penalties and late interest.

D. Take the appropriate remedial action as advised by bond counsel. Remedies may include, but are not limited to:

- a. Enter the IRS Voluntary Closing Agreement Program (VCAP).
- b. Pay all past due arbitrage rebate or yield restriction liabilities to the IRS to include a letter of explanation for late payment, late interest and/or penalties.

c. Correct non-compliance matter to ensure future compliance.

E. Submit any necessary disclosures to the Municipal Securities Rulemaking Board via Electronic Municipal Market Access (EMMA).

HISTORY

Adopted: 06/06/2017

Revised:



700 Investments

Policy #
700-01

Subject:
CASH MANAGEMENT

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To prudently manage the safety, liquidity, and earnings on City cash balances.

GUIDELINES

The policy mandates the pursuit of the following overall goals and objectives:

1. Cash management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. Furthermore, such activities shall be designed to adhere to guidelines and standards promulgated by such professional organizations as the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
2. Operating within appropriately established administrative and procedural parameters, the City shall pursue optimum financial rewards, while simultaneously controlling related expenditures. Cash management functions involving outside financial intermediaries shall be conducted in the best financial and administrative interests of the City.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011

700 Investments

Policy #
700-02

Subject:
INVESTMENT STRATEGY

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE & GUIDELINES

To prudently manage the safety, liquidity, and earnings on City cash balances.

I. Introduction

This Investment Policy (this “Policy”) of the City of Henderson (“City”) provides a framework for investment activities to ensure effective and judicious management of City funds. The guidelines are intended to be broad enough to allow delegated staff to function properly within their span of responsibility and authority, yet specific enough to adequately safeguard City investment assets and to conform to all federal, state, and local laws, specifically including the Nevada Revised Statutes (“NRS”) governing the investments of public funds.

II. Governing Authority

The investment program shall be operated in conformance with all legal requirements, particularly NRS 355.170-175.

III. Scope

This Policy applies to the investment activities of the City’s “pooled” financial assets. Except for funds in certain restricted and special funds, the City commingles its funds to maximize investment earnings and to decrease inefficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on the average cash balance of the fund for the month. Non-pooled investments consist primarily of special assessment bond proceeds.

IV. General Objectives

The primary objectives of the City’s investment activities, in priority order are as follows:

1. **Safety of Principal** - The foremost objective of the City's investment activities is safety of principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk by limiting holdings to high-quality issuers, and to mitigate interest rate risk by varying and managing maturities
2. **Adequate Liquidity** - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may reasonably be anticipated.
3. **Return on investment** - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. **Standards of Care**

1. **Prudence** - The standard of prudence to be used by the delegated staff in the course of their investment activities shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Delegated staff acting in accordance with written procedures, this Policy, and exercising due diligence shall not be held personally liable for an individual security's credit risk or market price changes, provided that deviations from expectations are reported to the Finance Director and appropriate action is taken to control adverse developments in a timely manner.

As used in this Policy, the "prudent person" standard means that delegated staff

"shall exercise the judgment and care, under circumstances then prevailing, which a person of prudence, discretion and intelligence exercises in the management of his or her own affairs, not in regard to speculation, but in regard to investment of his or her money, considering the probable income as well as the probable safety of his or her capital."

2. **Ethics and Conflicts of Interest** - Delegated staff is obliged to comply with Chapter 2.40 of the Henderson Municipal Code "Ethical Standards for Public Servants". Delegated staff involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Delegated staff shall disclose any material interests in financial institutions with which they conduct business and any personal financial/investment positions that could be related to the performance of the investment portfolio to the Finance Director or Investment Committee, as appropriate. Delegated staff shall refrain from undertaking any personal investment transactions with the individuals or firms with whom business is conducted on behalf of the City.

3. **Delegation of Authority and Responsibilities - Governing Body -**
The Henderson City Council retains ultimate fiduciary responsibility for the City's investment portfolios.

Finance Director - Authority to manage the investment program is granted to the Finance Director who may delegate responsibility to manage various aspects of day-to-day operations to one or more staff members who shall act in accordance with established written procedures and this Policy.

Investment Committee - The City will establish an investment committee to provide guidance regarding the investment program to the Finance Director.

Investment Advisers - The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment managers engaged by the City may be granted discretion to purchase and sell investment securities in accordance with NRS 355.170-175 and this Policy. Such managers must be registered under the Investment Advisers Act of 1940 and any other applicable laws of the State of Nevada.

All employees, advisors, and any others involved in the investment process shall seek to act responsibly as custodians of the public trust. No designee may engage in an investment transaction except as provided under the terms of this Policy and supporting procedures.

VI. **Authorized Financial Institutions, Depositories, and Broker/Dealers**

Authorized Financial Institutions, Depositories, and Broker/Dealers Financial institutions, depositories and broker/dealers authorized to engage in transactions with and on behalf of the City will need to demonstrate a successful history of providing comparable services, proven economic viability, and reasonable fees. The City will require all broker/dealers that may engage in investment transactions on behalf of the City to provide a certification of having read and understood and agreeing to comply with this Policy. Selection of these firms shall be at the sole discretion of the City. The Finance Department will maintain a list of financial institutions, depositories, and broker/dealers authorized to provide investment services.

The City will periodically monitor the financial condition and registration status of financial institutions, depositories and broker/dealers. The City may require documentation at any time, including, but not limited to, audited financial statements, proof of FINRA certification, proof of Nevada registration, and proof of federally regulated exchange membership and evidence of insurance coverage.

VII. **Safekeeping and Custody**

1. **Delivery vs. Payment** - All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.
2. **Third-Party Safekeeping** - Securities will be held by an independent third-party safekeeping institution selected by the City. All securities will be evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).
3. **Internal Controls** - The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by the Finance Director, staff, and the Investment Committee. The internal controls shall address limited access to funds, dual authorizations, delegation of authority, separation of transaction authority from accounting and record keeping, audit trails, and procedures.

The external auditor shall provide an annual independent review to assure compliance with state law, policies and procedures.

VIII. **Suitable and Authorized Investments**

1. **Investment Types and Credit Guidelines** - The City will invest only in those securities permitted by NRS 355.170-171.

If the credit rating of a security is subsequently downgraded below the minimum rating level, the Finance Director or designated staff will evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director or designated staff will apply the general objectives of safety, liquidity, yield and legality to make the decision.

2. **Collateralization** - NRS 356.005 authorizes the City to deposit public funds in any insured state or national bank, insured credit union, or insured savings and loan association. Deposits not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral as prescribed by NRS 356.020. Securities used as collateral will be held by one or more qualified banks or trusts for, and in the name of, the City.

IX. **Investment Parameters**

1. **Mitigating credit risk in the portfolio** - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall mitigate credit risk by:

- Investing in high-quality issuers
- Diversification

Investments will avoid over-concentration in a specific, class of securities and maturity. Varied maturities including a portion continuously maintained in readily available funds such as the Nevada Local Government Investment Pool and money market funds commensurate with ongoing liquidity needs.

2. **Mitigating market risk in the portfolio** - Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term/core portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility. The City shall mitigate market risk by providing adequate liquidity for short-term cash needs, making longer-term investments only with funds that are not needed for current cash flow purposes. The City further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City shall continuously maintain a balance in short-term investments such as deposit and money market accounts in order to provide sufficient liquidity for expected disbursements. This will normally comprise 20-25% of the portfolio over a three-month horizon. The target average maturity range for investments beyond liquid investments described above will range from 1-5 years. These will be funds invested to smooth out cash flow fluctuations, cover larger expenditures, debt service and contingencies. The average weighted maturity and duration of this portion of the portfolio is not expected to exceed 5 years.
- The City may engage professional investment advisors to manage its longer-term core funds in order to maximize returns consistent with the City's primary objective of safety of principal.

X. Performance Standards/ Evaluation

The investment portfolio will be managed in accordance with the parameters specified with-in this Policy. The portfolio should obtain a market average rate of return during a market/ economic environment of stable interest rates. Portfolio performance shall be compared to the benchmarks shown on the table below which reflect a similar maturity and credit profile. When comparing performance, fees and expenses incurred to manage the portfolio will be included. Significant differences will be explained and a corrective action plan developed.

Total Portfolio Maturity Segments:	Benchmark
Liquid portfolio	90 day Treasury Bill
Medium term portfolio (1-5 years)	3 year US Treasury
Longer term portfolio (up to 10 years)	10 year US Treasury

XI. Reporting/Disclosure

The Finance Director or designated staff shall prepare an investment report, at least quarterly, that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. The investment report will be prepared in a manner that will allow the Investment Committee to ascertain whether investment activities during the reporting period have conformed to this Policy.

The report may include commentary to explain results, investment and/or economic conditions and policy or other concerns as needed.

XII. Policy Considerations:

This Policy shall be reviewed by the Finance Director at least annually within 120 days of the end of the fiscal year to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

XIII. Approval of Investment Policy

This Policy and any modifications to this Policy shall be presented for approval and adoption by the City Council before taking effect.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011, 06/06/2017



A Place To Call Home

800 Intergovernmental Relations

Policy #
800-01

Subject:
INTERLOCAL COOPERATION IN DELIVERING
SERVICES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis, and support favorable legislation at the state and federal levels.

GUIDELINES

In order to promote the effective and efficient delivery of services, the City shall actively seek to work with other local jurisdictions in joint purchasing consortia, sharing facilities, sharing equitably the costs of service delivery, and developing joint programs to improve service to its citizens.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

800 Intergovernmental Relations

Policy #
800-02

Subject:
LEGISLATIVE PROGRAM

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis, and support favorable legislation at the state and federal levels.

GUIDELINES

The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding to implement them. Conversely, as appropriate, the City shall cooperate with other jurisdictions to actively support legislative initiatives that provide more funds for priority local programs.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

800 Intergovernmental Relations

Policy #
800-03

Subject:
MONITOR / PARTICIPATE IN REGIONAL PLANNING
ACTIVITIES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis, and support favorable legislation at the state and federal levels.

GUIDELINES

The City shall participate with other jurisdictions in regional planning activities to ensure the City's quality of life is maintained and costs of improvements are shared by all jurisdictions receiving benefits.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003



A Place To Call Home

Policy #
900-01

Subject:
GRANT GUIDELINES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To seek, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's current priorities and policy objectives.

GUIDELINES

The City shall apply, and facilitate the application by others, for only those grants or other philanthropic funds that are consistent with the objectives and high priority needs previously identified by Council.

Philanthropic funds definitions will be applied as described in the Finance Grant, Donation, and Sponsorship Cycle Manual. Grant, Donation, and Sponsorship applications shall follow procedures as outlined by the Finance Department which shall encompass the grant clearinghouse and direction on seeking, applying for, and administering these funds and shall be in alignment with the City's Financial Management Policy, Fiscal Signature Authority 1300-01.

The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 07/03/2012, 06/15/2021

Policy #
900-02

Subject:
INDIRECT COSTS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To seek, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's current priorities and policy objectives.

GUIDELINES

The City shall recover full indirect costs unless the funding agency does not permit it.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 06/15/2021

Policy #
900-03

Subject:
GRANT REVIEW

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To seek, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's current priorities and policy objectives.

GUIDELINES

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. All application submittals shall have the budget reviewed and approved by the grants administrator or designee prior to submission.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 07/03/2012, 06/15/2021

Policy #
900-04

Subject:
GRANT PROGRAM TERMINATION

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To seek, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's current priorities and policy objectives.

GUIDELINES

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003



A Place To Call Home

1000 Fiscal Monitoring

Policy #
1000-01

Subject:
FINACIAL STATUS REPORTS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

GUIDELINES

Monthly reports shall be prepared comparing year-to-date expenditures and revenues to current budget and noting the status of fund balances to include dollar amounts and percentages. These reports shall be sent to all City departments and shall be made available to the citizens of Henderson by request.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011, 07/03/2012

1000 Fiscal Monitoring

Policy #
1000-02

Subject:
FIVE-YEAR FORECAST OF REVENUES AND
EXPENDITURES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

GUIDELINES

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the City's financial position, shall be prepared in anticipation of the annual budget process. The forecast shall also examine critical issues facing the City, economic conditions, and the outlook for the upcoming budget year.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

1000 Fiscal Monitoring

Policy #
1000-03

Subject:
COMPLIANCE WITH COUNCIL POLICY STATEMENTS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

GUIDELINES

The Financial Management Policy Statements will be reviewed annually and updated, revised, or refined as deemed necessary. Policy statements adopted by the Council are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained in the Comprehensive Annual Budget Report.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003. 07/03/2012



A Place To Call Home

1100 Financial Consultants

Policy #
1100-01

Subject:
FINANCIAL CONSULTANTS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To employ the assistance of qualified financial advisors and consultants as needed in the management and administration of the City's financial functions. These areas include but are not limited to, investments, debt administration, financial accounting systems, program evaluation, and financial impact modeling.

GUIDELINES

With available resources, the City shall seek out and employ the assistance of qualified financial advisors and consultants in the management and administration of the City's financial functions. Advisors shall be selected using objective questionnaires and requests for qualifications/proposals based upon demonstrated expertise relative to the scope of work to be performed and appropriately competitive fees.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003



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1200 Accounting, Auditing, & Financial Reporting

Policy #
1200-01

Subject:
CONFORMING TO AUDITING PRINCIPLES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To comply with prevailing local, state, and federal regulations, as well as current professional principles and practices relative to accounting, auditing, and financial reporting.

GUIDELINES

The City's accounting practices and financial reporting shall conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the recommended best practices by the Government Finance Officers Association (GFOA).

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011

1200 Accounting, Auditing, & Financial Reporting

Policy #
1200-02

Subject:
SELECTION OF AUDITORS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To comply with prevailing local, state, and federal regulations, as well as current professional principles and practices relative to accounting, auditing, and financial reporting.

GUIDELINES

Every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory, and the City Council shall select an independent firm of certified public accountants to perform an annual audit of the books of accounts, records, and transactions; certifying the financial statements of the City.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011

1200 Accounting, Auditing, & Financial Reporting

Policy #
1200-03

Subject:
CONTINUED ENHANCEMENT OF FINANCIAL
SYSTEMS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To comply with prevailing local, state, and federal regulations, as well as current professional principles and practices relative to accounting, auditing, and financial reporting.

GUIDELINES

The City shall continue to ensure its financial systems provide efficient and effective financial reporting to optimize the use of available resources for the citizens of Henderson. The City will continue to seek improvement through its participation in the Government Finance Officers Association (GFOA) awards programs as well as implementation of best practice strategies.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

1200 Accounting, Auditing, & Financial Reporting

Policy #
1200-04

Subject:
FUND BALANCE CLASSIFICATION

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish policy for City fund balance classifications and use.

GUIDELINES

Fund balance classifications describe the nature of net resources reported in a governmental fund. Classifications include non-spendable resources and amounts that are restricted, committed, or assigned (and unassigned in the case of the general fund).

Restricted amounts result from constraints placed on the use of resources externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Committed amounts result from constraints imposed by formal action of the City Council.

Assigned amounts are constrained by the City's intent to use for specific purposes. City Council delegates authority to assign fund balance amounts to the Chief Financial Officer.

For expenditures for which both restricted and unrestricted fund balance is available, the City considers the restricted fund balance spent. For expenditures of unrestricted fund balance for which any classification may appropriately be used, the City considers fund balance spent in the following order: 1) committed, 2) assigned and 3) unassigned.

HISTORY

Adopted: 03/05/2011
Revised:



A Place To Call Home

1300 Internal Controls

Policy #
1300-01

Subject:
FISCAL SIGNATURE AUTHORITY

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain authority for the approval and execution of contracts on behalf of The City.

GUIDELINES

Signature authority:

Signature authority for contracts to which the City is a party, and any amendment to such contracts, shall be determined in accordance with this Policy. With the exception of the City of Henderson Redevelopment Agency, City departments and divisions are not separate legal entities; accordingly, City departments should not execute contracts outside of this policy.

Contracts with a value greater than \$100,000.00 and all interlocal agreements require:

- City Council approval;
- Signature by the Mayor or City Manager on behalf of the City, provided that the City Manager may delegate approval authority to a Deputy City Manager, Assistant City Manager or Department Director;
- Attestation by the City Clerk, or his/her delegate, of such signature on behalf of the City;
- Signature by the City Attorney, or his/her delegate, as to approval of the form of the contract;
- Signature by the Chief Financial Officer, or his/her delegate, as to approval of the funding for the contract; and

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- Signature by the Department Director, or his/her delegate, as to approval of the content of the contract.

Contracts with a value greater than \$10,000 and less than or equal to \$100,000.00 and any contract with a provision pursuant to which the City indemnifies the counterparty or a third party require:

- Signature by the Department Director, or his/her delegate, on behalf of the City;
- Signature by the City Attorney, or his/her delegate, as to approval of the form of the contract; and
- Signature by the Chief Financial Officer, or his/her delegate, as to approval of funding.

Contracts with a value of \$10,000 or less without a provision pursuant to which the City indemnifies the counterparty or a third party require signature by the Department Director that is to administer the contract, or his/her delegate.

In addition, the City Clerk shall attest any contracts requiring City Clerk attestation pursuant to HMC 2.44.

Emergency Contracts:

Contracts that are executed other than in accordance with this Policy due to extenuating circumstances (including but not limited to an “emergency”, as such term is defined in HMC 2.24.010) in which strict compliance with this Policy could reasonably be expected to result in a significant financial loss or liability to the City or significant risk to persons or property shall be ratified by the appropriate signature(s) and, if applicable, City Council action or terminated as soon as reasonably practical.

Amendments:

Any amendment to a contract to which the City is a party requires approval and signature(s) as follows:

- If the original contract was presented to City Council for approval, all subsequent amendments must also be presented to City Council for approval, regardless of the value, unless (i) the sole purpose of the amendment is to effectuate an extension of the term of the contract, and such extension was provided for in the existing contract, (ii) the City Council expressly authorized a person (by title) to execute an amendment to the contract and the amendment is consistent with all limitations imposed on such person's authority by City Council, or (iii) the amendment is a change order to a construction contract that is within the total project budget set forth in the contract and does not increase the contract amount by more than 25 percent of the contract amount as originally awarded by City Council. In the event that City Council authorizes a person to execute any amendment to a contract, such authorization shall be deemed to have been granted solely for the purpose of effectuating any extension(s) of the term of the contract that were expressly provided for in the existing contract, unless it is apparent from the record that City Council intended otherwise.
- Signature authority required to approve an amendment to an existing contract is the same as the signature authority originally required to approve that contract unless the amendment increases the value of that contract to an amount that requires a higher level of signature authority or approval.

General:

For the purposes of this Policy:

- In the event that the City has the unilateral right to terminate a contract without cause, the dollar value of the contract shall be the total amount anticipated to be paid or payable (including "in kind" payment) by or to the City, or donated, waived or forgiven by the City, under the contract in any single fiscal year. For all other contracts, the dollar value of a contract is determined by the total amount anticipated to be paid or payable (including "in kind" payment) by or to the City, or donated, waived or forgiven by the City, under the contract, assuming that the contract is fully performed, prior to the effective date of any optional extension or renewal of the term by the City.
- An interlocal agreement means any contract, including any "memorandum of agreement," "memorandum of understanding" or similar agreement, between the City and one or more other "public agencies", as such term is defined in NRS 277.100, or federal, state or local governmental entities, generally.

- All delegations of signature authority must be expressly granted in writing and retained in the records of the department of the delegating person in accordance with the City Records Retention Schedule (Delegation of Authority Records). Any person who signs a contract pursuant to delegated authority shall indicate on the signature page of the contract that they are signing “for” or “on behalf of” the person who delegated the authority. Delegations of signature authority may be indefinite or for a limited period of time, as so specified in the writing granting the signature authority, but in any case will automatically terminate if the authorized person ceases to be employed by the City.
- Any person who has been appointed as an “interim or acting [official title]” shall sign on behalf of the City in such capacity.
- A written delegation of authority is not required for a Department Director’s supervisor or the City Manager to sign a document within the Department Director’s authority.
- No person may affix a manual, electronic or stamped signature to a contract on behalf of another person unless authorized in writing by the person whose signature is to be affixed. Such authorization must be made in writing and retained in the records of the department of the authorizing person in accordance with the City Records Retention Schedule (Delegation of Authority Records), together with a list of all contracts, documents and instruments signed pursuant to such authorization and the date of signature.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 08/03/2004, 08/21/2007, 01/19/2010, 03/05/2011, 07/03/2012, 10/02/2012, 05/23/2013, 11/04/2014, 12/13/2016, 08/06/2019

1300 Internal Controls

Policy #
1300-02

Subject:
SEPARATION OF DUTIES

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both commit and conceal errors and irregularities in the normal course of assigned duties.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

1300 Internal Controls

Policy #
1300-03

Subject:
PROPER RECORDING

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete, and up-to-date.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

1300 Internal Controls

Policy #
1300-04

Subject:
ACCESS TO ASSETS AND RECORDS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

Procedures shall be designed and maintained to ensure that adequate safeguards exist over the access to, and use of, financial assets and records.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

1300 Internal Controls

Policy #
1300-05

Subject:
INTERNAL CONTROL EVALUATION

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

Ongoing evaluations will be performed to determine whether internal controls over financial reporting are present and functioning. Deficiencies will be identified and timely communicated to those responsible for taking corrective action and to management as appropriate. Policies, procedures, and internal controls are subject to independent audit (internal and external).

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003, 03/15/2011

1300 Internal Controls

Policy #
1300-06

Subject:
RETURNED CHECK POLICY

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

City collection centers will develop procedures for handling returned checks. Procedures will address updating customer accounts, recovery efforts, assessing collection fees as authorized under NRS 597.960, and managing future customer payments as appropriate under the circumstances.

This policy supersedes all prior returned check policies including those approved on 08/15/95 (CA-25) and 03/21/89 (UB-8).

HISTORY

Adopted: 04/15/2003
Revised: 03/15/2011

1300 Internal Controls

Policy #
1300-07

Subject:
COSTS AND BENEFITS

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish and maintain an internal control structure designed to provide reasonable assurance that City assets are safeguarded and that the possibilities for material errors in the City's financial records are minimized.

GUIDELINES

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from the system.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003



A Place To Call Home

1400 Emergencies

Policy #
1400-01

Subject:
DECLARED EMERGENCY OR DISASTER

SCOPE

All City of Henderson Employees; Citizens of the City of Henderson

PURPOSE

To establish policy and guidance for the funding and accounting of incident-related costs and ensure authorized financial procedures are followed before, during, and after an emergency or disaster.

GUIDELINES

In the event an emergency or disaster is declared in accordance with Henderson Municipal Code Chapter 2.24.060, the Budget Division will evaluate City resources including revenues, donations, stabilization balances, insurance reserves, and unrestricted fund balances in order to determine how much funding is readily available to respond to the incident and to assist the City in expeditiously requesting outside assistance as needed.

In order to capture costs related to an emergency or disaster, the Finance Department will assign one or more project numbers as appropriate. The number(s) will be used on all transactions (payroll, purchasing cards, vouchers, requisitions, purchase orders, journals, etc.) in order to track associated costs.

All existing financial policies and procedures apply before, during, and after an emergency unless specifically superseded by emergency policies and/or directives of authorized officials.

Finance staff is directed to the Finance Continuity of Operations Plan (COOP), which includes helpful information and guidance for emergencies including alert notification procedures, contact list, personnel coordination, lines of succession, delegation of authority, mission essential functions, and vital records and resources. Staff is also directed to the City's All-Hazard Emergency Operations Plan which establishes process/structure for the delivery of emergency services to address the consequences of a declared city emergency or disaster.

HISTORY

Adopted: 10/05/1999
Revised: 04/15/2003

