

CHAPTER 24 FINANCE

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ARTICLE I. IN GENERAL.

Sec. 24-1. Authority and purpose.

Town financial policies are enacted to supplement the requirements of Wis. Stats., §§ 60.40-60.47 and 65.90, to ensure public accountability, and to facilitate communication between the town board, town officials, and the public on budget and finance matters.

Sec. 24-2. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly gives a different meaning:

Accounting basis means the method adopted for recording revenues and expenditures.

Appropriation means a legal authorization granted by the town board which permits public officials to incur obligations and make expenditures up to the amount of money allocated and within time limits set by the town board.

Audit means a careful examination, using generally accepted accounting principles and practices, giving the independent auditor's opinion whether or not revenues are fairly reported and whether expenditures are fairly reported.

Budget means the managerial and political document in which the costs associated with various activities are estimated, anticipated revenues projected, and decisions made which result in appropriations, tax levies and borrowing authority.

Budget calendar means the schedule of events that need to occur and the date or period of time for each to occur in the preparation, review and adoption of a budget.

Capital assets (fixed assets) means buildings, machinery, equipment or other items having a useful life of more than one year and/or costing a significant amount of money to acquire.

Capital improvement plan means a plan listing priorities for major capital improvement projects anticipated over a fixed number of years, their costs, and methods of financing the expenditures.

Capital outlay means expenditures for the acquisition of new or replacement of current capital assets.

Capital reserves means an account set aside for the purchase or construction of major capital outlay items.

Cash basis accounting (single entry) means an accounting system in which transactions are recorded only as cash is received or paid out. Under this system, revenues are recorded when they are received and expenditures are recorded when checks are issued.

Cash flow plan means a projection of the cash receipts and disbursements anticipated during each week or month of the fiscal year.

Category (budget category) means the summary level of a series of revenue or expenditure line item accounts grouped by similar type of revenue or expenditure.

Contingency reserve means an account, included as part of most budgets, set aside for emergencies or other unanticipated needs not otherwise included as part of a budget.

Debt service means the amount of money that the town must spend to repay in full and on schedule the principal and the interest owed on what it borrows from outside lenders.

Encumbrance means commitments to pay for equipment, goods or services without payment actually being made. Purchase orders and contracts are typical ways in which the town encumbers funds to be charged against an appropriation for contracts yet to be performed.

Expendable trust fund means a fund established to record income from endowments and may be

expended in the course of their designated operations.

Fund means an independent accounting entity with its own set of accounts to record revenues and expenditures, obligations, and reserves.

General fund means the fund used to account for all financial resources except those required to be accounted for in another fund.

General reserves means revenues received but not needed until a future date in order to meet obligations; these revenues can be invested in a variety of authorized ways to generate additional income.

Line-item account means a classification established for the purpose of recording revenues and expenditures. All of the accounts adopted by the town comprise the “chart of accounts.”

Line-item budget means the classification of expenditures on the basis of categories called objects-of-expenditure (personal services, contractual services, capital outlay, etc.) and within each category more detailed line-items (salaries, travel, telephone expense, etc.). (This type of budget, traditionally used among local units of government, focuses attention on how much money is spent and for what purpose rather than the activity affected or its outcomes.)

Management letter means a letter from the independent auditors that is usually a series of findings or recommendations on ways the financial management policies and practices may be improved.

Petty cash means any funds which are in the form of cash and are kept by a public official in an amount authorized by the town board.

Special revenue funds means a fund used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes or activities.

Transfer of funds means an approved movement of monies from one separate fund to another

fund. Often budgets call for Transfers In to the General Fund to pay for centralized expenditures such as utilities, insurance, or fringe benefits. Transfers Out from the General Fund may be required to subsidize new special activity funds or those with insufficient or unreliable revenue sources.

Unreserved fund balance Available funds from prior year budgets that the local government’s auditors have determined are not pledged for any purpose that may be used as a guarantee for the credit of the government’s long term bonds, or for any legal general purpose. (Unreserved funds are considered outside the normal operating budget unless applied as “Funds Forwarded” to reduce the tax levy. Expenditure of these funds requires a 2/3 vote.)

Zero-base budget means a budgeting approach whereby the expenditure amount for each line item is examined in its entirety each year, regardless of prior funding. Those items that cannot be justified are subject to elimination.

Sec. 24-3. Account classifications.

(a) *Line-item level.* All revenue and expenditure entries are posted to a line-item account level. The clerk-treasurer may establish additional sub-levels of the line-item account, as needed, for financial reporting.

(b) *Department/activity level.* (optional) A series of line-item accounts may be grouped together and managed as a department or specified activity for the purpose of budget adoption, budget amendment, or purchasing authority.

(c) *Category level.* Each line-item levels rolls-up to a single category level, as specified under sec. 24.23.

Sec. 24-4. Independent audit.

(a) *Annual audit.* A financial audit as required under Wis. Stats., § 60.43 shall be completed at least once each year. A summary of the independent audit report shall be presented at the annual town meeting.

(b) *Auditor consultant services.* The town board may engage the services of an independent audit firm to support the town board and the clerk-treasurer in setting up accounting

and financial software, and to make recommendations on effective management policies to protect the public trust.

ARTICLE II. ACCOUNTING POLICY.

Sec. 24-21. Fiscal year.

The fiscal year for the town shall be the calendar year January 1 through December 31.

Sec. 24-22. General accounting policies.

(a) Financial records of the town shall be maintained using cash-basis accounting methods. The accounting structure recommended by the Wisconsin Department of Revenue shall be used for the town's accounting system.

(b) The clerk-treasurer shall be responsible for maintaining the integrity of the financial accounting system.

(c) Sequentially pre-numbered accounting documents for receipts and checks shall be used.

Sec. 24-23. Bank accounts.

(a) The town board shall designate by resolution one or more public depositories for depositing funds of the town. The following accounts are approved:

- (1) Primary town bank accounts: one checking account and one money market account.
- (2) Local government investment pool.
- (3) Fire volunteer funds: three money market accounts.

(b) Bank statements shall be reconciled monthly by the clerk-treasurer, and reviewed and signed by the town chairperson.

(c) All drafts or order checks and all transfer orders shall be signed by the clerk-treasurer and town chairperson.

(d) The town board authorizes the clerk-treasurer to process periodic payments through the use of money transfer techniques, including direct deposit, electronic funds transfer and

automated clearinghouse methods, subject to review and approval of the town chairperson. The clerk-treasurer shall keep a record of the date, payee and amount of each disbursement made under this paragraph.

(e) Interest accruing from town money in a public depository shall be credited to the town and recorded as general interest revenue. The town board may by resolution authorize the allocation of interest revenue to specific accounts.

Sec. 24-24. Revenues to town.

(a) For collection of taxes, the individual *Statement of Real Estate Taxes* (i.e., the tax bill) for each parcel of land shall be used as the receipt. The clerk-treasurer shall total tax receipts daily and prepare one general receipt for the taxes collected each day.

(b) Pre-numbered general receipts in triplicate shall be issued for all moneys received showing the date received, amount, name of payer, purpose of payment, and the account number credited. The receipt data shall be recorded in the town's financial system in a timely manner and no later than month-end.

(c) When persons other than the clerk-treasurer collect money a separate series of pre-numbered receipts shall be used. Money collected and a copy of the receipts shall be deposited with the clerk-treasurer who shall prepare one general receipt and record the series of separate receipt numbers represented by the general receipt.

(d) All receipts shall be filed in numerical sequence by receipt number with supporting documentation. All receipts numbers shall be accounted for and voided receipts shall be kept and filed in sequence. The reason what a receipt was voided shall be written on the receipt.

(e) A general receipt shall be written for each electronic fund transfer or interest credited to a bank account.

(f) Moneys received shall be deposited at least weekly to the designated bank depository, or daily if the monies on hand equal \$500.00 or more. The deposit slip shall include a notation of the specific receipt numbers included in the deposit. A copy of the deposit slip shall be retained by the clerk-treasurer.

(g) All monies on hand shall be kept in a locked and secure location accessible only to the clerk-treasurer, or designee.

(h) Payments to the town that are not honored by the financial institution upon which they were drawn remain the responsibility of the payer. The payer is responsible for all charges incurred in the collection of the debt. Any license or permit granted upon any uncollected payment shall be subject to cancellation.

Sec. 24-25. Expenditures.

(a) Check stubs and attached vouchers shall be filed in numerical sequence by check number with supporting documentation. All check numbers shall be accounted for and voided checks shall be kept and filed in sequence

(b) The clerk-treasurer shall receive, examine and approve in writing each bill or voucher as a proper charge against the treasury, after having determined that:

- (1) Funds are available and appropriated for the purpose for which the order is drawn.
- (2) The item or service covered by the claim has been duly authorized by the proper public official.
- (3) The item or service covered by the claim has been supplied or rendered in conformity with the authorization under (2).
- (4) The claim appears to be a valid claim against the town. The clerk-treasurer may require the submission of proof to support the claim as deemed necessary.

(c) The town board authorizes the town chairperson and clerk-treasurer to pay claims

pursuant to paragraph (b) for the following claims: payroll claims, routine monthly expenditures, and other claims preauthorized by the town board. Claims for business expense reimbursement and non-routine claims shall be subject to approval of the town board prior to payment.

(d) At each monthly regular town board meeting the clerk-treasurer shall file with the town board a list of all claims paid or approved or pending approval, showing the date paid, check number, payee, purpose and amount.

(e) All claims for business expense reimbursement shall be paid by a separate check and not added to a payroll check.

(f) No expenditure may be issued in excess of funds available or appropriated for the purposes for which the order is drawn, unless a budget amendment is adopted pursuant to sec. 24.42.

(g) All expenditures shall be recorded in the town's financial system and charged to the proper line-item account. No expenditure shall be charged to an improper account for the purpose of avoiding a required budget amendment pursuant to sec. 24.42.

Sec. 24-26. Fire department volunteer funds.

(a) The following definitions apply to this section:

Fire volunteer funds means funds of the town that are raised by employees or volunteers of the volunteer fire department, or by donation to the fire department for the benefit of the town's fire department.

Volunteer funds means fire department volunteer funds.

(b) The town board hereby authorizes a separate public depository for fire volunteer funds. All fire volunteer funds shall be remitted to the clerk-treasurer to be deposited into a separate fire volunteer fund bank account(s).

(c) The fire chief shall receive, examine and approve in writing each bill or voucher as a proper charge to be paid from the fire volunteer fund account. Use of monies from the fire volunteer fund requires approval by a majority vote of the volunteer fire membership. Upon receipt of proof of the approved claim, the clerk-treasurer shall transfer funds from the fire volunteer fund to the town's primary checking account and a check shall be issued, signed by the town chairperson and town clerk-treasurer.

(d) Use of fire volunteer funds for the purchase of fixed assets shall be subject to prior authorization of the town board.

(e) Fire volunteer funds shall remain the property of the town until the funds are disbursed.

Sec. 24-27. Petty cash.

(a) The town board shall approve any petty cash account and fix the amount of the account. The town clerk-treasurer shall document procedures for maintenance of any petty cash account.

(b) The town clerk-treasurer shall keep petty cash in a secure location and shall maintain a detailed record of all petty cash transactions, showing date, amount, and purpose for each transaction. All expenditures made from petty cash shall be budgeted and accounted for against an appropriation.

Sec. 24-28. Financial reports.

(a) The town clerk-treasurer shall prepare all financial reports required by the town board and as required by law. The following reports for the board shall be prepared on a cash basis at the end of each month:

(1) *Net income statement.* A statement of revenues and expenditures for the month, and year-to-date, and the net change in cash assets. Whenever possible, this report shall include budget or amended budget figures for each account.

(2) *Cash balance report.* A report showing the beginning net assets by fund, the current month's excess or deficit, and the ending net assets by fund.

(b) An annual financial report shall be prepared in consultation with the independent auditor firm and shall be presented to the annual town meeting convened in April each year.

(c) All financial reports prepared by town officers other than the clerk-treasurer shall be verified by the clerk-treasurer prior to filing with any outside party.

Sec. 24-29. No personal use of funds.

No person shall be permitted to borrow or use any funds belonging to the town for personal purposes. No person shall be permitted to write out a personal check in exchange for cash for their own convenience.

Sec. 24-30. Acceptance and use of donations.

(a) Any cash or non-cash donation may be accepted by resolution of the town board. The resolution shall specify any restriction to a particular use or other contingent provisions of the donation.

(b) All cash donations shall be received by the town clerk-treasurer. Unless the donor has specified otherwise, donations shall be deposited into the general fund.

(c) Cash donations, once accepted, are subject to appropriation in accordance with procedures set by the town board.

(d) Unless restricted by the terms of the donation, the town may dispose of any donation, subject only to any applicable legal restrictions.

(e) Anonymous donations may be accepted only after legal review to ensure that the donor has no pending litigation, claims, zoning requests or similar matters pending before the town, such that acceptance of the donation would create a conflict of interest or an appearance of conflict.

ARTICLE IV. BUDGET POLICY.

Sec. 24-41. Truth in budgeting.

(a) *Budget process.* The town shall use the budget process as described in Wis. Stats., § 65.90 and budgets shall be prepared in accordance with administrative procedures fixed by the town chairperson.

(b) *Budget calendar.* The town chairperson and town clerk shall prepare an annual budget calendar.

(c) *Full disclosure.* Anticipated revenues from all sources and all proposed appropriations for every activity and reserve account shall be fully disclosed in the budget. This specifically includes that all funding sources and estimated total costs for specific capital outlay projects/items shall be clearly identified.

(d) *Contingency account.* The town board may propose appropriations to a contingency account and include it as a line-item in the proposed budget.

(e) *Detailed budget document.* The town board chairperson and town clerk shall formulate a proposed budget at the line-item account level, subject to review and approval of the town board by majority vote. The proposed budget shall show actual revenues and expenditures for the preceeding year, actual revenues and expenditures for the first 9 months of the current year, estimated revenues and expenditures for the balance of the year, and all unexpended or unappropriated fund balances, and surpluses.

(f) *Summary budget.* A budget summary shall be prepared and noticed as required by Wis. Stats., § 65.90 (3). The summary shall be presented at budget category level as described in sec. 24-23.

(g) *Public hearing.* A public hearing shall be held on the proposed line-item budget prior to budget adoption by the town board.

Sec. 24-42. Budget adoption and amendment.

(a) *Original budget.* The town board shall by resolution adopt the budget for the ensuing year by a majority vote. The resolution shall specify at what account level the budget is adopted (category, department/activity, or line-item level).

(b) *Amendments to budget.* The amounts of the various appropriations and the purposes for such appropriations stated in the budget may not be changed except as follows:

- (1) Any changes in appropriations between the account levels at which the budget is adopted shall be subject to a 2/3's vote of the members elect of the town board by resolution.
- (2) Any changes in appropriations within line-item levels within an adopted budget level shall be subject to a majority vote of the members elect by motion of the town board.
- (3) The town board may by majority vote transfer from a budgeted contingency fund to a line-item account.
- (4) Any budget amendment may not reduce any budget category below zero, or put the entire budget out of balance.
- (5) Amendments to increase highway expenditures shall be subject to the limits specified under Wis. Stats., § 81.01 (3).
- (6) The transfer of funds from a contingency fund or reserve fund to use for a purpose not anticipated in the budget shall be subject to a 2/3's vote of the members elect of the town board by resolution.
- (7) Contingency and reserve funds may only be used for transfers and shall not be used to record revenue or expenditure transactions.

Sec. 24-43. Required budget categories.

(a) The following categories of expenditures are required:

- (1) General government, comprised of the following department/activity groups:
 - a. Town board; legal; audit
 - b. Town clerk, elections, treasurer
 - c. Property assessment
 - d. General buildings and plant
 - e. Property and liability insurance
- (2) Public safety, comprised of the following department/activity groups:
 - a. Law enforcement
 - b. Fire protection
 - c. Ambulance
- (3) Public works, comprised of the following department/activity groups:
 - a. Highway and street lighting
 - b. Solid waste and recycling
- (4) Health and human services
- (5) Culture, recreation and education
- (6) Conservation and development
- (7) Capital outlay
- (8) Debt service
- (9) Other financing uses

(b) The following categories of sources of revenues are required:

- (1) Taxes
- (2) Special assessments
- (3) Intergovernmental revenues
- (4) Licenses and permits
- (5) Fines, forfeitures and penalties
- (6) Public charges for services
- (7) Intergovernmental charges
- (8) Miscellaneous revenues
- (9) Other financing sources

Sec. 24-44. Budget compliance.

(a) No payment may be authorized or made and no obligations may be incurred against the town unless sufficient appropriations have been made for payment.

(b) Every appropriation that has not been expended at the close of the year shall lapse at

the close of the year to the extent that it has not been expended or encumbered, except as provided under (c).

(c) The remaining appropriation for a capital outlay expenditure or a major repair in process may continue in force until the purpose for which it was made has been accomplished or abandoned. The town board may by majority vote authorize the town clerk by resolution to carry-forward the balance to the next year's budget.

Sec. 24-45. Civic appropriations.

(a) *Authority.* The town meeting may authorize the town board to appropriate money in the next annual budget for civic and other functions, subject to Wis. Stats., §60.23 (3). Civic and other functions shall include:

- (1) Civic functions and agricultural societies.
- (2) Advertise the attractions, advantages and natural resources of the town.
- (3) Attract industry.
- (4) Establish industrial complexes.
- (5) Establish, maintain and repair ecological areas.
- (6) Provide for the organization, equipment and maintenance of a town museum or a municipal band.
- (7) Construct or otherwise acquire, equip, furnish, operate and maintain a county-town auditorium.

(b) *Policy.* Subject to authorization by the town meeting, the town board shall consider funding requests received from community-based non-profit organizations during the regular budget process. The board will evaluate each proposal and, based upon available funds and the merits of each proposal, appropriate funds or other forms of assistance to those organizations which most effectively serve the needs of town residents.

(c) *Procedures.*

- (1) Written requests for civic appropriations shall be filed with the town clerk-treasurer by October 1 each year. The requesting organization shall submit a copy of its bylaws and, if a prior recipient of an appropriation, shall present a written statement on how the last appropriation was used.
- (2) The community services committee shall review the requests under (1), and recommend to the town meeting the amount of civic appropriations to be included in the next annual budget.

- (3) All civic donations are subject to authorization by the town meeting in November for appropriation by the town board in the next annual budget.
- (4) In-kind contributions by the town to support a civic organization shall be deemed funds donated by the town.

Sec. 24-46. Cash flow.

The clerk-treasurer in consultation with the town chairperson shall prepare a cash flow plan to assist the town board in determining the most opportune time to expend funds, to avoid unnecessary short-term fund shortages, and to earn the highest return on idle funds.

ARTICLE V. BUSINESS EXPENSES

Sec. 24-51. Policy.

(a) It is town policy to reimburse town officials and town employees for ordinary, necessary and reasonable expenses when directly related to the transaction of town business.

(b) Directly related means there is the expectation of deriving some current or future benefit for the town, the official or employee is actively engaged in a business meeting or activity necessary to the performance of the official's or employee's official duties, and there is a clear business purpose for incurring the expense.

(c) Officials and employees are expected to obtain prior authorization for any business travel or other activities which give rise to the need for incurring business expenses. Business expense reimbursement shall be limited to the amount appropriated in the budget for said purpose.

(d) All persons submitting claims for expense reimbursements that are not in compliance with this Article risk delayed, partial or forfeited reimbursement.

(e) Any exception to this Article shall be subject to approval of the town board. Any exception which requires a budget amendment shall require a 2/3's vote of the members elect.

Sec. 24-52. Substantiation.

(a) Requests for reimbursement of business expenses shall be submitted to the town clerk on a "Voucher Claim Form" and shall itemize all items for which reimbursement is claimed

(b) Original receipts are required for all expenses submitted for reimbursement, except for mileage and small items less than \$5.00.

(c) All business expenses shall be substantiated with adequate records, including information relating to:

- (1) the amount of the expenditure
- (2) the time and place of the expenditure
- (3) the business purpose of the expenditure
- (4) the names and the business relationships of individuals other than yourself for whom the expenditures were made.

Sec. 24-53. Approving business expenses.

Prior authorization and expense reports for the volunteer fire department shall be reviewed and signed by the fire chief. Prior authorization and expense reports for the fire chief, other officials and employees shall be reviewed and signed by the town board chairperson. The denial of a prior authorization may be submitted to the town board for final decision. The town board shall be responsible for final approval of all expense claims prior to reimbursement being paid.

Sec. 24-54. Reimbursable expenses.

(a) The following are reimbursable expenses providing they are in compliance with sec. 24-51 and 24-52:

- Hotel or motel and related tips
- Travel expenses including airfare, train fare, bus, taxi and related tips
- Meals, including tips up to 20%
- Business telephone calls
- Car rental
- Mileage for use of personal vehicle at IRS mileage rate
- Gasoline and oil for town owned, leased or rented vehicles
- Tolls
- Conference and convention fees
- Parking
- Other reasonable and necessary business expenses

(b) Expenses which are not reimbursable include, but are not limited to:

- Travel expenses for a spouse, partner or friend
- Baby-sitter costs
- Personal care, personal entertainment, refreshments, or alcohol
- Parking tickets or traffic fines
- First class airfare
- Expenses for personal miles in excess of the direct route to and from the destination

Sec. 24-55. Per diem expenses.

(a) *Per diem expenses.* Per diem is a fixed amount paid for authorized expenses incurred while on official duty away from home overnight. Per diem expenses include fixed allowances for lodging, meals and incidental expenses. It is the responsibility of the traveler to locate lodging and limit expenses within the per diem allowances. Expenses in excess of the limit shall not be reimbursed.

(b) *Advance authorization.* Per diem expenses shall be authorized in advance by the town board. Claims for expenses not authorized in advance may be disallowed by the town board.

(c) *Per diem rates.* Reimbursement for out-of-pocket per diem expenses shall be limited to the per diem rates set by the General Services Administration (www.gsa.gov). Rates are set according to the cost of living by city/state location and include a lodging rate and a meals and incidental expense (M&IE) rate.

(d) *Actual expenses.* Reimbursement for per diem expenses shall be based on actual expenses, not to exceed the applicable maximum per diem rate. Receipts are required for all expenses exceeding \$5.

(e) *First and last day limits.* The maximum per diem rate for meals and incidental expenses (M&IE) on the first and last days of travel shall be limited to 75% of the M&IE rate.

Sec. 24-56. Personal mileage.

Any person using a personal vehicle for business travel shall be reimbursed at the per mile rate

established by the IRS. Miles submitted for reimbursement shall be net of any normal commuting miles.

Sec. 24-57. Credit cards.

Any official or employee using a personal credit card for business expenses is personally responsible for direct payment to the credit card company. The official or employee shall submit receipts with the expense report to claim reimbursement for expenses charged to a credit card and approved expenses shall be reimbursed and paid to the claimant.

Sec. 24-58. Sales tax.

(a) The town is exempt from sales taxes. Except as permitted under (b), sales tax, from which the town is exempt, is not reimbursable, and if paid by the official/employee, remains the obligation of that official/employee.

(b) Sales tax included on meal receipts will be reimbursed.

(c) A tax exempt certificate should be obtained from the town clerk when it is necessary to claim exemption from sales tax on business expenses. Use of the certificate to avoid sales tax on personal transactions is strictly forbidden.

Sec. 24-59. Cash advances and prepayments.

(a) The town board chairperson and town clerk may authorize a cash advance of 75% of estimated expenses. No subsequent advance or expense reimbursement will be made if the accounting for a previous cash advance has not been completed.

(b) The town board chairperson and town clerk may approve the prepayment of expenses for commercial travel, registration or seminar fees, lodging, car rentals, and other similar items, only after verifying that the unencumbered balance in the appropriate account is sufficient to cover the cost of such expenses.

ARTICLE VI. FIXED ASSETS

(RESERVED)

**ARTICLE VII. PAYROLL
ADMINISTRATION**

Sec. 24-71. Policy.

(a) It is the policy of the town to pay town officials and employees by payroll check or direct deposit on a regular basis and in a manner consistent with applicable laws or regulations, accounting standards, and collective bargaining agreement.

(b) Town employees and the town clerk-treasurer shall be paid on a biweekly payroll basis. All other town officials shall be paid on a monthly basis.

Sec. 24-72. Timekeeping requirements for employees.

(a) The supervisor designated by the town board to be responsible for employee time records shall certify on each payroll that each person whose name appears on the timekeeping record has:

- (1) Actually worked the time for which he or she will be paid, and
- (2) Accurately recorded and substantiated the reasons for absent time for which pay is claimed.

(b) The absence of an employee without prior authorization or proper notice shall be considered unexcused and without pay. Upon receipt of substantiation of the reason for absence, the supervisor may excuse the absence and approve appropriate use of accrued benefit time to cover the absence.

(c) All hourly employees shall be required to record actual time worked each day. Requests for paid scheduled absences signed by the employee's supervisor shall be submitted to the town clerk.

(d) Records for time-worked for partial hours shall be rounded to the nearest one-quarter hour.

(e) Employee time records shall be signed by the employee and supervisor

Sec. 24-73. Distribution of paychecks.

(a) The town clerk, or designee, shall distribute paychecks on the date printed on the check. Checks may be hand-delivered or distributed via the U. S. postal service.

(b) As early release of any paycheck may result in tax penalties related to deposit requirements, early release of paychecks shall be prohibited.

Sec. 24-74. Correction of errors.

(a) If an employee is overpaid, the overpayment shall be deducted from future wages as they become due. The employee shall be notified in writing of the overpayment and the schedule for recovery of the overpayment. Recovery of the overpayment does not require the employee's consent.

(b) If an employee is underpaid, the amount of underpayment shall be calculated and paid on the next paycheck. The employee shall be notified in writing of the underpayment.

Sec. 24-75. Election official or election worker.

Any person employed by the town as an election official or election worker and paid less than \$1,000 in a calendar year for such service shall be exempt from social security withholding. Wages paid shall be subject to other payroll taxes and IRS wage reporting.

(42 U.S.C. 418, Sec. 218 (c) (8))

**ARTICLE VIII. PUBLIC
CONSTRUCTION CONTRACTS**

Sec. 24-81. Applicability.

This article applies to all public contracts for construction projects with an estimated cost greater than \$5,000. Purchases of goods, materials, services and equipment not meeting the definition of *public contract* under sec. 24-82 shall be subject to Article IX - Purchasing.

Sec. 24-82. Definitions.

The following definitions shall apply in this Article:

Public contract means a contract for the construction, execution, repair, remodeling, or improvement of a public work or building or the furnishing of materials or supplies, with an estimated cost greater than \$5,000.

Responsible bidder means a person who, in the judgment of the town board, is financially responsible and has the capacity and competence to faithfully and responsibly comply with the terms of the public contract.

Sec. 24-83. General rules.

(a) *Equipment.* The purchase of equipment that is to be incorporated into a specific building and meeting the expenditure threshold shall be subject to this Article.

(b) *Materials.* The purchase of materials that are part of a specific construction project shall be subject to this Article

(c) All public construction contracts shall be subject to Wis. Stats., §§ 60.47 and 66.0901.

Sec. 24-84. Expenditure thresholds.

(a) *Greater than \$5,000 and not more than \$25,000.* A class 1 notice to solicit quotations shall be given for any public construction contract greater than \$5,000 and not more than \$25,000.

(b) *Greater than \$25,000.* A class 2 notice of advertisement for bids shall be given for any public construction contract greater than \$25,000.

(c) *Prohibited actions.* Expenditure thresholds may not be artificially reduced by contract splitting or other means as an attempt to avoid the statutory requirements for notice and advertisement for bids.

Sec. 24-85. Competitive bid requirements.

(a) *Solicitation of bids and quotations.* Upon authorization of the town board, the town board chairperson shall direct, as appropriate, the solicitation of bids and quotations for the town's purchase of equipment, materials and services and submit the bids and quotations to the town board for approval.

(b) *Modifications prior to bid opening.* Any modifications or clarifications required to be made to the specifications, bidding documents, or any instructions to bidders, shall be made only by written notice to all known bidders. If modifications or clarifications in the specifications require an extension of the bid opening date, it may be so extended by the town board.

(c) *After bid opening; objections to process.* If any bidder feels there was an irregularity in the sealed bid process, the bidder may protest in writing to the town board or town clerk within 72 hours after the time of the bid opening. The town clerk will respond to the protest in accordance with procedures established by the town board.

(d) *Correction of errors in bids.* If any vendor who submits a bid claims a mistake, omission or error in preparing the bid, the vendor shall, before the bid is opened, make known the fact that the bid contains an error, mistake or omission, and the bid shall be returned unopened, and the vendor shall be entitled to resubmit a valid bid if said bid is received prior to the deadline. If any vendor shall make an

error or omission, and discovers it after the bids are open, the vendor shall immediately give written notice of the error or omission, and also give clear, satisfactory evidence of such error or omission, and that it was not caused by any negligent act or omission on the part of the vendor submitting the bid. The bidder, vendor shall in no event be permitted to change or correct the bid. If the vendor was the low bid the vendor shall have the option of proceeding with the contract upon the bid as submitted or the vendor will forfeit the bid bond as liquidated damages. The vendor can appeal the forfeiture to the town board.

Sec. 24-86. Private interests in public contracts prohibited.

No public officer or public employee of the town shall be financially interested or have any personal benefit, either directly or indirectly, in any public construction contract by the town nor shall any public officer or public employee accept or receive, directly or indirectly, from any individual, organization or corporation to which any contract may be awarded, any gifts, commission, compensation, or remuneration other than from the town in connection with the performance of their duties hereunder.

ARTICLE IX. PURCHASING

Sec. 24-91. Policy and purpose.

Whenever practicable and advantageous to the town, the town will maximize the purchasing value of public funds by practicing competitive methods for the purchase of goods, materials, services, and equipment. This Article shall not apply to public contracts as defined under sec. 24-62.

Sec. 24-92. Applicability.

This Article shall apply to purchases of the following:

(a) *Materials or supplies.* Any materials or supplies which are not involved in a specific public construction project.

(b) *Maintenance and repair.* The routine maintenance and repair of an existing public facility. This excludes public contracts for maintenance and repair that is part of the reconstruction or renovation of a structure.

(c) *Equipment.* Equipment that is not part of a specific public construction project.

(d) *Professional or personal services* means those services which are provided by lawyers, architects, engineers, accountants, consultants and other service providers.

Sec. 24-93. Purchasing rules.

(a) Except as provided under sec. 24-95 and 24-96, specifications shall be prepared for the purchase of goods, materials, services and equipment and subject to competitive quotes. Purchase and contract awards shall be made to the lowest, responsible and responsive vendor complying with specifications and terms and conditions.

(b) Upon authorization of the town board, the town board chairperson shall direct, as appropriate, the solicitation of quotations for the town's purchase of equipment, materials and

services and submit the quotations to the town board for approval.

(c) All purchases shall be made by purchase order or contract.

(d) The town clerk shall issue purchase orders under sec. 24-95, only after verifying that the unencumbered balance in the appropriate account is sufficient to cover the cost of such order.

(e) The town board may deny payment for any purchases made without a contract or purchase order.

Sec. 24-94. Emergency purchases.

(a) *Emergency conditions* means current or imminent conditions which adversely affect the health, safety or welfare of any person, or which may cause substantial damage to property, or which may cause the cessation of any operation in whole or in part.

(b) The town board chairperson, or designee, is authorized to make necessary purchases under emergency conditions.

(c) Emergency purchases shall be reported at the next town board meeting and budget amendments shall be considered, if required.

Sec. 24-95. Purchases exempt from competitive process.

(a) The following purchases are permitted without competition, subject to unencumbered funds having been appropriated for said purpose:

(1) Utility purchases, such as gas, electric telephone.

(2) Purchases between/from governmental agencies.

(3) Publications, books, manuals, dues, and memberships.

(4) Seminars and conferences.

- (5) Information systems software and hardware maintenance and license renewals.

Sec. 24-96. Sole source purchases.

(a) The town board may determine that a purchase order or contract will be awarded without competitive offers or bids when it is determined to be in the best interests of the town, or when only one source is practicably available.

(b) The town board shall periodically review any sole source providers and decide if the reasons for the sole source designation remains valid.

Sec. 24-97. Re-issuance of purchase orders.

Procurements of equipment, goods and services required to be accomplished by bid may, at the discretion of the town board be procured again without the need for bidding when the vendor is willing to supply the equipment, goods or services upon the same terms or upon terms more favorable to the town than the existing contract.

Sec. 24-98. Credit accounts.

(a) *Credit cards.* The town board may by resolution authorize credit cards in the name of the Town of Wascott as well as designate persons authorized to use the credit card. When authorized, receipts shall be required for all charges to the account and the person using the card shall sign the receipt and submit it to the clerk-treasurer. Receipts shall be attached to the check-voucher.

(b) *Open credit lines.* The town board shall by resolution approve any open credit lines with specific businesses. Any charges on the account shall require a detailed receipt and the person making the charge shall sign the receipt and then submit the receipt to the clerk-treasurer.

(c) *Personal use prohibited.* Personal use of a town credit card or credit account is prohibited.

(d) *Clerk-treasurer duties.* The clerk-treasurer shall set-up any credit card or credit account authorized under this section and report the town's tax-exempt status to the creditor. The monthly statement shall be reconciled to the receipts for each charge on the account.

Sec. 24-99. Private interests in public purchases.

No public officer or public employee of the town shall be financially interested or have any personal benefit, either directly or indirectly, in any contract or purchase for any supplies, materials, equipment, or contractual services purchased by the town nor shall any public officer or public employee accept or receive, directly or indirectly, from any individual, organization or corporation to which any contract or purchase order may be awarded, any gifts, commission, compensation, or remuneration other than from the town in connection with the performance of their duties hereunder.