

RESOLUTION 5-2025

A RESOLUTION ADOPTING PURCHASING AND EXPENDITURES PROCEDURES FOR
RIVER HEIGHTS CITY

WHEREAS, River Heights City needs to maintain control and appropriate fiscal responsibility with city funds, and

WHEREAS, River Heights City has an accounting policy in place, and

WHEREAS, periodically the policy needs to be updated.

THEREFORE, the River Heights City Council adopts the changes made to the attached River Heights City Accounting Policy, dated September 2, 2025.

PASSED, APPROVED, and MADE EFFECTIVE this 2nd day of September 2025.

RIVER HEIGHTS CITY CORPORATION

Blake Wright, MAYOR

ATTEST:

Sheila Lind, RECORDER

RIVER HEIGHTS CITY ACCOUNTING POLICY

Effective 2 September 2025

Billing

When a new account is opened, the customer is charged a deposit (which is applied to the utility bill after 2 years if the account is current and the customer has a good payment history, or when account is closed).

Customers are set up to be billed the monthly rates for water, sewer, garbage, 911, and storm water according to the current resolutions.

When a resident moves, the remaining charges will be prorated based on the number of days left in the billing cycle.

Utility bills cover the prior month's services, are generated near the first day of each month, and mailed out within 5 business days.

Cash Receipts

Payments are received by mail, online, drop box at the city office, or in person at the city office in the form of check, cash, money order, or credit/debit card.

All mail and drop box envelopes are opened by the city recorder or bookkeeper. All payments received in the form of check, cash, or money order are stored in a locked, fire-proof cabinet until deposited.

When cash payments are made, the person making the payment is given a receipt.

All funds received by electronic payment are grouped and posted to the customer's account/cash receipts journal using the same dates and amounts as transmitted by the city's online payment provider. Deposits from different days are not to be combined or separated differently than the online payment provider's record of deposit. No individual payments are to be withheld from posting to the customer's account/cash receipts journal. If there is an error with the payment received then the adjustment will be made in a separate transaction to the customer's account and the cash receipts journal.

The payments received are deposited twice a week after being recorded in the city's cash receipting program. The person recording the receipts generates a report that describes the accounts credited and payments received. Then he/she reconciles the money on hand with the report and updates the record of utility payments using a Utility Billing program. He/she then prepares a deposit slip for cash received and deposits the cash in the bank. Checks are deposited digitally in the city office.

At the end of each month, a summary of all account deposits is generated for the treasurer.

The Utah State Treasurer makes monthly deposits directly to the city's bank account for sales tax.

Cash Disbursements

Invoices received are given to the city treasurer or placed in his/her in-box. The treasurer then reviews the invoices for accuracy. Those that are routine payments, such as utility, Logan City, or insurance, etc., are processed for payment by preparing checks for signature. Those that are not routine payments are placed in councilmember's in-boxes for their approval before preparing checks for signature. When the checks are prepared, an account number is placed on the check stub.

Accounts payable invoices must be placed in the treasurer's in-box by Monday, 12pm on the week of presentation to the council for approval to be paid. The treasurer reviews the invoice for accuracy and enters them into the processing system. The invoices are then placed in councilmember's in-boxes for their review and approval before payment checks are printed. All proposed payments are presented to the city council for their approval at city council meeting. After approval by the city council, the checks are signed by the mayor and finance director and then mailed to the vendors by the finance department. Electronic and physical copies of the checks and invoices are kept by the city.

The treasurer then writes the check number and date paid on the paid invoices and files them by alphabet.

Accounts Receivable

Customers are billed an amount that corresponds to the services which have been rendered. These amounts are recorded as accounts receivable until they are paid.

An account is delinquent if the customer fails to pay the amount due by the 25th of the month. At the beginning of each billing period, a delinquent report is printed. If an account has not been paid by the beginning of the next billing period, a delinquent notice of past due amount is mailed, e-mailed to the last e-mail address on file, or mailed via certified mail. This notice states that the customer must make payment of the delinquent bill within 5 business days or the city will begin the process to disconnect. If payment is not received within 5 business days, a fee is imposed and a door hanger is delivered (Oct 1-Mar 31, personal contact will be made), stating the water will be shut off in 2 days. If payment is not received within 2 business days, the water is shut off. Water will be reconnected when the account has been brought current, including late fees and reconnect fees.

A reconnection fee shall be charged to any customer with utility services terminated resulting from nonpayment of past due bills.

If a customer is unable to pay the delinquent utilities and notifies the city before water is shut off, he/she may receive continuing utility service through repayment of the past due amount if a payment plan is arranged and followed.

If a customer vacates the property without paying his/her utility bill, efforts are made to contact him/her to collect the amount owed (amount owed minus deposit). If efforts to contact the customer are unsuccessful, the city may turn to the landlord for collection (on rental properties only) or may file with small claims court. If this isn't effective, the account is written off to bad debts after receiving approval from the city council.

Capitalization and Depreciation

All equipment and infrastructure purchases, such as vehicles, tools, roads, sidewalks, water lines, sewer lines, etc., with a cumulative cost of \$5,000 or more and a useful life of greater than one year, shall be capitalized and depreciated over its expected useful life. Any project or equipment purchase not meeting these criteria shall be expensed in the year incurred.

All capital projects will require a signed change order for all changes after a contract agreement is made.

Purchasing

The city recorder and city treasurer are authorized to purchase any goods and/or services necessary to support their functions not to exceed \$1,000. The invoices for these goods and services are approved through the ap approval process.

The public works supervisor is authorized to purchase any materials and/or services necessary to repair or maintain the city's infrastructure, the water system, and/or the sewer system not to exceed \$2,500. The invoices for these goods and services are approved through the ap approval process.

For amounts exceeding \$1,000 for the office and \$2,500 for other purchases, a purchase requisition must be signed by the mayor or city councilperson assigned to the appropriate area of responsibility before a purchase commitment can be made. When a project's requirements aggregate more than the limits listed above, it shall not be broken down into several purchases of less than the limits listed.

Purchase requisitions shall contain the following information:

1-Name of the vendor

2-Shipping instructions

3-Department to be charged

4-Item number, quantity, general ledger account number to be charged, description, unit price, line total (extended cost per item), shipping/other cost, and total cost of the requisition.

Recurring type charges, such as utility bills and postage-stamped envelopes, plus charges resulting from a contract are exempted from the requisition process.

The completed purchase requisition is submitted to the city treasurer who will prepare a purchase order with the appropriate information. The purchase order will then be submitted to the vendor. The invoices for these goods and/or services will then be approved by the city council before payment.

Any project with an expected cost of \$25,000 or more is required to be submitted for bids. A request for proposal is made to 3 or more suppliers or contractors when possible. The city council will decide which proposal to accept. In an emergency, where public health or safety may be compromised, the process described above may be waived and the mayor notified as soon as possible.