

Operating Procedures Manual

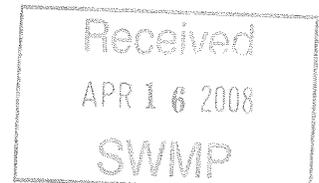
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East Central Missouri Solid Waste Management District

Region I



Operating Procedures Manual

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INTRODUCTION

This Operating Procedures Manual is designed to implement and assure that policies and procedures surrounding the operating and accounting system for the East Central Solid Waste Management District are adhered to. The implementation and enforcement of the procedures outlined in this manual will assure that records are maintained in an auditable condition. East Central Solid Waste Management District shall maintain a system that meets all current generally acceptable accounting procedures.

This manual will provide for a strong internal control system. Economy of man-hours and efficiency were taken into consideration when developing these procedures and the minimum requirements should not significantly restrict management alternatives.

This manual will be updated as necessary to ensure compliance with all funding sources.

SECTION 1: FINANCIAL RESPONSIBILITIES

The financial duties shall be separated to the extent necessary to maintain good internal control. The following separations are the minimum requirements.

ACTIVITY	BOARD MEMBER (S)	EXECUTIVE DIRECTOR	DISTRICT PLANNER	BRPC SECRETARY	BRPC COORDINATOR
Signs checks	X	X			
Reconciles bank statements/accounts		X	X		
Prepares withdrawals and deposits		X	X	X	
Prepares Financial Statements			X		
Authorizes purchases	X	X	X		
Verifies receipt of merchandise		X		X	X
Pays vendors/suppliers		X	X		
Records Receipt and Disbursements		X	X	X	
Initiates Purchase Order		X	X		X
Verifies/approves vendor invoices		X			X
Selects/approves vendors	X	X	X		
Program Budgets	X	X	X		

SECTION 2: FILING SYSTEMS

1. A copy of each financial report shall be maintained for audit.
2. A copy of each financial assistance agreement and all amendments of line item budget changes shall be maintained in a separate file for audit.
3. Canceled and voided checks shall be maintained and filed in numerical order for audit.
4. Filing of documents shall be by each grant by year.

5. Any document which refers to more than one program shall be copied for each file with a memo note of the location of the original document.
6. Cash receipts shall be filed separately from disbursement.
7. A file of explanations for journal entries shall be maintained for audit.
8. A copy of the written operating procedures shall be on file.

SECTION 3: CASH RECEIPTS

All cash receipts are logged into a cash receipts log and stamped "for deposit only" by the Secretary. The cash receipts log shall reflect the date of receipt, the funding source, and the amount of the check. All East Central Solid Waste Management District funds shall be deposited in an FDIC insured account. The fiscal office shall post the receipts daily to the G/L cash receipts. The fiscal office shall file the deposit slip and check receipts logs for audit.

All checking accounts are reconciled to the bank statement on a monthly basis. Bank reconciliation procedures include accounting for check numbers used; comparing all checks with check stubs to verify date, number, amount, and payee; inspecting signatures and endorsements; investigating checks which have been outstanding for 90 days; and itemizing outstanding checks. This activity along with reconciling the bank statement to the G/L is performed by the District Planner.

Monthly bank statements are sent from the bank to the Treasurer who will deliver the unopened bank statement to the District Planner for reconciliation. The District Planner arranges the checks received in numerical check order, and investigates any old checks included in the statement. The District Planner views canceled checks and notes in the G/L that the check cleared the bank. The District Planner will check deposits listed on the statement with the cash receipts log and note any outstanding deposits. The District Planner will then list any uncleared checks and deposits as outstanding. The District Planner will then reconcile the adjusted bank statement balance with the trial balance report. The Executive Director will then initial and date the bank reconciliation and return to the fiscal office to file for audit. Board review/sign/date

All membership fees, interest income, and funding from the State of Missouri shall be tracked separately for reporting purposes, including the origin of funds generating interest income.

SECTION 4: CASH DISBURSEMENTS

The East Central Solid Waste Management District account shall be kept in an FDIC insured banking institution. All checks must be pre-numbered and should be marked with a ninety (90) day limit for honoring that check. Outstanding checks for more than ninety (90) days will be voided and

an investigation of that voided check will be made by the District Planner before another check will be re-issued. All checks require two (2) signatures. Only persons designated on the bank signature card will be allowed to sign checks. Signing checks in advance is prohibited. No checks will be allowed to be made payable to "cash". All voided checks will be canceled and retained.

Any costs which are chargeable to more than one program or cost category shall be broken down between those programs or categories. The original invoice or other supporting documentation shall show the allocation of expenses and the computation of the allocation. All supporting documentation shall be canceled when paid showing the account or accounts, the amount paid, the date paid, and the check number representing payment. Invoices and check stubs shall be attached to the Payment Approval Form and filed for audit. These duties are the responsibility of the District Planner.

4.1 SUB-GRANTEE REIMBURSEMENTS

All cash disbursement to recipients of East Central Solid Waste Management District Grants will be made on a reimbursement basis only. Grant recipients must submit for payment a Request for Funds to the District.

The cash disbursement guidelines for district grants shall be in accordance with the cash disbursements policies of the contracting agency with the addition of rules and regulations as described in the Reporting Requirements and Reimbursement Procedures for District Grants.

4.2 TRAVEL REIMBURSEMENTS

Board members and contacting agency staff claiming reimbursement for expenses are expected to exercise the same care in incurring expenses as a prudent person would exercise if traveling on personal business.

Reimbursable travel expenses are limited to those expenses authorized and essential to the transaction of official business and shall be supported by a receipt. Travel reimbursement shall be for actual expenses only, no per diem rates will be allowed. Travel mileage will be reimbursed at the approved rate as established by the State of Missouri. The present rate is \$.415 per mile. Any travel outside of the geographic service area requires approval by the appropriate authority and requests for out-of-state travel must be approved by the Executive Board.

SECTION 5: INTERNAL/EXTERNAL BILLING

Internal billing for the administration and services for the East Central Solid Waste Management Program shall be done in accordance with the cost allocation procedures outlined in Circular A-87. A summary sheet showing the billing and allocation procedures shall be retained with the payment approval form and the billing statement. The cost allocation/billing procedure shall not bill the solid waste management program for any disallowed costs as discussed in the Accounting Procedures Manual, Cash disbursements policies.

SECTION 6: GRANTEE/SUB-GRANTEE REPORTING

Project status and financial summary reporting by the contracting agency for the East Central Solid Waste Management District grant program shall be prepared and submitted to the Department of Natural Resources Solid Waste Management Program on a quarterly basis, no later than the 30th day of the month following the end of each quarter. Reporting to the administrative entity shall occur quarterly even if no activity has occurred. Financial reporting shall include the appropriate quarterly progress report.

SECTION 7: AUDITING/FINANCIAL REPORTING

The District shall produce a year-end financial statement of receipts, disbursements, assets, account balance and liabilities. The financial statement will also include a listing of all deposits and disbursements for the fiscal year. The statements shall be mailed to each county and shall be maintained for audit purposes.

Additionally, District staff should prepare a statement of financial activity to present at each board meeting. Statements should include a report of planned versus actual expenditures, a statement of receipts and disbursements, a statement of assets and liabilities, a check register of all transactions, and a bank reconciliation report. All financial statements shall be kept along with the meeting minutes.

The District shall have prepared an annual, or multi-year, audit report by an independent certified public accountant and shall submit the report to the Solid Waste Management Program within 180 days of the end of the fiscal period. The audit report shall be completed in conformance with Circular A-133, or other related auditing guidelines. The independent certified public accountant, completing this report, shall be procured in accordance with the District's procurement policies.

SECTION 8: BONDING

All Executive Board members and persons who have access to, or control over the receipt or disbursement of District funds shall be bonded to provide protection against loss. Persons who handle mail or assist in the preparation or issuance of checks must also be bonded.

The East Central Solid Waste Management District presently holds separate commercial crime and general liability coverage for agency staff and directors. The amount of coverage will be reviewed periodically to ensure that correct coverage amounts are being maintained.

SECTION 9: PROCUREMENT

Procurement for the East Central Solid Waste Management District, and all sub-grantees of the East

Central Solid Waste Management District, shall adhere to the Revised Statutes of Missouri, Chapter 34 State Purchasing and Printing, Section 34.040.

SECTION 10: MEETINGS

All meetings of the East Central Solid Waste Management District and the East Central Solid Waste Management District Executive Board shall be held and posted in conformance with the Missouri Sunshine Law (RsMO 610). All public meetings, including meetings conducted by telephone, Internet, or other electronic means are to be held at reasonably convenient times and must be accessible to the public. Meetings should be held in facilities that can accommodate the anticipated attendance and are accessible to persons with disabilities.

All meetings of the East Central Solid Waste Management District and the East Central Solid Waste Management District Executive Board shall be properly posted to encourage public participation. All meetings shall have an agenda posted at least 24 hours in advance that at a minimum shall include the date, location and time of the meeting, the items to be discussed, whether the meeting is open or closed to the public, and the reason for holding a closed session by reference to the specific exception allowed pursuant to the provisions of Section 610.021, RsMO. Meeting notices shall be posted at 111 Steinhagen, Warrenton, MO, or other locations authorized by the Chairman.

At the conclusion of all meetings of the East Central Solid Waste Management District and the East Central Solid Waste Management District Executive Board minutes of the meeting shall be drafted for review and approval by the governing board. The Chairman or his/her designee, and the elected Secretary, or his/her designee shall sign and attest to the accuracy of the written content of the board minutes. The minutes should contain the date, time and location of the meeting, a copy of the agenda, a list of the members present and absent, and the motion and vote to adjourn the meeting along with the time of adjournment.

Minutes of all meetings of the East Central Solid Waste Management District and the East Central Solid Waste Management District Executive Board shall be retained in the offices at 111 Steinhagen, Warrenton, MO 63383, or other locations as authorized by the Chairman.

SECTION 11: RELEASE OF INFORMATION

Unless otherwise provided by law all information relative to the East Central Solid Waste Management District, including all electronic and printed information shall be in conformance with the Missouri Sunshine Law (RsMO 610) and are available to the public for inspection and copying. All requests for release of information shall be submitted to the District Planner, who is designated as the custodian of records, c/o East Central Solid Waste Management District, 111 Steinhagen, Warrenton, MO 63383. The District may charge reasonable and actual costs for duplication and staff time.

SECTION 12: ASSET MANAGEMENT

All equipment purchased by the District or purchased with funds from the District will be marked with a numbered inventory tag and added to a master inventory listing. This master inventory listing will include each items description and serial number and a physical location of each item and will be maintained at the office of the contracting agency. A physical inventory of all items shall be conducted at least once every two years.

All sub-grantees of district funds will be required to file a UCC-1 with the Missouri Secretary of State if district funds were used to purchase equipment. Proof of insurance for each purchase must also be provided. A copy of the UCC-1 filing and proof of insurance will be maintained in each sub-grantee file.

All sub-grantees are required to submit an annual use statement for any equipment, buildings, or site improvements funded in whole, or in part, with funding provided by the District. Reporting shall continue for as long as the District has a security interest in the project.

District personnel shall conduct an annual visit with each sub-grantee to physical inspect and report on all equipment, buildings, or site improvements funded in whole, or in part, with funding provided by the District. Reporting shall continue for as long as the District has a security interest in the project.

Sub-grantees shall provide proof of insurance coverage for all equipment, buildings, or site improvements funded in whole, or in part, with funding provided by the District. Reporting shall continue for as long as the District has a security interest in the project.

SECTION 13: DISTRIBUTION OF GRANT FUNDS

All funds for sub-grantees shall be distributed in accordance with the laws and regulations of the Solid Waste Management Program. All funds provided for sub-grantees shall be allocated via a grant application process. A call for grant proposals shall be published in the paper of greatest circulation in each of the four counties within the District, and shall be mailed to each member community at least 30 days in advance of the grant application deadline. All sub-grantee applications shall be submitted to the offices of the District, and, upon receipt shall be date and time stamped for recording purposes.

SECTION 14: SUB-GRANTEE RESPONSIBILITIES

Sub-grantees are required to maintain all records of grant activities, including, but not limited to, procurement, contracts, disbursements, reporting, insurance coverage, and project outcomes for a period of not less than three years after final acceptance by the District.

SECTION 15: ASSESSMENT INVENTORY

The District shall conduct and file an assessment inventory as prescribed by the Solid Waste Management Program, every two years. The assessment inventory shall be filed with the Solid Waste Management Program by the end of the third month following the end of the calendar year. (i.e., 2008 Assessment Inventory to be filed by March 31, 2009)

SECTION 16: BOARD MEMBERS' CODE OF CONDUCT

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

- A. Members must have loyalty to the District, un-conflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
- B. "All property, money, funds, investments, and rights which shall belong to, or be available for expenditure or use by, the District shall be dedicated to and held in trust for the members and for the purposes.
- C. Members must avoid conflict of interest with respect to their fiduciary responsibility.
- D. Members shall serve the program as a whole rather than any special interest group or constituency. As a member of the board, your first obligation is to avoid any preconception that you "represent" anything other than the District's best interests.
- E. Members must avoid even the appearance of a conflict of interest that might embarrass the board, the District, or the Missouri Department of Natural Resources.
- F. Members will disclose any possible conflicts to the board leadership.
- G. Members shall maintain an independent and objective sense of fairness, ethics, and personal integrity though it may not be necessary by law, regulation, or custom.
- H. There will be no self-dealing or business by a member and the organization. No board member, trustee or employee of the District shall receive any gain, political contribution, or profit from any funds or transaction of the District.

- I. When the Board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall disclose the conflict to the Board and absent herself or himself from not only the vote, but also from the deliberation.
- J. Board members will not use their Board position to obtain employment in the organization for themselves, family members, or close associates. Except by the unanimous vote of the Board, no person who has served as a board member may become an employee of the District until four years have expired between the date of his or her resignation, termination, or other removal as Board Member and the date of his or her appointment as an employee of the District.
- K. Any trustee or employee accepting any gratuity, political contribution, or compensation for the purpose of influencing his action with respect to the investment of the funds of the District shall thereby forfeit his office.
- L. If a former Board member or employee of the District is employed by a current grant recipient, it shall not impact the Board's business relationship with that firm provided no conflict of interest exists and no violation of law occurs as a result of such employment.
- M. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
- N. Members interaction with public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board, except to repeat explicitly stated Board decisions.
- O. Members will respect the confidentiality appropriate to issues of a sensitive nature.
- P. Members will be properly prepared for Board deliberation.

SECTION 17: SUB-GRANTEE REPORTING & REIMBURSEMENT PROCEDURES

17.1 GENERAL INFORMATION

Projects receiving financial assistance will be reimbursed only after all documentation specified in the Financial Assistance Agreement (FAA) is submitted by the applicant.

Additionally, project receiving financial assistance shall comply with the following reporting requirements:

1. Submittal of quarterly and final report(s)
2. Maintaining an accounting system of project activities
3. Retaining all records and supporting documents for 3 years from the close of the project, or longer if needed for any litigation, claim, negotiation or audit.

All General Terms and Conditions of the East Central Solid Waste Management District applicable to the recipients of financial assistance will also apply to the projects funded through the District grant program which may include, among others: the utilization of minority and women's owned business enterprise firms; compliance with the Davis-Bacon Act; and use of recycled paper.

The District reserves the right to request additional documentation, or perform an announced or unannounced audit or on-site inspection to verify any aspects of the project, at any time.

17.2 REPORTING REQUIREMENTS

A Quarterly Status Report (QSR) shall be submitted to the Boonslick Regional Planning Commission at the end of each calendar quarter and must be on the form provided. A QSR form has been included and may also be obtained electronically as a PDF or Word document by request. The QSR form is divided into three categories as follows:

1. **Projects Tasks** must delineate the activities, or inactivity, associated with the project tasks and work plan. These tasks are listed in the FAA, as defined by the Scope of Work submitted with your original grant proposal. If the tasks listed in the FAA differ from those originally submitted with your grant proposal, the tasks in the FAA take precedence. All project tasks must be completed before a final report may be submitted.
2. **Tonnage** recorded on Quarterly Status Reports should be listed by category. For example, brown glass and plastic should be reported separately, showing diversion for each. The type and amount of diverted material should be listed in tons. No other measurement will be accepted. A conversion chart of common items is available by request.
3. **A Final Report is due to the District within 20 days of the project completion date.** This report should be in narrative form and recap all aspects, positive and negative, of the project. The final 15% of funding **will be** withheld until a final report has been submitted and then approved by the Executive Board of the District. Upon approval, the project is considered successfully closed and the final 15% of funding will be automatically released.

When completing the QSR the same form should be used throughout the entire grant period. Each quarter complete the form as needed and make a copy. Keep the original for yourself, sign the copy

and submit the copy to the District. Repeat the process each quarter and for the final report.

The District reserves the right to withhold funding until the project is in compliance with the FAA.

This means all quarterly reporting **must** be up to date.

17.3 BIDDING REQUIREMENTS

Recipients of financial assistance are required to obtain bids for all purchases according to the Revised Statutes of Missouri (RSMo). The following is a summary only. We recommend that recipients understand all information relating to the bidding requirements of the State of Missouri. Complete information can be found in the Revised Statutes of Missouri, Chapter 34 State Purchasing and Printing, Section 34.040 through the Secretary of State's Website.

Purchases of \$0 – 2,999.99	Do not require bids
Purchases of \$3,000.00 – 24,999.99	Requires a minimum of three (3) competitive bids, but do not have to be advertised
Purchases of \$25,000.00 or higher	Require a minimum of three (3) competitive bids, advertised at in at least two daily newspapers at least five days before bid opening.

All recipients must adhere to the requirements listed above and those found in RSMo 34.040. Documentation must remain in your files for 3 years from the successful close of the project, or longer if needed for any litigation, claim, negotiation or audit. The District may at any time request to see your documentation file to see that all requirements are being met. Failure to comply with applicable bidding procedures may result in forfeiture of funding.

17.4 REIMBURSEMENT PROCEDURES

In order for costs to be eligible for reimbursement, they must meet the conditions listed below.

1. Costs must be incurred within the project period. This is the date identified in your FAA.
2. All costs must be identified in the project budget sheet and must relate directly to the project. All costs must conform with the Code of State Regulations describing eligible and ineligible costs (10 CSR 80-9.050, (1) (E))

The enclosed Request for Funds form **must** be used when requesting reimbursement. All requests must contain supporting documents to include invoices, timesheets, mileage records, cancelled checks or other proof of expenditure and documentation of payment, as applicable (10 CSR 80-

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