



City of Socorro

ACCOUNTING MANUAL

***ADOPTED:
SEPTEMBER 25, 2014***

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This manual is being prepared to comply with the Charter of the City of Socorro Section 5.12 which stipulates; ***The City shall adopt an accounting manual prepared by the City Manager, which shall provide procedures to be followed in detail for recording and reporting of financial transactions. Changes in such accounting manual may be made, as may from time to time be necessary, by the City Manager, providing such changes do not weaken controls as may be advised by the auditor. Accounting controls shall be adequate to protect the assets of the City, but shall not be restrictive beyond the value of the assets being controlled.***

ACCOUNTS RECEIVABLE

The City of Socorro records revenue from various sources as follows:

- Property Taxes
- Sales Taxes
- Franchise Taxes
- Planning & Zoning Fees
- Municipal Court Fees/ Citations
- Grant Funding
- Police Fees

Incoming mail is opened by the Administrative Receptionist. Any checks received are date stamped and recorded in a log. The checks are given to the Chief Financial Officer for acknowledgement of receipt and processing for deposit. The checks are given to the Accounting Technician and are deposited within 48 hours of receipt. The State Comptroller of Public Accounts will direct deposit sales taxes and grant funds to the respective checking accounts. The City of El Paso Tax Office wire transfers property tax revenue in the respective checking accounts. These deposits are reconciled monthly by the Chief Financial Officer.

The City generates revenues from three departments as follows:

- Police Department
- Municipal Court
- Planning & Zoning

These departments collect payment and issue the receipt at the time of service. No cash is accepted, only credit card, checks or money orders. The receipts are recorded monthly in the accounting software by each department. The Accounting Technician will review the cash receipts before presenting them for approval for posting to the Chief Financial Officer. All cash receipts are reconciled against the bank on a monthly basis.

If a department received a check which is returned for insufficient funds (NSF), the depository bank will notify the Accounting Department. Once notification has been given to the respective departments, a \$35.00 administrative fee will be issued to the insufficient check writer.

ACCOUNTS PAYABLE

All city departments enter requisitions in the system for approval according to the City’s Purchasing Policy. Once the requisition has been approved, a purchase order (PO) is generated and presented to the City Manager for approval/signature.

Any purchase order not signed by the City Manager is not binding and, therefore, Department Heads will be held accountable for any purchases made without proper approval. If a Department Head overrides the Purchasing Policy, a memorandum of explanation will be submitted to the City Manager for his consideration.

Once goods and services have been rendered, the invoice is submitted to the Accounting Technician along with a receiving report and the purchase order number. All receiving reports must be signed by the Department Head requesting payment. All invoices and receipts must be signed by the person receiving the goods and/or services. Please refer to the purchasing policy for items not requiring PO’s and for thresholds associated with purchases.

Once checks are generated, these are presented to the authorized signors. The approved signors are City Manager and Department Heads. All vendors are required to be paid within 30 days of receipt of invoice. All checks require two signatures.

BANK RECONCILIATIONS

The City of Socorro has established six (6) accounts with its depository bank, Wells Fargo, as follows:

Fund	GL	Description
General Fund	01010	General Operations for the City. M&O property taxes, department revenues, sales taxes & franchise taxes.
General Fund/Payroll	01011	All payroll transactions.
Special Revenue Fund	01047	Grant funds and municipal court monies owed to the State and/or County, HOT taxes, and Peg fees.
Special Revenue/Local Law	01009	Local Law Enforcement activity.
Debt Service Fund	01001	Debt service taxes are deposited here and payment for CO's are made from this account.
Capital Projects Fund	01048	Revenues from CO's are deposited and expended from this account.

The bank statements are available via Wells Fargo Website at www.wellsfargo.com. The statements are kept on file electronically in the shared drive in the accounting folder.

All accounts are reconciled on a monthly basis by the 15th day of the subsequent month. General ledger activity such as bank charges, payroll charges, correcting and adjusting entries are made by the Chief Financial officer in order to record transactions timely and accurately.

BUDGET

Section 5.02 of the City of Socorro Charter mandates that no later than forty five (45) days prior to the close of the fiscal year, the City Manager shall submit to City Council a budget for the coming year.

The budget is presented to the City Council for approval. The budget is entered in the Accounting System by line item and department as follows:

Department Number	Department Name
00002	City Manager
00003	Public Works
00005	Police
00006	Municipal Court
00007	Planning & Zoning
00008	Health
00010	Grants
00012	Human Resources
00013	Mayor & Council
00014	City Clerk
00015	Finance
00016	Recreational Centers
00017	Parks

The chart of accounts records the transaction by activity and/or description as follows:

Account Code	Account Title	Account Type
01001	Wells Fargo- Debt Service	Cash
01002	Child Safety-Fund I	Cash
01003	Child Safety-Fund II	Cash
01005	FNB-Fire Station Account	Other Assets
01006	1st National/Debt	Cash
01007	Court Building Security Fund	Cash
01009	Wells Fargo- Local Law Enf.	Cash
01010	Wells Fargo-M&O	Cash
01011	Wells Fargo-Payroll	Cash
01012	Owner Occupied Home Program	Cash
01013	Cash in Bank-Savings	Cash
01015	Cash-1993 CDBG 703859	Cash
01016	Petty Cash Fund	Cash
01017	Cash-CDBG 1992 Wtr Exp Grant	Cash
01018	Cash-1994 Home Project	Cash
01019	Cash-FNBF Construction Fund	Cash

01020	Investments-Texpool	Cash
01021	Investments-Lone Star	Cash
01022	Unrealized Appreciation	Other Assets
01023	Def. Comp. Investments	Other Assets
01024	1st National/M & O Acct	Cash
01025	1st National/Payroll	Cash
01028	Homebuyers Assistance	Cash
01030	Cash-Mission Trail	Cash
01031	Cash-Step Program	Cash
01032	MNB-Rio Vista C.C.-Health Fair	Cash
01033	FNB-Rio Vista C. C.-Fiesta De	Cash
01034	SPD Seized and Forfeited	Cash
01035	Local Law Enforcement Blk Grnt	Cash
01036	Tourism Account	Cash
01037	CDBG Contract #719781	Cash
01038	Court Technology Fund	Cash
01039	Logic-Investments	Cash
01040	CO-2001 Series	Cash
01041	C of O	Cash
01043	1st National-CD	Cash
01044	TCDP Funds	Cash
01045	Park Funds	Cash
01046	CO-2004 Series	Cash
01047	Wells Fargo- Special Revenue	Cash
01048	Wells Fargo- Capital Projects	Cash
01049	Wells Fargo Brokerage-Investme	Cash
01100	Accounts Receivable	Other Assets
01101	Allowance for Bad Debt	Other Assets
01200	Property Taxes Receivable	Other Assets
01201	Sales Taxes Receivable	Other Assets
01202	Franchise Taxes Receivable	Other Assets
01203	Muni.Court Warrants Receivable	Other Assets
01205	Allowance	Other Assets
01206	Gas Inventory	Other Assets
01207	Disel	Other Assets
01208	Base Inventory	Other Assets
01210	Prepaid Insurance	Other Assets
01215	Prepaid Contracts	Other Assets
01220	Allowance for Uncoll. Warrants	Other Assets
01248	Accounts Receivable	Accounts Receivable

01249	Old Accounts Receivable	Accounts Receivable
01250	Due From Grantor	Other Assets
01251	Inter-Fund Receivable	Interfund Receivable
01254	Returned Checks	Other Assets
01255	Returned Checks	Othe Liabilities
01300	Security Deposits	Other Assets
01305	Prepaid Rent	Other Assets
01311	Machinery & Equipment	Fixed Assets
01312	Vehicles	Fixed Assets
01321	Buildings and Improvements	Fixed Assets
01331	Office Furniture and Fixtures	Fixed Assets
01341	Land	Fixed Assets
01345	Software	Fixed Assets
01352	Work in Progress	Fixed Assets
01353	Infrastructure	Fixed Assets
01366	Leasehold Improvements	Fixed Assets
01371	Park Improvements	Fixed Assets
01400	Amounts to be Provided	Fixed Assets
01500	Accumulated Depreciation	Fixed Assets
01511	Accum. Dep - Machinery & Equip	Fixed Assets
01512	Accum. Dep - Vehicles	Fixed Assets
01521	Accum. Dep - Buildings	Fixed Assets
01531	Accum. Dep - Office Furniture	Fixed Assets
01545	Accum. Dep - Software	Fixed Assets
01552	Accum. Dep - Work in Progress	Fixed Assets
01553	Accum. Dep - Infrastructure	Fixed Assets
01566	Accum.Dep - Leasehold Improve.	Fixed Assets
01600	Bond Issuance Discount	Other Assets
01800	Bond Issuance Costs	Other Assets
02000	Accounts Payable Clearing Acct	Accounts Payable
02001	Accounts Payable	Other Assets
02004	Accounts Payable	Accounts Payable
02005	Supplemental Ins. Withheld	Other Liabilities
02008	Aetna pre/post tax liability	Other Liabilities
02050	T.E.C. Payable	Other Liabilities
02051	T.E.C. Payable	Other Liabilities
02101	Employee deduction #1	Other Liabilities
02102	Employee deduction #2	Other Liabilities
02103	Employee deduction #3	Other Liabilities
02104	Employee deduction #4	Other Liabilities

02105	Employee deduction #5	Other Liabilities
02106	Spousal Maintenance	Other Liabilities
02110	Accrued Salaries	Other Assets
02115	State Fees Payable	Other Liabilities
02122	Compensated Absences	Other Assets
02124	Teen Court County Payable	Other Liabilities
02126	Child Safety Seat/Belt Fines	Other Liabilities
02200	Inter-Fund Payable	Interfund Receivable
02201	Deferred Tax Revenues	Other Assets
02207	Ford Motor Credit	Other Assets
02216	Certificate of Obligation-1999	Other Assets
02218	FNBF-Marshal Car	Other Liabilities
02219	FCG-Backhoe	Other Liabilities
02220	TXDOT	Other Liabilities
02221	Deferred Grant Revenues	Other Liabilities
02222	Certificate of Obligation-2001	Other Liabilities
02223	Certificate of Obligation-2004	Other Liabilities
02224	Certificate of Obligation-2008	Other Liabilities
02225	FNBF-Pothole Patcher	Other Liabilities
02226	FNBF-Police Cars	Other Liabilities
02227	State Infrastructure Bank	Other Liabilities
02228	Certificate of Obligation-2010	Other Liabilities
02229	Refunding Bond-2010	Other Liabilities
02230	Certificate of Obligation-2011	Other Liabilities
02231	Certificate of Obligation-2012	Other Liabilities
02232	Certificate of Obligation 2014	Other Liabilities
02500	Due to grantor	Other Liabilities
02599	Dental Premiums Withheld	Other Liabilities
02600	Accrued Expenses Payable	Other Liabilities
02601	Health Insurance Payable	Other Liabilities
02602	Deferred Compensation Withheld	Other Liabilities
02603	Insurance Premiums Withheld	Other Liabilities
02604	Cleat Dues	Other Liabilities
02605	Dental Insurance Payable	Other Liabilities
02606	Vision Ins. Payable (Benefit)	Other Liabilities
02607	Fidelity Accrued Expense Payab	Other Liabilities
02608	Local 59-AFL-CIO	Other Liabilities
02609	Accrued Salaries	Other Liabilities
02610	FICA Taxes Withheld/Payable	Other Liabilities
02611	Federal Income Taxes Withheld	Other Liabilities

02612	Retainer	Other Liabilities
02613	Due to Others	Other Liabilities
02614	Vision Payable (EmplDeduction)	Other Liabilities
02615	HSA Health Savings	Other Liabilities
02620	Deferred Compensation Payable	Other Liabilities
02622	Compensated Absences	Other Liabilities
02702	FNB-Line of Credit Payable	Other Liabilities
02703	Monroe Note Payable	Other Liabilities
02704	Fire Truck Capital Lease	Other Liabilities
02705	Ford Motor Credit	Other Liabilities
02706	Ford Motor Note Payable	Other Liabilities
02708	Grader Capital Lease	Other Liabilities
02709	Richardson Capital Lease	Other Liabilities
02710	Certificate of Obligation-1988	Other Liabilities
02711	Certificate of Obligation-1993	Other Liabilities
02712	Ford Motor Credit-Police Car	Other Liabilities
02714	Due to State	Other Liabilities
02715	Notes Payable	Other Liabilities
02716	Certificate of Obligation-1999	Other Liabilities
02717	Govt. Leasing	Other Liabilities
02800	Accrued Interest Payable	Other Liabilities
02900	Bond Premium	Other Assets
03000	Fund Balance-Unrestricted	Net Assets/Equity
03100	Fund Balance-Restricted	Net Assets/Equity
03200	Fund Balance-Restricted	Other Assets
03250	Investment in Fixed Assets	Other Assets
03255	Construction in Progress	Other Assets
03310	Fund Balance-Designated St.Pr	Net Assets/Equity
03312	Fund Balance-Designated Park	Other Assets
03314	Fund Balance-Designated-Admin	Other Assets
04201	Property Taxes	Revenue
04202	Sales Taxes	Revenue
04203	Franchise Taxes	Revenue
04204	Hotel Tax	Revenue
04205	PEG Capital Fee Revenue	Revenue
04206	Delinquent Prop Tax Rev	Revenue
04300	State Fees	Revenue
04301	Court Building Security Fund	Revenue
04302	COURT TECHNOLOGY FUND	Revenue
04404	Interest Earned	Revenue

04405	Gain/Loss on Investments	Revenue
04406	Proceeds from LOC	Revenue
04407	Certificate of Obligation-2001	Revenue
04408	Certificate of Obligation-2008	Revenue
04409	Certificate of Obligation-2010	Revenue
04410	Certificate of Obligation-2011	Revenue
04411	Certificate of Obligation-2012	Revenue
04500	Other Planning Fees(Fireworks)	Revenue
04501	Building Permits	Revenue
04502	Business Registration Permits	Revenue
04503	Rezoning Fees	Revenue
04504	AdmMisc-Copies,City Clrk Pmt	Revenue
04505	Mobile Home Permits	Revenue
04506	City Clerk Fees/Permits	Revenue
04507	Muni. Court Judgements/Fines	Revenue
04508	Traffic Fines-Restricted	Revenue
04509	Excavation Fees	Revenue
04510	Municipal Court Warrants	Revenue
04511	Juvenile Case Management Fee	Revenue
04512	Municipal Court Technology	Revenue
04602	County Inspections	Revenue
04603	Street/Authority Contract Fees	Revenue
04604	Police Fees	Revenue
04701	Rental Income	Revenue
04702	Grants	Revenue
04703	Sale of Fixed Assets	Revenue
04704	Other Revenue	Revenue
04705	Fund Raising	Revenue
04706	Donated Property	Revenue
4707	Auction Revenue	Revenue
04707	Auction Revenue	Revenue
04708	Parkland Fees	Revenue
4708	Parkland Fees	Revenue
04709	PD Auction/Seizures Revenue	Revenue
04710	Donations-Activities	Revenue
04711	Grant Reimbursement	Revenue
04712	Safe Routes to School	Revenue
04713	Reimbursed cost	Revenue
04714	Park Fees	Revenue
04802	Local Matching Funds	Revenue

04900	Transfer-In	Interfund Transfers
04903	Miscellaneous Income	Revenue
04910	Def. Comp. Contributions	Revenue
04911	Cash overage or shortage	Revenue
04999	Prior Years Revenue	Revenue
05000	Community and Economic Dev	Expense
05101	Salaries	Expense
05102	Council Members Compensation	Expense
05103	Overtime	Expense
05104	Job Reclassification	Expense
05105	Settlement-Salary Exp	Expense
05110	Federal Income Tax Withheld	Expense
05111	FICA/Medicare Taxes	Expense
05112	T.W.C. Payroll Taxes	Expense
05113	Health Insurance Premiums	Expense
05114	Workers Compensation Insurance	Expense
05115	Deferred Compensation Benefits	Expense
05116	Life Insurance	Expense
05117	Dental Insurance Expense	Expense
05118	Vision Insurance Expense	Expense
05201	Office Expense and Supplies	Expense
05202	Medical Supplies	Expense
05203	K-9 Maintenance	Expense
05211	Postage	Expense
05212	Tools and Supplies	Expense
05213	Uniforms	Expense
05301	Rentals/Leases	Expense
05310	Building Modifications/A.D.A.	Expense
05311	Building & Property Maintenanc	Expense
05312	Street Maintenance	Expense
05313	Utilities	Expense
05314	Telephone	Expense
05315	Personal Property Taxes	Expense
05317	Park Maintenance	Expense
05318	Leasehold Improvements	Expense
05319	Street Patching P-100	Expense
05320	Street Overlay O-200	Expense
05321	Street Reconstruction R-300	Expense
05322	St Overlay/Reconstr OR-400	Expense
05323	Street Traffic Signs T-500	Expense

05324	Street Miscellaneous M-600	Expense
05325	Recycling Center	Expense
05411	Legal Fees	Expense
05510	Property Insurance	Expense
05511	Advertising/Drug Testing	Expense
05512	Audit Fees	Expense
05513	Central Appraisal Fees	Expense
05514	Conferences	Expense
05515	County Elections	Expense
05516	Dues/Subscriptions	Expense
05517	Bank Charges	Expense
05518	Liability Insurance	Expense
05519	Program Development	Expense
05520	Service Contracts	Expense
05521	Support Activities	Expense
05522	Tax Collector Fees	Expense
05523	Equipment Rental/Lease	Expense
05524	Public Relations	Expense
05525	Health Contract	Expense
05526	Human Resources	Expense
05527	Seminars/Training/Workshops	Expense
05528	Interest Charges	Expense
05529	Principal Payments	Expense
05530	Finance Charge	Expense
05531	State Fees	Expense
05532	Miscellaneous Expense	Expense
05533	Travel/Mileage-Council	Expense
05534	Seminars-Council	Expense
05535	Vehicle Lease	Expense
05536	Civil Process Expense	Expense
05537	Bad Debt Expense	Expense
05538	Late Charge	Expense
05539	Discretionary Fund/Mayor	Expense
05540	Discretionary District 2	Expense
05541	Discretionary District 1	Expense
05542	Discretionary District 3	Expense
05543	Discretionary District 4	Expense
05544	Discretionary District At Lrg	Expense
05545	Donation-Xmas Lighting	Expense
05546	Marketing Exp	Expense

05547	Fees & Penalties	Expense
05610	Office Furniture	Expense
05611	Radio Communications and Maint	Expense
05612	Vehicle Repair & Maintenance	Expense
05613	Equipment Repair & Maintenance	Expense
05614	Vehicle Fuel	Expense
05711	Travel/Mileage/Per Diem	Expense
05717	Engineering Retainer	Expense
05718	Architect Services	Expense
05810	Property and Equipment	Expense
05812	Depreciation Expense	Expense
05900	Emergency Aid and Assistance	Expense
05901	Amortization Expense	Expense
05911	Contingency	Expense
06200	PEG Capital Expense	Expense
06300	Park and Ride Lease/Improve.	Expense
06410	Local Match-Construction	Expense
06420	Local Match-Engineering	Expense
06421	Engineering	Expense
06430	Water Connections-Match	Expense
06435	General Administration Costs	Expense
06440	Grant Expense	Expense
06450	Administrative Match	Expense
06451	Grant In-kind Match	Expense
06900	Transfer-Out	Interfund Transfers
07000	Inter-Fund Transfers	Interfund Receivable
07100	Street Improvements	Expense
07150	01CO's Rio Vista Renov Exp.	Expense
07200	Home Rehabilitation	Expense
07210	Relocation Costs	Expense
07230	SECO Grant Expense	Expense
07250	Homebuyer Assistance Expense	Expense
07251	Home Assistance Downpayment	Expense
07252	Consultant Fee	Expense
07253	Amy Young-Consulting Services	Expense
07300	General Administration	Expense
07301	SRTS-Hueco	Expense
07302	SRTS-Hilley	Expense
07303	SRTS-Escontrias	Expense
07304	SRTS-Campestre	Expense

07305	SRTS-Sanchez	Expense
07306	SRTS-Socorro	Expense
07307	SRTS-Rojas	Expense
07308	SRTS-Serna	Expense
07309	Safe Routes to School	Expense
07400	Water Facilities Construction	Expense
07401	TX Main Street Project	Expense
07402	TX Dt of Housing and Comm Aff	Expense
07500	Street Construction	Expense
07510	Park Improvements	Expense
07520	08/09CO's-Land Acquis./Misc.	Expense
07530	2010 Certificates of Oblig.	Expense
07540	Certificate of Obligation-2011	Expense
07550	Certificate of Obligation-2012	Expense
07560	Certificate of Obligation 2014	Expense
07600	Tourism General Expenses	Expense
07700	Court Technology Expense	Expense
07701	Court Building Security Expens	Expense
07802	Local Match Transfers Out	Expense
07810	Interfund Transfers Adjustment	Expense
08000	Settlements	Expense
08001	Accts.payable from prior years	Expense
08100	Bond Issue Costs	Expense
08101	Bond Insurance Expense	Expense
08200	Bad Debt Expense	Expense

GRANTS

The City of Socorro contracts with a third party for all of its grant activity. This service includes grant writing, administration, and management. The third party or "Grant Administrator" is responsible for seeking grants and submitting applications to granting agencies based on the needs of the City of Socorro. Once the grants have been awarded, drawdowns are performed by the Grant Administrator. Grant reimbursements are either directly deposited in the Special Revenue Wells Fargo account or reimbursements are mailed to City Hall. The Grant Administrator ensures all expenses meet the contractual requirements, files grant extensions and budget amendments to ensure grant funds are expended to their entirety.

The Finance Department monitors grant expenditure requests by ensuring the general ledger coding is accurate and that expenditures adhere to the grant agreement to include timing and dollar limits per line item. As an example, the following list depicts several grant codes which are used to classify grants:

<u>Account Code</u>	<u>Account Title</u>
30065	TDHCA
40761	TDRA-Donna Marie CDBG
50086	USDOJ-JAG
50374	USDOJ-JAG
50410	JAG-50410 Edward Byrne Memorial
BPVP	Bullet Proof Vest Partnership
BS14	Border Security Star 14
COPS	Cops Fast Grant
COPSM	Cops More-98CMWX1352
FEMA	FEMA-06 Flooding Grant
FLOOD	Flood Emergency
GRANT	GRANT
HB2	Homebuyers Assistance 2
HOM5	Homebuyers 5- #542052
HOME	TX Dept Hsg & Comm Affairs
JAG	JAG CJD 2748501
LB	LLEBG-2001-LB-BX-4320
LBS12	LOCAL BORDER STAR 2012
LBSP	Local Border Security Prog.-PD
LEOSE	Law Enforcement Officer
LOLAW	Local Law Enforcement CH 59
SRS	Small Road Sign
SRT1	Safe Routes to School-Campestre
SRT2	Safe Routes to School-Escontrias
SRT3	Safe Routes to School-Hilley
SRT4	Safe Routes to School-Hueco
SRT5	Safe Routes to School-Robert R
SRT6	Safe Routes to School-Ernesto
SRT7	Safe Routes to School-Sanchez
SRT8	Safe Routes to School-Socorro

INVESTMENTS

The City of Socorro has adopted an Investment Policy, Ordinance No. 250, to adhere to Chapter 2256.005 of the Texas Public Funds Investment Act. The investment policy names the following titles/individuals as the Investment Officers for the City of Socorro:

- (a) Two (2) Elected Officials (Council Member(s) and/or Mayor)
- (b) City Manager (City Employee)
- (c) Chief Financial Officer (City Employee)

The Investment Officers for letter (a) above are the Mayor and Representative At-Large. The Investment Policy shall be presented to Council annually for review by the Administration. The Investment officers shall attend an investment training session no less often than once every two years commencing in October 1, 2005 and shall receive not less than 10 hours of instruction relating to investment responsibilities. The certificates of completion must be filed at the City Clerk’s office by each Investment Officer.

The City has the following investment portfolio:

Depository Entity	Address	Telephone	Approximate Investment Amount
LOGIC	335 N. St. Paul Dallas, TX 75201	(800) 895-6442	\$88,000
1st National Bank	7400 Viscount El Paso, TX 79925	(915) 779-7100	\$140,000

LONG-TERM DEBT

The City of Socorro issues Certificates of Obligation (CO) to improve and maintain the City's infrastructure. These funds are used for constructing, reconstructing and improving sidewalks, streets and roads, including, bridges and intersections, street overlay, landscaping, traffic safety and operational improvement, culverts and related storm drainage and utility relocation, and the acquisition of land and interest in land as necessary. The City's Ordinance of Issuance also provides for these funds to be utilized to purchase vehicles and equipment for public works and police department, construction and equipment of park and recreational facilities and improvements. In addition, legal, fiscal and engineering fees in connection with the aforementioned projects may be expended with CO proceeds. The City of Socorro has the following CO's outstanding:

CO	Principal	Interest	Balance
2008	4,390,000	1,530,817	5,920,817
2010	4,205,000	1,217,175	5,422,175
2011	2,415,000	986,000	3,401,000
2012	4,575,000	2,178,463	6,753,463
2014	9,265,000	5,528,632	14,793,632
Total	24,850,000	11,441,086	36,291,086

The CO payment is made by the Paying Agent, US Bank, with property tax proceeds on a semiannual basis as follows:

Year	Principal	Interest	Total
2015	840,000	977,036	1,817,036
2016	900,000	913,417	1,813,417
2017	925,000	888,686	1,813,686
2018	955,000	862,136	1,817,136
2019-2023	5,270,000	3,796,025	9,066,025
2024-2028	6,395,000	2,678,361	9,073,361
2029-2032	9,565,000	1,325,427	10,890,427
Total	24,850,000	11,441,086	36,291,086

PAYROLL

The Accounting Department processes payroll every two (2) weeks on Thursday. Hourly employees swipe a card to record time clocked in and time clocked out. Salaried employees complete a time sheet for record keeping. The Accounting Technician prints time sheets for hourly employees from the record keeping time clock. The information is entered from the time keeping system into the Accounting Software by the Accounting Technician. All leave requests must be submitted to the Accounting Technician within 24 hours of occurrence and by 11:00 am on Monday of the Payroll week. Leave request forms not meeting this deadline will be processed the following pay period. Missing swipes report will be emailed to Department Heads or supervisors for explanation. The explanation must be submitted in written form to the Accounting Department immediately. Jury Duty attendance verification forms must be submitted to the Accounting Technician for processing. A court summons requesting leave must be submitted to the Accounting Department along with proof of attendance in order to process the jury duty leave. Training agendas or other forms of supporting documentation of attendance are required in order to process paid leave for travel for training purposes.

Payroll distribution is made via direct deposit to the employee account or via check. Wells Fargo Bank automatically transfers funds to cover the wages for payroll from the General Fund to the Payroll Fund Account. The Accounting Technician places each check and remittance voucher in an envelope for distribution to Department Heads.

PETTY CASH

The City departments maintain a small petty cash fund not to exceed 200 dollars. The petty cash custodian for each department is responsible for maintaining and reconciling the petty cash fund. The petty cash fund is reconciled by the 10th working day of every month. The Accounting Technician verifies the petty cash reconciliation for accuracy and completeness. Any discrepancies are reported to the Chief Financial Officer for inquiry and action. Disciplinary action is taken for any cash shortages depending on the cause, materiality, and repetitiveness. Petty cash reimbursements are made to the departments by the Accounting Technician once the reconciliation of the receipts are presented for replenishment of the petty cash fund. All receipts must be signed with a short description of the nature for the purchase. The petty cash box has a lock and is kept in a locked drawer.

The following Departments hold petty cash funds.

Department	Amount
Administration	200
Police	200
Municipal Court	100

YEAR-END-AUDIT

The City of Socorro's fiscal year commences on October 1 through September 30th. A certified public accounting firm performs a yearly audit of the City's financial statements and provides an opinion based on the audit. In order to adhere to OMB circular A-133 mandates, a Single Audit is performed if Federal Award expenditures exceed \$500,000 in the fiscal year.

The independent auditors routinely require the staff to provide the following reports in order to conduct the yearly audit:

- Trial balance
- Approved annual budget
- Budget revisions for the fiscal year
- Copies of new lease agreements
- Copies of notes and certificates of obligations
- City Council meeting minutes for the fiscal year
- Journal entries for the fiscal year
- Organizational chart
- Bank reconciliations for all bank accounts
- First and last check number used in the fiscal year for each bank account
- List of authorized signors for all bank accounts
- Schedule for all interbank transfers
- Schedule of collateral securities held by the pledging financial institution
- Preparation of cash confirmation (forms to be supplied by auditor)
- Copies of Investment Statements
- Report of all accounts receivables for the fiscal year
- Statement supporting state fees
- Calculation of accrued salaries, including payroll register used
- Schedule of compensated absences
- Schedule of principal and interest payments to maturity by debt
- Preparation of debt confirmations (supplied by auditors)
- Schedule of all revenue received for fiscal year
- Preparation of property tax confirmations
- Copies of 941's for the fiscal year & reconciliation to the trial balance
- Schedule of expenses & revenues for Federal & State awards

Jesus Ruiz
Mayor

Rene Rodriguez
At Large

Sergio Cox
District 1



Gloria M. Rodríguez
District 2/Mayor Pro Tem

Victor Perez
District 3

Anthony Gandara
District 4

Willie Norfleet, Jr.
City Manager

DATE: MARCH 19, 2015

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: KARINA HAGELSIEB

SUBJECT: DISCUSSION AND ACTION ON UPDATING THE ACCOUNTING MANUAL FOR THE CITY OF SOCORRO.

SUMMARY

On March 06, 2015, City Council adopted a resolution authorizing the City Manager and Department Heads as signatories and revoking prior authorized signatories. The accounting manual is reflecting this change on page 4. In addition, the process for accountability for overriding the purchasing policy has been changed on page 4.

STATEMENT OF THE ISSUE

FINANCIAL IMPACT

ALTERNATIVE

STAFF RECOMMENDATION