



TORRANCE COUNTY FINANCE AND PURCHASING POLICY

Attachment A

1. SECTION I: General Provisions

1.1. Purpose

The purpose of this policy is to establish regulations for purchases made within the entity of Torrance County, set regulations for the use of fuel cards and procurement cards (P-card), to set procedures for budget adjustments, and outline procedures when purchases are unauthorized or the misuse of fuel cards or P-cards.

1.2. Scope

This Policy applies to all Torrance County Staff, Elected Officials, and Volunteers. This Policy Supersedes all previous purchasing, budget adjustment procedures, and fleet card & Procurement card policies.

1.3. Employee Knowledge and Information of Policy

The County Manager or County Manager's designee shall provide a copy of this Policy to current employees and to all new employees with instructions to read and know all the provisions of these rules. Employees, Elected Officials, and volunteers shall sign a form acknowledging both receipt and understanding of the provisions of this Policy.

1.4. Interpretation of Policy and Supplements

In any case that a provision of this Policy is vague or unclear, the County Manager and/or County Attorney shall provide a written supplement for clarification of the provision, which shall be implemented by all Departments and offices.

2. SECTION II: Definitions

2.1. **Budget Increase**

The increase of the operating budget of a fund both on the expense and revenue sides.

2.2. **County Facility**

Any building or land owned or leased by Torrance County

2.3. **Fleet Card**

Card assigned to a vehicle that is used for fuel purchases, carwashes, and other vehicle related purchases such as emergency-related repairs as approved by a Fleet Card Administrator.

2.4. **Fleet Card Administrator**

The individuals who have administrative rights, ability to make changes, add new cards, and maintain access over the Fleet Cards: County Manager, Deputy County Manager, Finance Director and Chief Procurement Officer.

2.5. **Finance Department**

The office and/or personnel directly responsible for establishing budgetary control for expenditure of funds and accounts payable procedures for payment of purchases made.

2.6. **Inter Fund**

Transactions between two funds.

2.7. **Intra Fund**

Transactions within the same fund.

2.8. **Journal Entry**

A transaction for recording or correcting revenue and expenditure activity.

2.9. **Line-Item Transfer**

The transfer of funds from one line item to another.

2.10. **Procurement Card (P-Card)**

Card that is used for other purchases outside the aspect of a Fleet Card in accordance with NM State Statutes

2.11. **Procurement Card Administrator**

The individuals who have administrative rights over the Procurement Cards: County Manager, Deputy County Manager, Finance Director, and the Chief Procurement Officer (CPO).

2.12. Purchase

A purchase is the commitment, obligation, and/or expenditure of Torrance County supervised funds to obtain goods or services.

2.13. Purchase Order

A document generated by the County for the purpose of procuring goods or services from an authorized vendor. Purchase Orders shall include but not be limited to descriptions, quantities, prices, discounts, payment terms, date of performance or shipment, and other associated terms and/or conditions. Purchase Orders are issued to a specific vendor and when accepted by the vendor, becomes a binding contract between the parties.

2.14. Unauthorized Purchases

Any purchase that does not comply with the Torrance County Finance and Purchasing Policy (this policy).

3. SECTION III: Purchasing Procedures

3.1. Administration

The CPO shall be responsible for the administration of this Section III of this Policy to ensure that all provisions of law and this Policy are followed. Supplements issued by the Chief Procurement Officers shall be approved by the County Commission or Commission and copies of all supplements shall be attached to and made a part of this Policy. Upon the absence of the Chief Procurement Officer, the Finance Director will be responsible for administration of this Policy.

3.2. Implementation.

3.2.1. The CPO is the general terms for the individual or offices designated by the County Commission to fulfill the responsibility and functions of the CPO as provided in this Policy.

3.3. User Authority and Responsibility

3.3.1. Only individuals authorized by the Department's Elected Official or Department Director shall be permitted to request Torrance County purchases consistent with the provisions of this Policy. Authorization shall be submitted to the CPO. All authorized Users shall receive and sign for a copy of this Policy and shall thereby be responsible for the knowledge and appropriate compliance and use of the provisions of this Policy.

3.3.2. An Authorized User list shall be signed and kept on file in the Finance Department. Without the signed list by the Elected Department Official or Department Director no Purchase Order will be issued.

- 3.3.3.** Authorized Users may contact vendors to obtain technical information, prices, and delivery information for planning purposes. Finance Department personnel will review the technical information, confirm prices are reasonable, ensure availability of County funds, and issue a Purchase Order. All quotations documented or received by Users shall be attached to the Purchase Order.

3.4. Unauthorized and Questionable Purchases

Any purchase which is not legally and appropriately approved within the County budget or by other County Commission action, or which does not comply with the provisions of the State Statutes, particularly the State Procurement Code (Section 13-1-28 et seq. NMSA 1978) and the provisions of this Policy, shall be considered an unauthorized County purchase and thereby not subject to payment by the County.

The County hereby declares and establishes that it will assume no responsibility for payment of unauthorized purchases. Furthermore, any individual initiating or otherwise executing any unauthorized purchase is solely responsible for payment. All questionable purchases shall be submitted to the County Manager for County Commission review and determination under the provisions of this Policy.

3.5. Commission Approval of Unauthorized Purchases

Any purchase determined to be unauthorized shall be considered for approval of payment at a public meeting of the County Commission. Unauthorized purchases shall not be approved or processed for payment prior to Commission approval, and Commission meeting minutes shall be attached to the purchasing transaction file for audit purposes.

3.6. Penalties

Persons knowingly violating the State Procurement Code, this Policy, or other state law may be subjected to a civil penalty for each violation in accordance with New Mexico State Law. Individuals are also subject to disciplinary action in accordance with the County Personnel Ordinance.

3.7. Consistency with State Procurement Code.

The provisions of this Policy are subject to change in accordance with New Mexico Statute or State Procurement Code changes. Any change that is inconsistent with the provisions of this Policy shall be resolved in favor of the State Statutes or State Procurement Code. All authorized Users shall be given a copy of each change and notified that it is in effect.

3.8. Standard Purchasing Procedure Applicability

"Standard Purchases" are described as systematic, planned, and necessary purchases for administration and operation of a project, division, and/or Department. There shall be no exception to these standard procedures except as provided in "Emergency Purchases" in Section 3 of this Policy.

3.9. Requesting a Purchase:

Requisition for Purchase. All Standard Purchases as authorized by this section require that a Torrance County *Purchase Order* be issued prior to placing an order or making a purchase. *Purchase Orders* shall only be issued after proper approval and submission of a *Requisition for Purchase Form*. All *Requisitions for Purchase Forms* shall be submitted to the Finance Department

3.9.1. The approval process for a *Requisition for Purchase* is as follows:

3.9.1.1. Line-item Audit will be completed by a staff member of the Finance Department.

3.9.1.2. CPO, Finance Director and County Manager will review to ensure *Requisition for Purchase* is in accordance with this policy and State Procurement Code.

3.9.1.3. All grant funds must also be approved by the Grant Manager.

3.9.1.4. All appropriations must also be approved by the Appropriations Manager.

3.9.1.5. All *Requisition for Purchase* may be rejected at any level for inaccurate, incomplete, non-allowable purchase or other reason.

3.9.2. Vendor Name and Complete Address - The business to which the purchase order will be issued as well as the complete address for that vendor, per the W9 or applicable notice of address.

3.9.3. Vendor Number - To be taken from the mainframe database or listing of vendors. A vendor number for each vendor shall be assigned by the Finance Department. A vendor number shall be on file for the vendor prior to issuance of a purchase order. It is the user's responsibility to obtain and provide a W9 for a new vendor as well as complete the new vendor request form. Without proper and complete documentation, a new vendor shall not be entered into the system.

3.9.4. Quantity - Specify a unit and the approximate amount per unit being requested. Units may be "each", "box", "gals.", "reams", "pounds", etc. If exact quantity is not known, Users shall provide the best estimate of quantity.

3.9.5. Description of Item - The description of the items or services shall be sufficiently complete to identify the item being purchased. Services that have been obtained through the use of an agreement shall reference the agreement number and attach a copy of the agreement. Services that have been obtained through the use of a bid shall reference the bid number.

3.9.6. Unit Cost – Estimated cost per unit.

3.9.7. Total Cost - Calculation of the quantity multiplied by the unit cost. If exact cost cannot be determined, Users shall provide the best estimate of cost.

3.9.8. Department - Enter name of Department initiating the purchase order.

3.9.9. Department Approval - Signature of the Department Head or authorized User, as recorded by the Purchasing Office.

3.9.10. Line Item - The appropriate budget line-item number to be charged. It is the authorized User's responsibility to assign the correct line-item number to the purchase order. Multiple line-item accounts may be included in the purchase order.

3.9.11. Quotes – Shall be annotated on *Requisition for Purchase Form* and attached.

3.10. Authorization of Purchase Orders

Once a *Requisition for Purchase Form* is completed and the purchase is properly authorized, the CPO shall issue a *Purchase Order* that includes date of authorization and number assignment. The User Department shall inform the vendor that the purchase order number shall be included on any invoice submitted to the County for payment.

Purchases executed prior to obtaining a purchase order are prohibited except as otherwise provided in "Emergency Purchasing Procedures", Section III of this Policy.

Adding different items to a purchase order after it has been authorized is prohibited. However, a purchase order may be corrected provided that there is a reasonable explanation for the correction and funds are available. A *Correction to Existing Purchase Order* form shall be completed by the User Department Head and approved in accordance with 3.9.1 of this policy.

3.11. Over Expenditures

A purchase order shall not be issued, approved, or processed in a case where the indicated line item will be over expended, except as approved by the Finance Director in accordance with State and County regulations and provisions, and provided there are legally sufficient budget balances available elsewhere. It shall be the primary responsibility of the authorized User to ensure sufficient funds are available prior to initiating a request for purchase. The Finance Director shall provide sufficient information, data, or reports, upon request, to keep authorized Users properly updated on budget balances, and shall notify any office, Department, or agency head, after analysis of the monthly budget report, of any indications of any existing or impending budget balance issues.

3.12. 2.9 Competitive Purchases

Authorized Users shall insure that all purchases are made at the best possible prices. Purchases shall be made in accordance with the following provisions, also not inclusive of NM Gross Receipts Tax:

- 3.12.1.** \$4,999.99 or less. Purchases may be processed after obtaining the best price from vendors. Award can be made if the authorized User/CPO determines that the price received is reasonable. The authorized User/CPO is not precluded from obtaining quotes from more than one vendor if the authorized User/CPO determines that the price is not reasonable or determines that it is in the best interest of the County.
- 3.12.2.** \$5,000 to \$29,999.99. Written Quotes. Purchases shall be made according to the best obtainable price, provided at least three (3) bona fide written quotes from different vendors are obtained on the offeror's official letterhead or quote form, and submitted for approval with the *Requisition for Purchase* form. If three (3) bona fide written quotes cannot be obtained, the authorized User shall submit written documentation to the CPO as specified in section 3.12.4. These quotes are required to be recorded on *Requisition for Purchase* form.
- 3.12.3.** \$30,000 and above. All purchases exceeding \$30,000 require formal bid procedures as specified by State regulations and shall be processed and executed by the CPO, through formal procedures. Bids may be rejected in the event that they are in excess of budgetary limits, are non-responsive to specifications, or due to irregularities in the bid's specifications.
- 3.12.4.** Documented and Written Quote Exceptions. In the event there are not three (3) known vendors which have goods/services available, fewer than three (3) quotes are permissible, provided the User attaches the quotes obtained and identifies, on the quote form or on separate attachment the names of other vendors contacted who could not provide the goods/services. Written Quote Exceptions are outlined in NMAC (1978) § 1.4.1.51(A).

3.12.5. State Purchasing Contracts and Cooperative Bid Exceptions.

An Invitation-for-Bid (ITB) or Request-for-Proposal (RFP) are not required for purchases under this section. Purchases may be made providing that the vendor has a Statewide Purchasing Contract, or a qualified, documented procurement done by another State or local government agency or an approved external procurement unit. Any such purchase shall include appropriate written authorization for Torrance County's use, either in the original solicitation or in writing by both the original procuring agency and the vendor.

State purchasing contract numbers shall be identified on the purchase order requisition and a copy of the contract shall be attached to the permanent copy of the purchase order.

The County may purchase goods and services cooperatively through another local public body's solicitation process consistent with State regulations.

The County may allow purchase of goods and services cooperatively to another local public body through the County's procurement process, Torrance County shall be held harmless, and it is the responsibility of using agency to abide by State regulations.

3.12.6. Invitation-for-Bid (ITB) or Request-for-Proposal (RFP)s. Scope-of-Work shall be written to facilitate the need of the County for a particular good or service to perform a function. Written Scope-of-Work for purchases shall not be "closed or exclusive", or otherwise written in such a way as to intentionally favor or exclude a vendor. Reference to specific types or quality shall be followed by wording "or equal" and all specifications regardless of wording shall be considered as "or equal". It shall be the authorized User's responsibility to ensure that all specialized technical aspects of Scope-of-Work are correct and appropriate. It shall be the CPO's responsibility to review and ensure that all other provisions, procedures, and considerations are correct and appropriate, and to address any questionable, unusual, or inappropriate specifications prior to processing.

3.13. Sole Source Purchase

A sole source purchase is only permitted in cases where only one vendor provides the required goods and/or service. The CPO shall certify and execute the sole source purchase according to the New Mexico State Procurement Code.

3.14. Procurement of Professional Services

Professional services shall be procured at the best negotiated price, provided the

following thresholds are not exceeded (excluding NM Gross Receipts Tax):

3.14.1. Architectural or engineering professional services - \$50,000.

3.14.2. Landscape architectural or surveying professional services - \$10,000.

3.14.3. All other professional services - \$60,000.

3.14.4. Professional services having a value which exceeds the maximum thresholds outlined above will be solicited as outlined in the State Procurement Code and this Policy.

3.15. Emergency Purchases

Emergency purchases are permissible provided they are in accordance with the following provisions:

3.15.1. An emergency purchase is permissible when there is an existing condition that creates a threat to public health, welfare, or safety. The existence of the emergency condition creates an immediate and serious need for procurement of items or services or construction that cannot be met through normal procurement methods and the lack of which would:

3.15.1.1. Seriously threaten the functioning of government,

3.15.1.2. The preservation or protection of property,

3.15.1.3. The health or safety of any person.

3.15.2. Emergency conditions shall be determined by the County Manager with the concurrence of the CPO. The Finance Department shall maintain records of all emergency purchases for a minimum of three years.

A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the procurement file.

The CPO shall certify and execute the emergency purchase according to the New Mexico State Procurement Code.

3.15.3. Other Emergent Procurement. These procurements are defined as an unanticipated procurement necessary to fulfill the mission of the County. These Purchase Orders may be issued by the CPO, Finance Director, County Manager or County Manager's designee in situations where standard procurement procedures are otherwise unavailable. Purchase Orders issued under this provision shall not exceed fifteen hundred 1,500 dollars unless County Manager or County Manager's designee and the CPO or Finance Director are in concurrence.

3.15.4. Written Determination. The requesting Department shall attach a written determination with the emergency or Emergent purchase request when feasible as determined by the Chief Procurement Officer.

3.15.5. In the event when a verbal approval is granted for a purchase by the Chief Procurement Officer, County Manager, Deputy County Manager, or Finance Director, the end user shall turn in a written request the next business day but no more than one calendar week from time of verbal approval is given.

3.16. Personal Use Prohibited

No purchases shall be made for the purpose of personal or private use.

4. Section IV: Accounts Payable Procedures

4.1. Invoices

An invoice is an itemized list submitted by the vendor to the County for payment of goods or services delivered to the County. It is the responsibility of the vendor to ensure that a purchase order is provided prior to issuing goods or services and the vendor shall include the purchase order number on the invoice submitted to the County for payment. In cases where purchase order numbers are not included on the invoice, the vendor shall be informed of their responsibility to include this information. The Finance Department, at its discretion, is authorized to return any invoices which do not reference a valid purchase order number. The County will not be responsible for purchases made without an executed and authorized purchase order.

The vendor shall be notified that repeated improper invoicing is sufficient cause to exclude the vendor from the County's purchasing program. Also, the County may refuse payment in any case that there is an unauthorized purchase. All invoices shall be mailed to the County Manager's Office at PO Box 48, Estancia, NM 87016 or submitted electronically to invoices@tcnm.us. Payment will not be guaranteed for any other invoices sent to other addresses.

4.2. Utilities

All utility invoices (county cell phones, office phones, fax, internet, electric, gas, water, sewer, etc.) shall be processed by the Finance Department and a *Receiving and Accounts Payable Report* created. A copy of the invoice and *Receiving and Accounts Payable Report* will be sent to the respective Departments for their records. Department heads shall be responsible for reviewing all utility invoices and Receiving and Accounts Payable Reports and notifying the Finance Department of any discrepancies or billing inaccuracies.

4.3. Contracts

All contracts with a regular payment, such as a lease, shall be processed by the Finance Department and a *Receiving and Accounts Payable Report* created. A copy of the invoice and *Receiving and Accounts Payable Report* will be sent to the respective Departments for their records. Department heads shall be responsible for reviewing all contract invoices and Receiving and Accounts Payable Reports and notifying the Finance Department of any discrepancies or billing inaccuracies *Receiving and Accounts Payable Report*. The Commission Chair, County Manager or County Manager's designee shall sign all contracts.

4.4. All contracts based on set deliverables will be the user's responsibility to submit a Verification of Invoices

Invoices other than invoices for utilities, shall be received, date stamped, and distributed via email to the respective Department by the Finance Department within one business day of receipt. All invoices shall be reviewed by User Departments prior to payment to insure goods or services have been received and to certify authorization for payment. A *Receiving and Accounts Payable Report* shall be fully executed, including an authorized signature, in order for an invoice to be processed for payment. It will be the responsibility of User Departments to ensure outstanding invoices are promptly submitted for payment within 10 calendar days of receipt from Finance Department.

4.5. Processing for Payment

The Finance Department will ensure that all invoices received are appropriately authorized and certified prior to payment. The Finance Department shall be responsible for ensuring that appropriate procedures are established and used for payment after invoices are received to include timely payments and to ensure that discounts are received, and late charges avoided.

4.6. Payments

No reissuance of a check shall happen until 90 days have passed after receiving the affidavit for duplicate check, from the vendor stating non-receipt/lost check.

4.7. Accounts Payable Receiving & Accounts Payable Report

All *Receiving and Accounts Payable Report* forms shall be completed in full when submitting invoices for payment to the Finance Department. *Receiving and Accounts Payable Report* to be completed as followed:

- 4.7.1.** Receiving Department - Department that received goods or services that are to be paid for.
- 4.7.2.** Vendor Number # - To be taken from the mainframe database or listing of vendors. Numbers for new vendors shall be assigned only through the Finance Department. A vendor number shall be on file for the vendor prior to issuance of a purchase order.
- 4.7.3.** Company Received From – Name of vendor where goods or services were received from.
- 4.7.4.** Remittance Address – W9 address or applicable notice of address on file that payments shall be sent to.
- 4.7.5.** Line Item - The appropriate budget line-item number to be charged. It is the authorized User's responsibility to assign the correct line-item number to the *Receiving and Accounts Payable Report*. Multiple line-item accounts may be included in the *Receiving and Accounts Payable Report*.
- 4.7.6.** Purchase Order Number # - purchase order number assigned by the Chief Procurement Officer or other Finance Department Official.
- 4.7.7.** Invoice Number # - Vendor generated number that is stated on invoice to be paid.
- 4.7.8.** Account Number # - Vendor generated number assigned to purchase from vendor.
- 4.7.9.** Quantity - Specific unit and the amount being requested for payment. Units may be "each", "box", "gals.", "reams", "pounds", etc.
- 4.7.10.** Description of Good(s) and/or Service(s)- The description of the good(s) and/or service(s) shall be sufficiently complete to identify the good(s) and/or service(s) received. Good(s) and/or service(s) that have been obtained through the use of a purchase agreement shall reference the agreement number and a copy of the agreement shall be attached. Good(s) and/or service(s) that have been procured through a competitive sealed bid/proposal process shall reference the bid number in accordance with NM State Procurement Code.
- 4.7.11.** Shipment Status –

- 4.7.11.1. Complete Shipment (close Purchase Order)
- 4.7.11.2. Partial Shipment (keep Purchase Order open)
- 4.7.11.3. Good Condition (shipment accepted)
- 4.7.11.4. Damaged condition (shipment returned) explain why shipment was damaged and/or returned.
- 4.7.12. Special Instructions – Additional notes about payment for information on an invoice.
- 4.7.13. Department Approval – Signature of authorized user on file with the Finance Department.
- 4.7.14. Reviewed for Payment – Finance Department use only.
- 4.8. **Purchase Voucher**
A Purchase Voucher will be filled out when an employee is being reimbursed for an approved purchase. An approved purchase for reimbursement shall only be made when proper procurement steps have been followed. A Purchase Order shall be issued to the employee that will be reimbursed prior to the purchase that is to be reimbursed.

5. Section V: Capital Assets

- 5.1. All vehicles, furniture, equipment or tangible good (greater than \$5,000) are subject to special delivery and control measures set forth in Torrance County's Finance and Purchasing Policy. Such measures are as follows:
 - 5.1.1. Receiving of Capital Assets. All receiving of Capital Assets shall be received at the Torrance County Administration Building, 205 S Ninth St. Estancia, NM 87016 or at a designated location by the CPO, Finance Director or County Manager or County Manager's designee.
 - 5.1.2. Capital Assets. All Capital Assets shall be received by the County Manager or County Manager's designee, the CPO, Finance Director, Facilities Maintenance Manager, County Manager, or designee shall inspect each Capital Asset and compare it with the Purchase Order to ensure it is the correct item.
 - 5.1.3. Documentation, all Capital Asset documentation received by the respective department shall be submitted to and maintained by the CPO within the Finance Department. A Department may request a copy of all documentation from the Finance Department.

5.1.4. Release. The Capital Assets shall not be released to the Department of Purchase until it is service-ready, in the interim, the Capital Asset shall remain parked/located at the Torrance County Administrative Offices or a location designated by the County Manager, Finance Director and/or the CPO. Service ready being completely outfitted for the asset's intended purpose. A Department may receive and use a vehicle under temporary license plate if vehicle is service-ready.

5.1.5. Service-Ready. Asset is equipped with all required tools necessary for the asset to be used for its intended purpose. Assets are tagged and inventoried appropriately and released to the respective department.

5.2. Vehicles

All county vehicles shall be marked with the County Logo and vehicle number unless otherwise authorized by the County Manager.

5.3. Yearly Verification

All Capital Assets shall be physically verified yearly. The Chief Procurement Officer, Finance Director, and Facilities Maintenance Manager shall inspect and verify or designate a department head or elected official with physically inspecting and verifying all assets.

6. Section VI: Budget Adjustments

6.1. Line-Item Transfers

A Line-Item transfer (LIT) request is to be completed by the Department Head or designee to move funds from one line item to another. LITs are required to transfer funds to cover deficits or future expenditures within the budgeting cycle. All LITs are subject to the Finance Director and County Manager's approval.

6.2. Intra-fund Transfers

6.2.1. Intra-fund LITs will require approval from the Finance Director and the County Manager or County Manager's designee. Once all approvals are obtained, the LIT request will be submitted to the Department of Finance and Administration (DFA) through the Local Government Budget Management System (LGBMS) for the official budget record. Finally, the intra-fund LIT will be recorded by journal entry in the accounting system.

- 6.2.2.** The Finance Department will strive to complete all intra-fund LIT requests within one week upon submission to the Finance Director if all necessary approvals can be obtained. Intra-fund LIT will be accepted until the 15th of June for the current fiscal year. New intra-fund LIT requests will not be processed until the final budget is approved by DFA, typically by September 1st. The Finance Director has the right to waive the June deadline for submission of intra-fund LIT requests.

6.3. Inter-fund Transfers

- 6.3.1.** Inter-fund LIT will require approval by the Finance Director, County Manager or County Manager's designee, and the County Commission by resolution. Once those approvals are obtained, the LIT request will be submitted to the DFA through the LGBMS for approval. Once approved by DFA, the inter-fund LIT will be recorded by journal entry in the accounting system.
- 6.3.2.** The deadline for inter-fund LIT requests is the close of business the day before agenda items are required to be turned in for the subsequent Board of County Commission (Commission) meeting. Inter-fund LIT will be submitted into LGBMS for DFA approval within one week of Commission approval by resolution. There is no set time frame for DFA approval. Inter-fund LIT request deadline for the end of fiscal year will be the close of business the day before agenda items are required to be turned in for the first scheduled Commission meeting in June. The Finance Director has the right to waive the deadline for this submission for budget balancing purposes. New inter-fund LIT requests will not be processed until the final budget is approved by DFA, typically by September 1st.

6.4. Journal Entries

Journal entries require the approval of the Department Head, the Finance Director and/or the County Treasurer. Journal entries will be completed to correct expenditures drawn from an incorrect line item or revenues recorded to an incorrect line item. Journal entries will be completed by the Finance Department and/or Treasurer's Office within one week of receipt and approval. The fiscal year deadline for journal entries will be July 7th or the last business day prior to July 7th for the previous fiscal year.

6.5. Budget Increases

- 6.5.1.** Budget increase requests will be completed by the Department Head to capture an increase in funding. Budget increases require approval by the Department Head, Finance Director, County Manager or County Manager's designee and the County Commission by resolution. Once those approvals are obtained, the budget increase request will be submitted to DFA through the LGBMS for approval. Once approved by DFA, the budget increase will be recorded by journal entry in the accounting system.
- 6.5.2.** The deadline for budget increase requests is the close of business the day before agenda items are required to be turned in for the subsequent Commission meeting. Budget increase requests will be submitted into LGBMS for DFA approval within one week of Commission approval by resolution. There is no set time frame for DFA approval. Budget Increase request deadline for the end of fiscal year will be close of business the day before agenda items are required to be turned in for the first scheduled Commission meeting in June. The Finance Director has the right to waive the deadline for this submission for budget balancing purposes. New budget increase requests will not be processed until the final budget is approved by DFA, typically by September 1st.

7. Section VII Fleet Card/Procurement (P-card) Procedures

7.1. Access

Fleet Card access shall be granted only to County Staff, Elected Officials, and Volunteers who acknowledge and adhere to policy.

7.2. Fleet Card Assignment

Fleet Cards shall be assigned to a specific vehicle and shall be used only for its specified vehicle and for purposes as defined in Section 2.3 of this Policy.

7.2.1. Use of Fleet Card on an Unassigned Vehicle

If a situation arises where a Fleet Card is not working and a vehicle needs fuel, a different fleet card may be used to fuel a vehicle to which the fleet card is not assigned. The use of a different card may be approved by any one of the Fleet Card Administrators. This approval is for a one time use only or as otherwise directed by the Card Administrator.

7.2.2. Emergency Situations (Fleet Cards)

In the event of an emergency and a Fleet Card is not working and there is no other card that can be used, a reimbursement may be authorized for the fuel purchase by a Fleet Card Administrator. All reimbursements must be accompanied with an original receipt of the purchase. Without proper authorization, any reimbursements shall not be guaranteed.

7.2.3. Damaged Card

In the event a Fleet Card is damaged and does not work properly, a Card

Administrator shall be contacted by the next business day to initiate a replacement card order.

7.2.4. Authorization for Use

Any authorization for use of a Fleet Card shall be requested by the Department Head or designee. This request shall be written or emailed to a Fleet Card Administrator for the employee to be added to the list. When Elected Official no longer holds an elected office in the County or an employee is no longer employed by the County, the HR Director shall notify a Card Administrator to have that person removed from the list of authorized fleet card users. In the event a current employee or Elected Official no longer needs access to use a Fleet Card, the employee's Department Head, or designee or Elected Official shall send a request to a Card Administrator to have the employee removed from the list of authorized Fleet Card Users.

7.2.5. Pin Assignment

Each employee/volunteer with access to use a Fleet Card by their department shall be assigned their own personal identification number PIN. An employee/volunteer shall not use another employee/volunteer's PIN without first contacting a Fleet Card Administrator, and the PIN shall be used only once in emergency situations or situations of IT issues.

7.2.6. Fleet Card Use

Fleet Cards are for Official County Use Only.

7.2.7. Receipts and Fuel Logs

Receipts are required for all purchases with a Fleet Card. Digital copy (e.g. pictures and scanned copies of original receipt). Receipts and fuel logs are required to be turned in with the *Accounts Payable Report* form by the time frames given by the Finance Department when the monthly fuel invoice is sent to User Departments.

7.2.8. No Receipt

In the event a receipt cannot be obtained due to mechanical error or IT error by the vendor, a digital picture of the fuel pump showing total dollar amount and gallons shall be acceptable if provided with the vendor's name and address and a written justification explaining why a receipt could not be obtained. A notarized affidavit that includes this information shall be submitted for all fleet card transaction that do not have a receipt.

7.2.9. Failure to Comply

Failing to comply with this Policy may result in a loss of access to use fleet cards for Torrance County's Vehicle Fleet. The County Manager or County Manager's designee has the authority to remove an employee or Elected Official's access to use Fleet Cards or to reprimand the employee for such failure. Repeated failures to comply with this Policy may result in disciplinary action up to and

including termination in accordance with the County Personnel Ordinance. Unauthorized purchases on the Fleet Card shall result in the employee being personally liable for the charges and subject to civil and criminal penalties under New Mexico law.

7.2.10. Payments

Once invoices are received, Departments shall issue account payable reports.

7.3. Procurement Cards

Procurement cards shall be issued only after authorization is provided by the County Manager and Finance Director.

7.3.1. Making a Purchase

All purchases made with a Procurement Card shall be in accordance with this policy and NM State Statutes. All purchases made with a procurement card shall be accompanied with a receipt, no exceptions.

7.3.2. Failure to Comply

Failing to comply with this policy in regards to the use of a procurement card shall result in the employee being personally liable for the charges on the Procurement Card. Unauthorized purchases on the Procurement Card shall result in the employee being personally liable for the charges. The County Manager or County Manager's designee has the discretion and authority to have employees repay the County for any unauthorized purchases on the Procurement Card. The County Manager or County Manager's designee may permanently disallow an employee or Elected Official access to the use of a Procurement Card for improper use of the Procurement Card. Repeated failure to comply with this policy may result in disciplinary action up to and including termination in accordance with the County Personnel Ordinance. Unauthorized purchases on the Fleet Card shall result in the employee being personally liable for the charges and subject to civil and criminal penalties under New Mexico law.

7.3.3. Lost/Stolen Card

In the event that a Fleet Card or Procurement Card is lost or stolen, the person authorized to use this card shall immediately contact a Card Administrator upon the discovery of a card being lost or stolen. The Card Administrator shall then turn off the card for all purchases immediately.

7.3.4. Audit

From time to time, the County Manager or County Manager's designee may initiate an internal audit for Fleet and/or Procurement Cards.

7.4. Thermal Receipts

Thermal receipts shall not be submitted with an accounts payable report. A photocopy of the thermal receipt shall be made and submitted when submitting an Accounts

Payable Report, Per Diem, or any other documents to the Finance Department.

8. Section VIII: Invoicing

8.1. Generating Invoices

The Finance Department shall generate all invoices for Torrance County except for the Following:

8.1.1. Medical - Invoices for EMT transports or other medical invoices,

8.1.2. Grant - Invoices for grant reimbursement or payments that require specialized forms.

8.1.3. Other - Invoices may be approved to be generated outside of the Finance Department with the approval of the Finance Director and County Manager as needed.

8.2. Reporting

Departments that have invoices generated outside of the Finance Department are responsible for providing a report to the Finance Department monthly. Reports shall include invoice number, amount invoiced, time frame of service invoiced for, invoices for which payment have been received, and date payment was received.

8.3. Request for invoicing

Request to generate an invoice shall be submitted to the Finance Department with a detailed listing of what is being invoiced, the name of the person or business being invoiced, a mailing address and/or email address, and phone number if applicable.

9. Section IX: Per Diem and Mileage

9.1. Per Diem

Rates will be set in accordance with NMSA 1978, Section 10-8-1 et seq.

9.1.1. Distance Eligibility

Per Diem shall not be paid unless the employee is beyond Thirty-Five (35) miles driven from both their home and worksite in the most common or routine route. The County Manager and Finance Director may override the 35-mile limit based on type, length and time of events.

9.1.2. Anticipated

An employee may request 80% of the travel per diem no more than fourteen (14) days prior to the first day of travel. A return Per Diem form shall be turned into the Finance Department for the remaining 20% no later than fourteen (14) calendar days after return from travel. An employee not turning in their return Per Diem form within the above mentioned time frames may be subject to repayment of the initial 80% of anticipated per diem requested for travel or other disciplinary action in accordance with the Torrance County Personnel Ordinance.

9.1.3. Actual

An employee may claim actual expenses for travel. When claiming actual expenses, a receipt for all items must accompany the Per Diem Form.

9.2. Mileage

Mileage shall only be paid with written approval granted by a Department Head or County Manager for official work. Current and valid vehicle insurance shall be provided for all travel when using a private vehicle. If an employee uses their private vehicle for county business, that employee's personal insurance is considered the primary coverage and employee's personal insurance is responsible for liability coverage.

9.2.1. Mileage rate shall be calculated at the rate set forth by the Internal Revenue Service in January of the previous year.

9.2.2. Documentation of all mileage reimbursements shall be submitted with one of the following:

9.2.2.1. A Rand McNally Map showing total distance from starting point to ending point,

9.2.2.2. A google map showing total distance from starting point to ending point, or

9.2.2.3. A detailed log tracking all stops and actual odometer readings.

9.2.3. County Fleet Availability - A county vehicle shall be used when available for all work-related purposes or travel, or a mileage reimbursement shall not be granted.

9.3. Defensive Driving

A Defensive driving/Road Ready course (which is offered by the County) shall be completed by Torrance County employees, elected officials, and volunteers in accordance with the Torrance County Safety Policy to be eligible to receive mileage or Per Diem from the County.

9.4. Air Travel

When applicable, all air fare will be paid in advance using the County's P-Card. Additional air travel charges shall be reimbursable upon return from travel, i.e., baggage, transportation, etc.

9.5. Not Specified

Any item not specified within Section 9 of this policy will be adhered to in accordance with NMSA 1978, Section 10-8-1 et seq.

10. Section X: End of Year Close Out Procedures

10.1. End of Fiscal Year.

10.1.1. 30 Days Prior to Year Ending There shall be no purchase orders issued or processed within 30 days prior to the end of the fiscal year except in extreme emergencies or as specifically approved by the CPO, Finance Director, and County Manager or County Manager's designee.

10.1.2. Fiscal Year End. All open purchases shall be voided at June 30th or the last business day of June unless a written reason is provided, and approved, by the CPO, Finance Director, and County Manager or County Manager's designee as to why the purchase is delayed and the need for the purchase order to carry forward to the next fiscal year.

10.1.3. All accounts payables shall be received and shall be correct no less than Ten (10) calendar days prior to the end of the fiscal year to ensure payment. Failure to have *Accounts Payable Forms* turned in by this deadline may result in payments being made from the next fiscal year's budget.

11. Section XI: Building Rental/Lease

11.1. County Facility Use.

Use of a County Facility is subject to the approval of the Board of County Commissioners through their designee, the County Manager or the County Manager's designee.

11.2. Reservation.

Scheduling will be on a first come first served basis. Reservations may not be made more than one year in advance of event. The Torrance County Fair Board (TCFB) shall have first right in scheduling for official TCFB events i.e., county fair, tag ins, fundraisers, etc for facilities within the Torrance County Fairgrounds. The TCFB will have all events for the calendar year submitted by the end of January. Dates are subject to change as needed.

11.3. Insurance.

Lessee shall take full responsibility for safety & security of facilities. Renters shall provide the County with tenant and user's liability insurance policy (TULIP) insurance or other insurance that covers the event and names Torrance County as an additional insured for all events held at County Facilities. Failure to obtain and provide TULIP insurance documentation to the County will result in cancellation of reservation and rental fees as in accordance with section 11.6.2 of this policy.

11.4. Cleaning.

Lessee will be responsible for cleaning after events, to return the facility to the same condition as it was upon arrival. A cleaning fee of \$25 per hour will be assessed if Torrance County must clean a County Facility after an event.

11.5. Rental of the Torrance County Fair Exhibit Building.

Includes the entire building portion, inside and out. Other Facilities on the Fairgrounds are not included in the rate such as other barns or rodeo arena. For rental of other Facilities on the Fairgrounds, or additional or other County Facilities, additional approvals from the County Manager and/or Board of County Commissioners are needed. Rates for other County Facilities will be negotiable based upon use of those County Facilities. A map of the rental area shall be provided on the rental agreement showing which buildings are being rented and parking areas.

11.5.1. Rental Fees are \$150 per weekday (Mon-Thurs) and \$250 for weekend events (Fri-Sun). Access will be granted on the day of the event once a damage deposit and proof of insurance are received by the Torrance County Finance Department. Rental fees may be changed by the County based on usage.

11.6. Receipt of Funds

11.6.1. Rental fees shall be paid in full at the time reservations are made.

11.6.2. Cancellations may be made with one week notice for a full refund of rental fee. Cancellations made after that are subject to loss of the full rental fee. Any cancellation made by Torrance County due to unforeseen circumstances is subject to a full refund at any time.

11.6.3. A damage deposit of \$250 is required to be paid prior to the event and prior to gaining access to the facility. A damage deposit is fully refundable due to cancellation at any time prior to an event. The damage deposit will be relinquished upon satisfactory inspection of cleanliness and no damage to the County Facility by Torrance County staff and return of keys to the County Facility.

11.6.4. If the damage deposit is not sufficient to cover damage/cleaning fees assessed by Torrance County, then an invoice will be generated for damage/cleaning fees to the lessee/renter.

11.7. Private Activities Permitted

The following activities and events may be permitted at the County Facilities subject to the approval of the County: wedding showers, baby showers, wedding receptions, confirmation receptions, birthday receptions, coming-of-age receptions, wedding anniversaries, retirement receptions, and graduation receptions. This list is not meant to be fully inclusive. Other private uses may be permitted by the County as described in Section 11.1.

11.7.1. No Party may not conduct events such as fundraisers, advertising, promoting, or selling of merchandise or services for profit or not for profit, or other large group events at County Facilities without the prior approval of the County Manager or County Manager's designee.

11.7.2. In addition to the conditions in the building lease/rental agreement, all parties using a County Facility shall agree to:

11.7.2.1. Assume responsibility and liability for that party and the party's guests and for proper use and care of the County Facility.

11.7.2.2. Replace or pay for the replacement of furniture, fixtures and other contents that are broke/missing during or as a result of the use of the facility, no decorations on walls or ceiling.

11.7.2.3. Secure all doors and windows.

11.7.2.4. Hold harmless and release from liability Torrance County, its employees, management, and the Board of County Commissioner for the operation of the County Facility, if applicable, and for any claim related to or resulting from the use of the County Facilities.

11.7.2.5. Clean the County Facility following use; properly replace and return tables and chairs to where they were when access to the County Facility was granted; removal and proper disposal of all trash after each function.

11.7.3. All activities that are illegal under state, federal and local law are strictly prohibited on County property and in County Facilities. Unless otherwise approved by the County Commission, the sale/distribution or use of alcoholic beverages are strictly prohibited. All County Facilities are smoke free facilities.