

Chatham County
FY 94 CDBG PROGRAM

FINANCIAL MANAGEMENT PROCEDURE RESOLUTION

A Resolution Authorizing the Adoption of Financial Management Procedures for the Chatham County Community Development Program.


Be It Resolved by the County Commissioners of Chatham County, North Carolina, That:

WHEREAS, Chatham County is participating in the Community Development Block Grant Program under the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Commerce; and

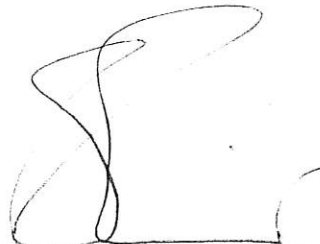
WHEREAS, it is necessary to have a financial management system for accounting and compliance purposes;

THEREFORE, BE IT RESOLVED, that the County Commissioners of Chatham County, North Carolina, hereby adopts the attached Financial Management Procedures to be used throughout the implementation of the Chatham County FY 94 Community Development Program.

This 17th day of October, 1994.


Henry Dunlap, Chairman
Board of Commissioners

ATTEST:


Ben Shivar, County Manager

Chatham County
P. O. Box 87
Pittsboro, North Carolina 27312

FINANCIAL MANAGEMENT PROCEDURES 94 CDBG PROGRAM

Chatham County is required to maintain a financial accounting system for the Community Development Block Grant Program. This system must be in compliance with various Federal guidelines for financial management of Federally-assisted activities. To comply with these regulations, Chatham County must have a financial management system that provides accurate, current and complete disclosure of the financial status of each CDBG-supported activity.

To insure that the Federal guidelines, specifically, 24 CFR 85, and Federal Management Circular A-87, Principals for Determining Allowable Costs, are met, Chatham County will comply with the following financial management procedures:

- A. The financial management system must permit the comparison of actual expenditures and revenues against budgeted amounts.

To meet this requirement, Chatham County will maintain separate revenues and expenditures ledgers by fund and activity. Also, a balance sheet of accounts will be maintained to indicate cash flow.

- B. Chatham County must have a procedure for determining the reasonableness, allowability and allocability of costs. All accounting records must be supported by source documentation and maintained for a three-year period following close-out of the program.

Chatham County will follow a procedure whereby the County Manager will review vouchers and invoices to make sure they are legitimate costs consistent with approved contracts or purchase orders, and to make sure that they are charged to the correct program activity. A Request For Check form will be prepared by the Project Manager and presented to the County Manager for review. A Request For Check will not be issued unless the voucher or invoice clearly describes the services rendered or product obtained. The Finance Officer will approve the Request for Check, determine if adequate funds are available, and issue a check for payment of the invoice.

Should the vouchers and invoices exceed the amount of funds on hand, a requisition for the amount of funds needed will be prepared with the assistance of the Project Manager. The requisition will be completed in accordance with DOC requirements. The requisition shall bear the signatures of two of the following local officials:

Henry Dunlap, Chairman, Board of Commissioners
Ben Shivar, County Manager
Vicki McConnell, Finance Officer
Melanie O'Connell-Underwood, Director of Economic Development

The original requisition and a copy will be sent to the DOC. An additional copy will be maintained in the local files. Upon receipt of the CDBG funds, the Finance Officer will immediately deposit the check into a separate account set up for CDBG funds.

- C. A mechanism must be developed to insure compliance with the "Three Day Rule" whereby all requisitions in excess of \$5,000.00 must be disbursed within 72 hours or three working days.

Chatham County will ensure that funds are expended within three working days or 72 hours of receipt by requisitioning funds only upon receipt of vouchers and/or invoices and/or progress payment requests. Never will the amount of the requisition exceed the total amount of the funds needed.

This Financial Management System will be maintained by the Chatham County Finance Officer and adhered to by the Project Manager and all program participants. Chatham County will maintain all accounting records for a three-year period following program close-out.