

**VILLAGE OF SOUTH LEBANON, OHIO**  
**ORDINANCE NO. 2015- 1**

**AN ORDINANCE ESTABLISHING ACCOUNTING POLICIES AND  
PROCEDURES, AND PROCEDURES FOR RECEIPT AND DEPOSIT OF FUNDS,  
FOR THE VILLAGE OF SOUTH LEBANON,  
AND DECLARING AN EMERGENCY**

**WHEREAS**, in order to be in compliance with internal control over financial reporting and on compliance and other matters under Government Auditing Standards, and to attempt to prevent audit findings for deficiencies in internal controls, material weakness and significant deficiencies overall, the Village desires to adopt and implement certain policies and procedures for accounting, as well as policies and procedures for receipt and deposit of funds.

**WHEREAS**, immediate action is required to improve the Village's accounting policies and procedures, and policies and procedures for receipt and deposit of funds, and such action is necessary in order to preserve the public peace, health, safety or welfare of the Village.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Village of South Lebanon, Ohio, at least two-thirds of all members elected thereto concurring:

**Section 1.** That the Council does hereby establish and implement the following accounting policies and procedures:

1.1 A purchase order must be issued in a timely manner for every purchase made by Village Staff. All purchase orders shall be issued by the Fiscal Officer. Each purchase order request made by Staff shall be accompanied by a written quotation with the exception of small purchases that get made by Public Works employees in the normal course of their daily activities. In such event, Public Works employees must submit receipts to the Fiscal Officer within twenty-four (24) hours of making the purchase. Each quotation and receipt must clearly indicate the items purchased and to which general ledger account it should be charged. All purchases made by Public Works employees shall be approved by the Superintendent, or in the absence of the Superintendent, the Administrator, prior to the purchase getting made. All purchases made by the Superintendent of Public Works exceeding \$250.00 shall be approved by the Administrator prior to requesting a purchase order from

the Fiscal Officer. As a general rule with some exceptions, a minimum of three (3) quotes should be obtained for any purchase exceeding \$1,000.00. An exception to this rule may be a circumstance when there is a sense of urgency that does not reasonably allow time to obtain three (3) quotes or when Staff is unable to reasonably obtain three (3) quotes.

1.2 Invoices shall be first reviewed and approved by the individual Staff members responsible for the purchase (primarily the Fiscal Officer, Administrator and Superintendent).

1.3 The Fiscal Officer shall distribute an accounts payable report to all Council members with each Council meeting packet listing all outstanding invoices which have previously been approved by Staff. This report should show, at a minimum, the vendor name, amount due, invoice date, date due and brief description of the purchased item. Council members shall review each outstanding invoice after receiving the report and prior to the Council meetings. At the Council meetings, Council shall pass a motion to approve all acceptable invoices. Specific questions regarding individual invoices, if any, may be addressed by Council to the Fiscal Officer at the Council meetings. No invoices shall be paid without approval by Council by way of a motion. Exceptions to this policy include payroll, payroll withholdings and insurance. In the case of payroll and withholdings, it is not possible to issue weekly payroll on time unless it is done without Council approval. Likewise, it is normally not possible to meet the payment deadline for the Village's monthly insurance bills unless these payments are made without Council approval. In such events, at the following Council meeting, Council shall ratify by motion to approve payroll and withholdings, and insurance bills.

1.4 All checks shall be signed by the Mayor AND Fiscal Officer whenever possible. Invoices and copies of purchase orders shall be individually attached to each check to enable the payments to be verified against the invoice and purchase order amount.

1.5 Bank statements for the Village checking account and Mayor's

Court checking account shall be delivered to the Administrator unopened after arriving in the mail. The Administrator shall review the bank statements and initial and date the cover page of the statements as an indication of the Administrator's acceptance. The Administrator shall deliver the approved statements to the Fiscal Officer to reconcile and file.

1.2 The Fiscal Officer shall arrange to load a read-only version of the Village accounting software on to the Village Administrator's computer which will give the Administrator the ability to access and read Village accounting and finance reports at the Administrator's discretion.

**Section 2.** That the Council does hereby establish and implement the following policies and procedures for receipt of funds and deposits:

2.1 In addition to the Utilities Clerk stamping a portion of the utility bill which is used as a receipt for the customer when utility payments are made in person at the Administration Building, either by cash, check or credit card, the Utilities Clerk shall print receipts automatically at the same time that the payments are entered into the utility billing software system and give a copy of these receipts to the customer. This will eliminate the risk of fraud and error.

2.2 Cash payments made for utilities, income taxes and court-related fees shall be reconciled at the end of each day by each employee responsible for receiving the payments and a copy of the reconciliation shall be given to the Fiscal Officer for review and approval at the start of the following business day.

2.3 The Utilities and Tax Departments, and the Mayor's Court shall use lock bank bags, one bag for taking deposits to the bank and a second bag for holding deposits while the first bag is getting delivered to the bank.

**Section 3.** That the Council is acting in its legislative capacity in adopting this Ordinance.

**Section 4.** That the recitals contained within the Whereas Clauses set forth above are incorporated by reference herein.

**Section 5.** That this Ordinance is hereby declared to be an emergency measure in accordance with Ohio Rev. Code § 731.30 for the immediate preservation of the public peace, health, safety and general welfare; and, this Ordinance shall be in full force and effective immediately upon its passage.

**Section 6.** That it is found and determined that all formal actions of the Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of Council in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Adopted this 8<sup>th</sup> day of January, 2015.

Attest: Sharon Louallen Lionel H. Lawhorn  
Sharon Louallen, Fiscal Officer/Clerk Lionel Harold Lawhorn, Mayor

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|---|---------------------------|
| Rules Suspended: / / 8 / 2015 (if applicable) | Effective Date – / / 2015 |
| Vote - <u>6</u> Yeas<br>___ Nays              |                           |
| First Reading – / / 2015                      | Effective Date – / / 2015 |
| Second Reading – / / 2015                     |                           |
| Third Reading – / / 2015                      |                           |
| Vote - ___ Yeas<br>___ Nays                   |                           |

Prepared by and approved as to form:

BRUCE A. McGARY  
VILLAGE SOLICITOR  
SOUTH LEBANON, OHIO

By: \_\_\_\_\_

Date: 01/8/2015

CERTIFICATE OF POSTING

I, Sharon Louallen, Fiscal Officer of the Village of South Lebanon, Ohio do hereby certify that a true and accurate copy of this ordinance, resolution, summary of ordinance or statement, order, proclamation, notice or five public places within the Village of South Lebanon, Ohio by Section 731.25 of the Ohio Revised Code Ordinance 98-08 of Village of South Lebanon, Ohio.

1-9-15

Date

Sharon Louallen  
Sharon Louallen  
Fiscal Officer  
Village of South Lebanon,  
Ohio