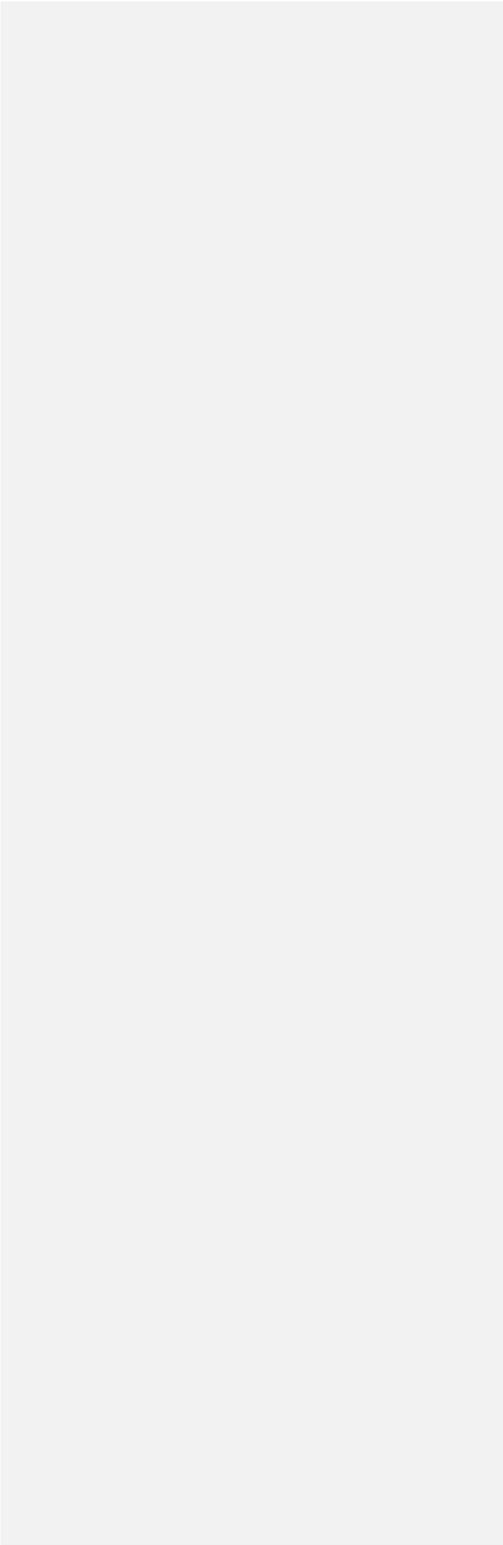


City of Twin Falls
CITYWIDE FINANCIAL POLICIES AND GUIDELINES

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Overview

Purpose:

The Citywide Financial Policies and Guidelines assemble all of the City's financial policies in one document. They are the tools used to ensure that the City is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of the City.

The City of Twin Falls is accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These policies safeguard the fiscal stability required to achieve the City's goals and objectives.

Objectives:

In order to achieve its purpose, the Citywide Financial Policies and Guidelines have the following objectives for the City's fiscal performance.

1. To guide City Council and management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and financial risk.
3. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.
7. To ensure the legal use of financial resources through an effective system of internal controls.
8. To promote cooperation and coordination with other governments and the private sector in the financing and the delivery of services.

The City will uphold all federal law and Idaho state code, as it pertains to the following policies and guidelines.

Document Type: Policy
Number: I-a
Effective: 10-1-13
Revised:

AUDITING AND FINANCIAL REPORTING

This policy is intended to promote organized financial planning, budgeting, and accounting to assure disclosure of all financial transactions and to facilitate financial management and accountability by departments, divisions and agencies through financial reporting.

The City will do the following to fulfill its financial reporting responsibilities:

- Establish a chart of accounts and maintain an accounting system to provide all of the data needed to allow for the timely preparation of financial statements for the entire City in conformity with generally accepted accounting principles (GAAP).
- Contract for an independent audit of the City's finances and for compliance with GASB and state laws. (ID Code 50-1010) The audit will be published annually as a Comprehensive Annual Financial Report. (CAFR).
- Issue timely financial statements for the entire City in conformity with GAAP as a part of a Comprehensive Annual Financial Report (CAFR).
- Prepare and publish periodic financial and operating reports to facilitate management, policy, and appropriation decisions.
- Annually seek the Government Finance Officers Association (GFOA) certifications for annual reporting and budget. These are the Certificate of Achievement in Financial Reporting and the Distinguished Budget Award.

Document Type: Policy
Number: 1-b
Effective: 10-1-13
Revised:

CAPITAL ASSET ACCOUNTING/DISPOSAL POLICY

The Capital Asset Policy is established in order to record and report monetary amounts associated with fixed asset acquisitions, transfers, and dispositions. In order to maintain adequate accountability and control over the City's capital assets and to report appropriate financial information, capital acquisitions (purchases or donations) of \$5,000 or more with a useful life of at least three (3) years will be recorded as a fixed asset and booked to the General Ledger. Certain assets may be added for management purposes, regardless of cost.

After the end of the fiscal year, the Finance Department will provide to each department a year-end preliminary fixed asset listing. The Department manager shall be responsible to report to the Finance Department all changes regarding fixed asset items by November 30th of each year. Those changes include, but are not limited to:

- Change in condition, (IE: from "good" to "damaged beyond repair")
- Enhancement or upgrade (if it extends the asset life)
- Permanent transfer to another department
- Transfer of title or ownership

Other disposal methods: Items with an estimated value of \$1,000 or less should be disposed of through a local auction house. These items must be accompanied by written permission from the City Manager. Items valued in excess of \$1,000 must undergo a competitive bidding process, approved by the City Manager. Items that may serve other taxing entities may be given to those entities. These items must also have the approval of the City Manager.

If the item being disposed of has no residual value and/or is irreparable or otherwise no longer of any value, authorization must be obtained from the Department manager for disposal, and the Finance Department must be notified in writing, if the original acquisition exceeded \$5,000, so that the fixed asset records can be updated.

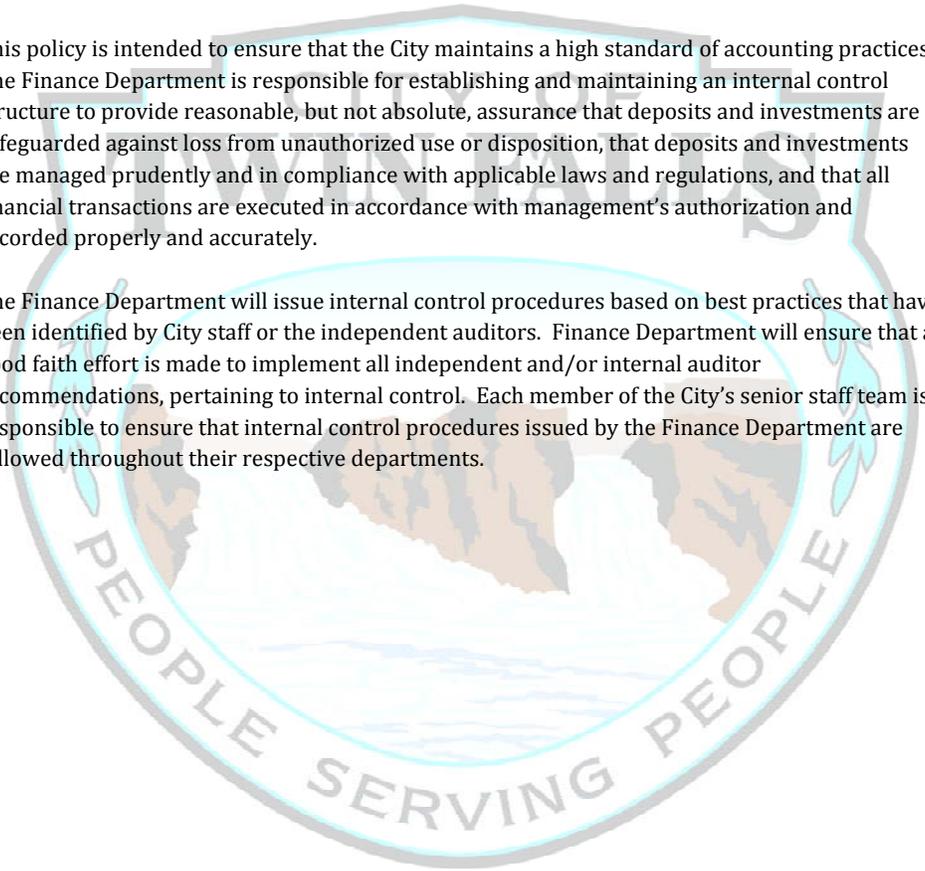
Departments are responsible for the proper use, care and maintenance of equipment in their possession. If repairs are required, they should be performed expeditiously to keep equipment in good working condition. In addition, departments must insure that all equipment is maintained in a secure manner to minimize loss, damage and unauthorized use.

Document Type: Policy
Number: I-c
Effective: 10-1-13
Revised:

FINANCIAL AND INTERNAL CONTROL

This policy is intended to ensure that the City maintains a high standard of accounting practices. The Finance Department is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that deposits and investments are managed prudently and in compliance with applicable laws and regulations, and that all financial transactions are executed in accordance with management's authorization and recorded properly and accurately.

The Finance Department will issue internal control procedures based on best practices that have been identified by City staff or the independent auditors. Finance Department will ensure that a good faith effort is made to implement all independent and/or internal auditor recommendations, pertaining to internal control. Each member of the City's senior staff team is responsible to ensure that internal control procedures issued by the Finance Department are followed throughout their respective departments.



Document Type: Policy
Number: II-a
Effective: 10-1-13
Revised:

BALANCED BUDGET

The City strives to develop a financial plan that protects the long-term financial health of the City and continues delivery of services by ensuring that the reliability of the funding sources are matched to support the duration of the expenditure.

Annually, the City of Twin Falls shall adopt by ordinance a balanced budget where operating revenues are equal to, or exceed, operating expenditures. Fund balance should not be considered a source of funds for base operating expenditures. Any increase in expenditures, decrease in revenues, or combination of the two that would result in a budget imbalance will require budget revision, rather than spending unappropriated surpluses or designated reserves to support on-going operations. (ID Code 50-811(7) (8), ID Code 50-1002, ID Code 50-1003, ID Code 50-1006).

Any year end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy, and the balance will be available for capital projects and/or "one-time only" expenditures. (ID Code 50-1005A) Nothing in this policy shall prohibit the use of operating revenues for capital expenditures/expenses.

Document Type: Policy
Number: II-b
Effective: 10-1-13
Revised:

BASIS OF BUDGETING

The basis of budgeting is the method used to determine when revenues and expenditures are recognized for budgetary purposes. This policy documents the key differences between generally accepted accounting principles (GAAP) and the employed budgetary basis to ensure consistency from year to year and equitably communicate the planned costs for major service areas and capital projects.

The City's budget basis of accounting differs from GAAP used for preparing the City's annual financial reports. The major differences between budget basis and GAAP basis are as follows:

- Encumbrances (contractual commitments to be performed) are considered as expenditures rather than the GAAP required reservation of fund balance.
- Central service cost allocations are budgeted as expenses and revenues rather than inter-fund transfers.
- Fixed assets (capital items and equipment more than \$5,000) are budgeted at the full expense and fully or completely depreciated for GAAP reporting.

Document Type: Policy
Number: II-c
Effective: 10-1-13
Revised:

BUDGET CALENDAR

The budget preparation calendar is crucial for the successful preparation and execution of the City's budget. The calendar defines the timeline for the budget and indicates major and minor milestones for all parties involved.

The City budgets resources for all funds on a fiscal year basis, which begins October 1st and ends on the following September 30th.

The City must notify Twin Falls County by April 30 of each year when the City will hold the public hearing on the annual adoption of the subsequent fiscal year's budget.

The City Manager's Tentative Budget (ID Code 50-811(7) (8)) will be prepared and distributed to City Council in early July. Discussions will be held at regularly scheduled Council meetings throughout July and early August.

The City will hold a public hearing on the annual adoption of the budget in August preceding the fiscal year.

The City will submit its adopted budget to Twin Falls County for certification no later than the Thursday before the second Monday in September, unless granted an extension of up to seven working days by the County Commissioners, preceding the fiscal year.

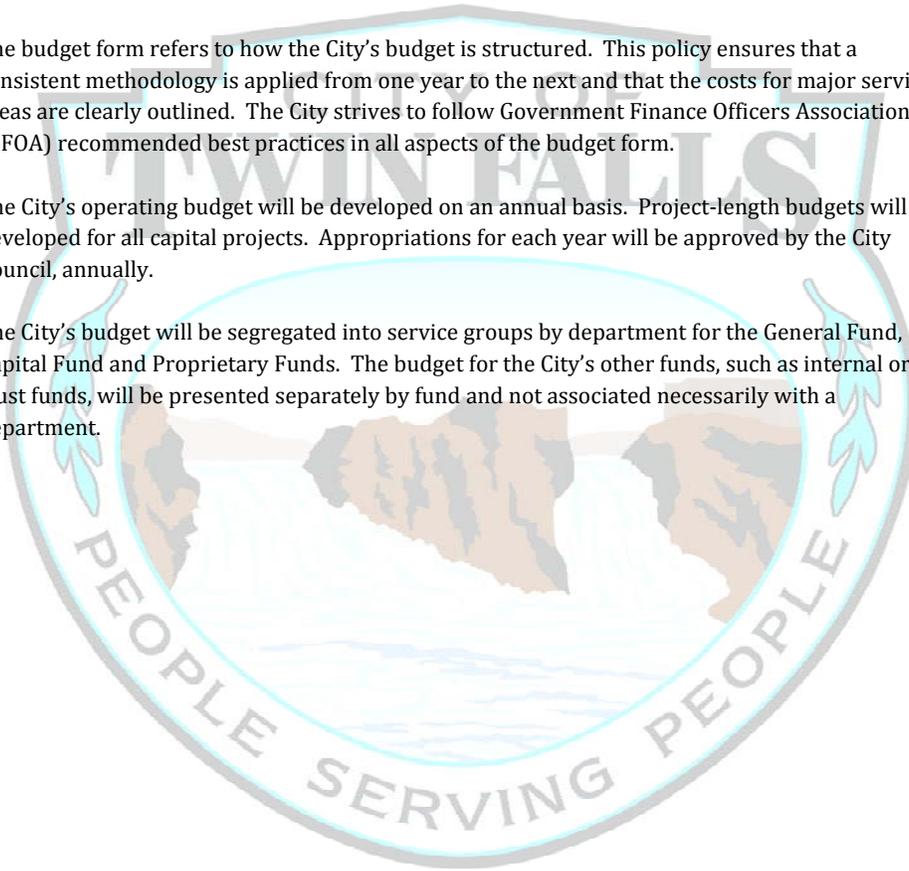
Document Type: Policy
Number: II-d
Effective: 10-1-13
Revised:

BUDGET FORM

The budget form refers to how the City's budget is structured. This policy ensures that a consistent methodology is applied from one year to the next and that the costs for major service areas are clearly outlined. The City strives to follow Government Finance Officers Association (GFOA) recommended best practices in all aspects of the budget form.

The City's operating budget will be developed on an annual basis. Project-length budgets will be developed for all capital projects. Appropriations for each year will be approved by the City Council, annually.

The City's budget will be segregated into service groups by department for the General Fund, Capital Fund and Proprietary Funds. The budget for the City's other funds, such as internal or trust funds, will be presented separately by fund and not associated necessarily with a department.



Document Type: Policy
Number: II-e
Effective: 10-1-13
Revised:

BUDGETARY CONTROL AND MANAGEMENT

A budget control system is to ensure that actual expenditures do not exceed expenditures as set forth in the budget. Regular reporting of actual versus budgeted revenues and expenditures is essential to a budgetary control system and allows the City to take corrective action if actual numbers vary significantly from budgeted numbers.

Operating budget control is maintained at the department level by fund. Department heads are given broad authority to control their budgets and to make changes indicated to meet program objectives and to meet performance goals. All capital projects are controlled at the project level. In no case may total expenditures of a particular department or fund exceed that which is appropriated by the City Council without a specific recommendation from the City Manager.

Department directors and division managers are provided sufficient authority and flexibility to make budget transfers in order to facilitate the achievement of assigned objectives and to respond to changing needs. Within that flexibility, the following budget controls have been implemented and will be adhered to by all departments:

- Departments are responsible for informing the City Manager of material transfers within and between cost categories.
- Budget transfers from personnel accounts to other operating accounts can only be made for the purpose of supporting one-time costs.
- Budget transfers within and from major equipment accounts can only be made for the purpose of supporting other one-time costs and must not result in increased replacement or operating costs in subsequent fiscal years.

The following budget transfers and/or adjustments require the recommendation of the City Manager:

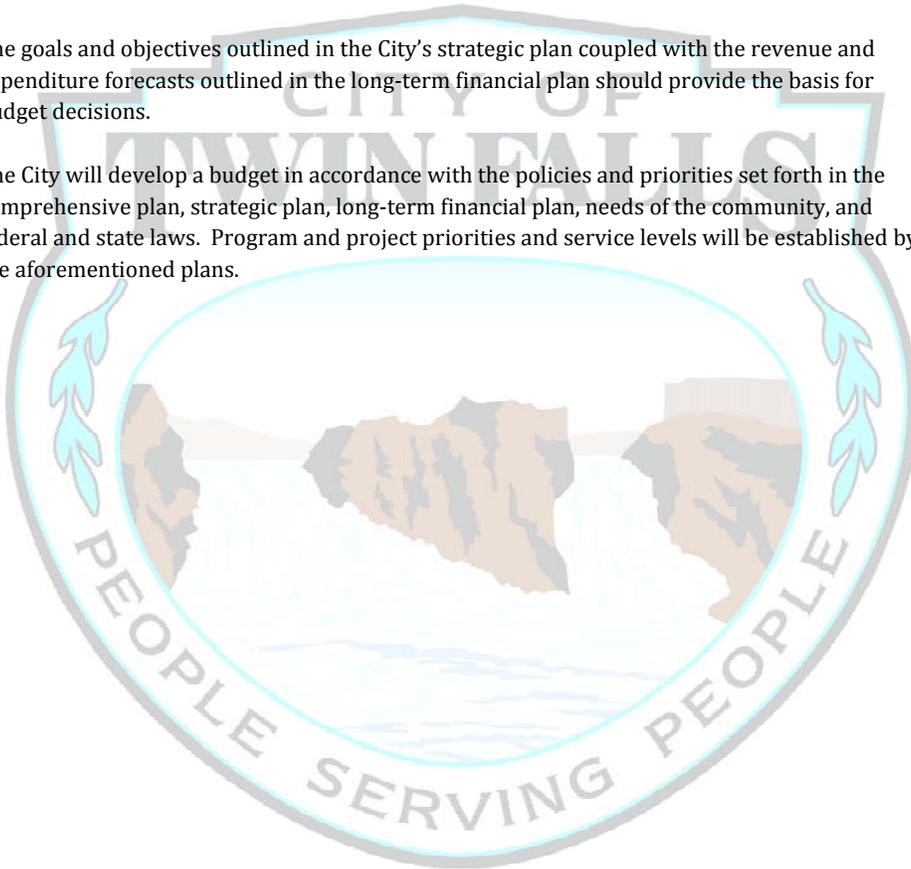
- Departments may not change a capital improvement project without a recommendation from the City Manager. Any remaining funds at the completion of the project become available for City Council allocation within the appropriate fund. Departments may be given authority to create project categories, with specific approval by City Council, that can be separated into individual projects for project management purposes or to address a goal approved by City Council. Examples include major repair and maintenance accounts including sewer line maintenance and facilities maintenance.
- Departments may not transfer special operating program funds into or outside of the approved program budget. Any additions to the program budget require a recommendation from the City Manager and approval by City Council documented at a City Council meeting. Any remaining funds at the completion of the program become available for City Council allocation.
- Departments may not increase their base budget in any subsequent fiscal year by any actions taken in the current fiscal year without a recommendation from the City Manager and approval by City Council documented at a City Council meeting.
- Departments may not exceed their approved permanent full time equivalent position count or take actions that would exceed their approved permanent full time equivalent position count without a recommendation from the City Manager and approval by City Council documented at a City Council meeting.

Document Type: Policy
Number: II-f
Effective: 10-1-13
Revised:

STRATEGIC AND FINANCIAL PLANNING

The goals and objectives outlined in the City's strategic plan coupled with the revenue and expenditure forecasts outlined in the long-term financial plan should provide the basis for budget decisions.

The City will develop a budget in accordance with the policies and priorities set forth in the comprehensive plan, strategic plan, long-term financial plan, needs of the community, and federal and state laws. Program and project priorities and service levels will be established by the aforementioned plans.



Document Type: Policy
Number: II-g
Effective: 10-1-13
Revised:

ENCUMBRANCE POLICY

This policy is intended to provide an understanding of encumbrance requirements and the encumbrance process.

An encumbrance can be defined as a restriction or legal claim. In the case of budget encumbrances, it would be a restriction of cash to be used for a legal claim for goods or services purchased in one fiscal year, but paid for in another.

- An encumbrance item must be specifically identified as approved, but not expended.
- The amount to be encumbered will be determined by review of the contract (formal or informal) entered into before the end of the fiscal year, and the amount of remaining budget for said project or purchase.
- Encumbrances terminate after one year.
- A listing of requested encumbrances will be compiled by the Finance Department, with all pertinent information and reviewed by the City Manager.
- Encumbrances will be funded from reserves.
- Encumbrances will be included in the budget amount for the current fiscal year.

Document Type: Policy
Number: III-a
Effective: 10-1-13
Revised: 10-1-14

AUTHORIZATION AND INVESTMENT OBJECTIVES POLICY

This policy establishes effective delineation of responsibilities and internal controls for the safekeeping and investment of the City's monies.

Authority to Invest:

In accordance with Idaho Code 50-1013, Idaho Code 57 and 67-2328, such investment shall be made by the Chief Financial Officer (CFO), and/or those person(s) assigned by the CFO.

Prudence:

In accordance with the Prudent Person Rule (Idaho Code 67-1210) which states: Investments shall be made with the exercise of that judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Conflicts of Interest and Ethics:

All officers of the City that engage in financial transactions shall act in accordance with the highest ideals of honor, integrity and ethics. Employees shall act in strict accordance with State laws and City ordinances governing ethics. Any conflicts of interest with the City's investment program requires the disclosure of any financial interests that employees and officials may have in the financial institutions the City is working with or instruments the City is investing in.

Objectives:

All funds will be invested in accordance with Idaho Code 67-1210 and 67-1210A. The primary objectives of investment activities in order of priority shall be safety, liquidity, and yield:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
- **Yield:** Return on investment is of secondary importance compared to safety and liquidity objectives described above.

Controls:

- **Allowable Investments:**

The following list constitutes current legal investments under ID Code 67-1210 and 67-1210A. Under ID Code 67-2739, unsecured investments are permitted. Credit ratings for the purchase of any security must have a minimum of single A- or its equivalent or better by two or more public rating agencies at the time of purchase. Short term credit ratings for commercial paper must be top tier A1/P1/F1 by two of the three credit rating agencies at the time of purchase.

- **Diversification:**

The City will diversify its investments in order to avoid risks in specific instruments, individual financial institutions or maturities. The diversification will be as follows:

T-bills	100%
T-Notes	100%
Corporate Bonds	5%
US Government Agency Securities	100%
Federal Farm Credit Bank (FFCB)	50%
Federal Home Loan Bank (FHLB)	50%
Federal Home Loan Mortgage Corp (FHLMC)	50%
Federal National Mortgage Association (FNMA)	50%
Tennessee Valley Authority	50%
Government Guaranteed Small Business Association Loan	15%
Idaho State Obligations (General obligations of the state)	100%
Other Obligations (revenue bonds of any county, city, or any taxing district of the State of Idaho)	100%
Repurchase Agreements	100%
Tax Anticipation Notes (of the state or other tax-supported entities)	100%
Certificates of Deposit in Idaho State Depositories	25%
Banker's Acceptances	5%
Commercial Paper	5%

**No single issuer or guarantor (other than the United States Treasury and Federal Agencies) may represent more than the percentage listed in the table at the time of purchase of the total value of holdings of each cash manager's portfolio.

- **Guidelines for Deposits with Financial Institutions**

Any deposits exceeding insurance limits will be fully collateralized by government and/or agency securities held by the pledging financial institution.

- **Maturity Schedule**

Investment maturities for operating funds (short term funds) will be scheduled to coincide with cash flow needs, taking into account routine expenditures as well as anticipated revenue. Money not needed for cash flow will not exceed a maximum maturity of seven years, average life. Idle monies not needed for short term cash flows may be invested with the Idaho Diversified Bond Fund or in individual securities outlined in ID Code 67-1210 and 67-1210A.

- **Performance Evaluation**

The investment portfolio will be managed in accordance with the parameters specified within this policy. The Six-Month Treasury Constant Maturity Rate shall be the benchmark against which the investment portfolio performance shall be compared on a regular basis.

- **Unrated Bank CDs and Demand Deposits**

For the city portfolio, unrated bank certificates of deposit and demand deposits will comprise no more than 10% of the overall portfolio. These types of securities with daily liquidity will be collateralized at 102% with US Government Treasury or Agency collateral.

Selection of Banks and Dealers:

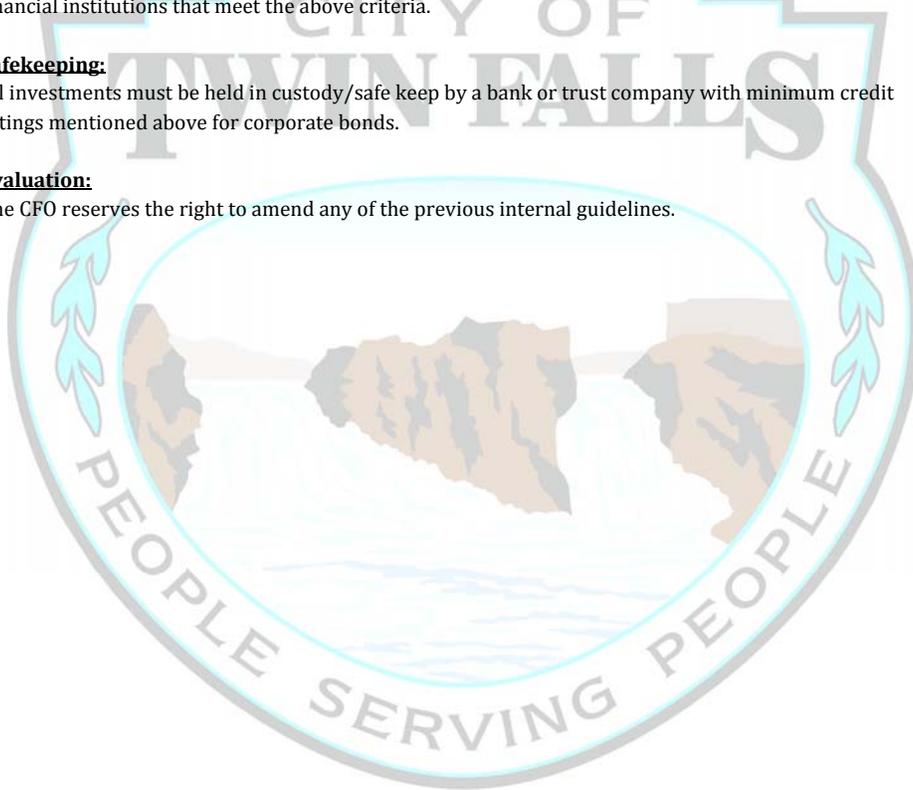
The credibility of brokers, dealers and banks will be checked and analyzed. Criteria for selection will include registration as a dealer or broker with the Department of Finance, and designation of a bank as a public depository institution as regulated by Idaho Code, Section 67-2739. The city will invest with those financial institutions that meet the above criteria.

Safekeeping:

All investments must be held in custody/safe keep by a bank or trust company with minimum credit ratings mentioned above for corporate bonds.

Evaluation:

The CFO reserves the right to amend any of the previous internal guidelines.



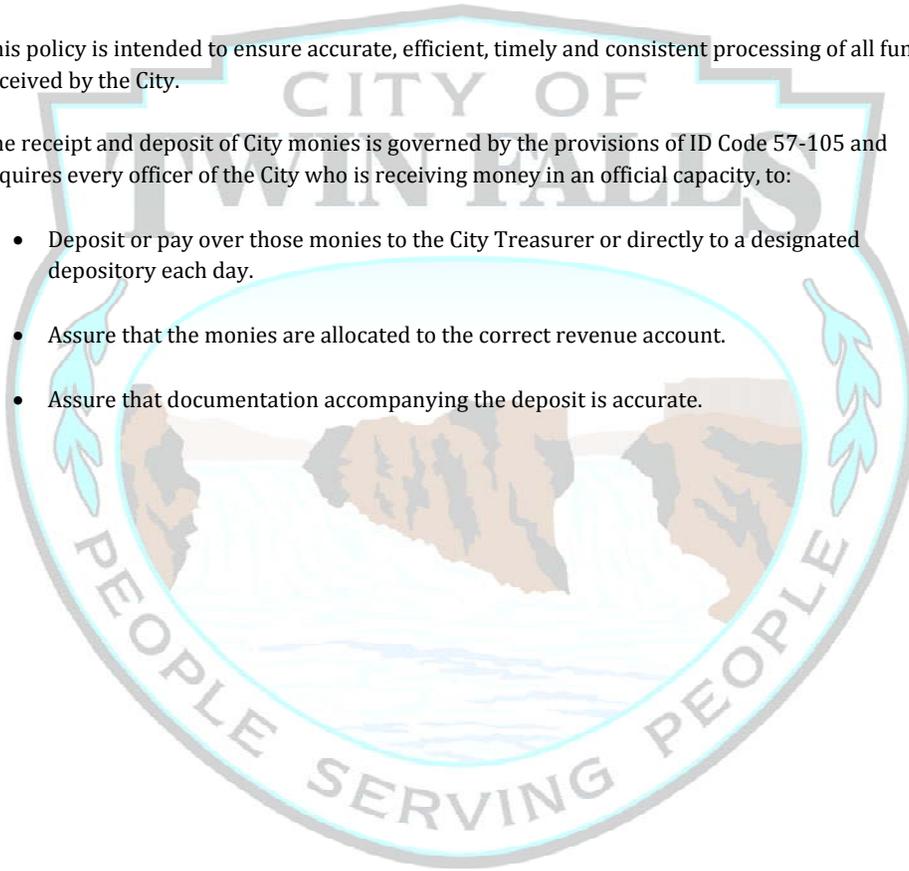
Document Type: Policy
Number: III-b
Effective: 10-1-13
Revised: 10-1-14

DEPOSIT OF FUNDS

This policy is intended to ensure accurate, efficient, timely and consistent processing of all funds received by the City.

The receipt and deposit of City monies is governed by the provisions of ID Code 57-105 and requires every officer of the City who is receiving money in an official capacity, to:

- Deposit or pay over those monies to the City Treasurer or directly to a designated depository each day.
- Assure that the monies are allocated to the correct revenue account.
- Assure that documentation accompanying the deposit is accurate.



Document Type: Policy
Number: III-c
Effective: 10-1-13
Revised:

INTERNAL CASH CONTROL

This policy is intended to provide effective internal cash control for the safekeeping and effective processing of all funds received by the City.

It is the policy of the City for all money collected by any officer or employee of the City to transfer those funds to the Finance Department as defined in the Deposit of Funds policy.

The Finance Department will establish standard internal controls that are to be followed by departments responsible for cash management and that focus on the following listed controls:

- Segregation of duties – authorization, recordation, custodian functions, and reconciliation.
- Daily processing – daily cash/collection total reconciled to subsequent deposit.
- Timely depositing of funds received – daily processing procedures including inter-department transportation and daily deposit directly to designated depositories.
- Reconciliation to the general ledger and other supporting accounting ledgers performed in a timely manner.
- Physical security procedures during work hours and non-working hours for all funds received and cash drawers maintained.
- The use of automated system resources where practical to provide better processing and reconciliation support as well as providing a more efficient and effective manner to manage receipts.

Document Type: Policy
Number: III-d
Effective: 10-1-13
Revised:

MAXIMUM MATURITY

This policy is intended to provide guidance in maintaining adequate liquidity by ensuring that investments meet the cash flow needs of the City. Diversification of investment maturities is a key technique for achieving the goals of the City's investment program.

To the extent possible, the CFO, or designee, will attempt to match the investments with anticipated cash flow requirements to take best advantage of prevailing economic and market conditions while assuring adequate liquidity.

Reserve funds shall be invested in securities with maturities consistent with the purpose of such funds as long as such investments are made to coincide as nearly as practicable with the expected use of funds.

Any funds that are not matched to a specific cash flow or other specific purpose allowed by law or City Council resolution shall not be invested in securities longer than 7 years, average life, from the date of purchase.

Any investment made should be purchased with the expectation it will be held to maturity. Investments may be sold to meet unexpected liquidity needs, to capture a capital gain, to reinvest in a preferred investment, or if otherwise determined to be in the best interests of the City.

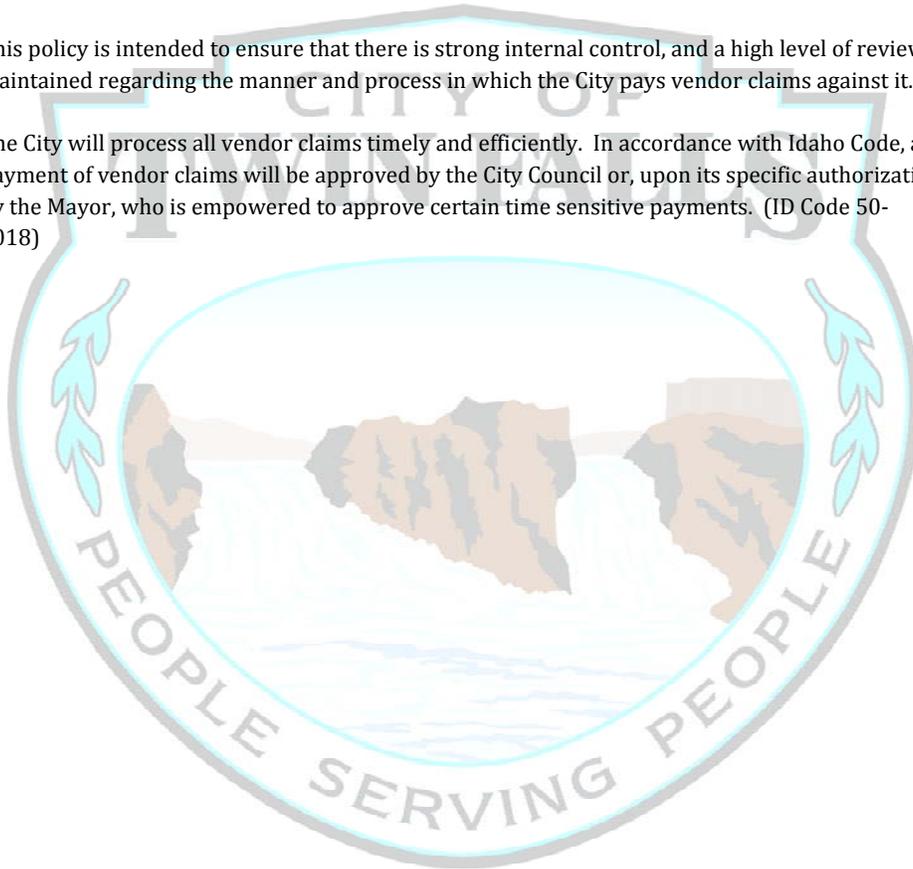
Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds, the State Treasurer's Local Government Investment Pool or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

Document Type: Policy
Number: III-e
Effective: 10-1-13
Revised:

PAYMENT REQUEST POLICY

This policy is intended to ensure that there is strong internal control, and a high level of review is maintained regarding the manner and process in which the City pays vendor claims against it.

The City will process all vendor claims timely and efficiently. In accordance with Idaho Code, all payment of vendor claims will be approved by the City Council or, upon its specific authorization by the Mayor, who is empowered to approve certain time sensitive payments. (ID Code 50-1018)



Document Type: Policy
Number: III-f
Effective: 10-1-13
Revised: 10-1-14

USE OF CITY ISSUED CREDIT CARD POLICY/PROCEDURE

This policy is intended to provide established guidelines for the use of Wells One Commercial Cards, effective 10-1-14. This card program is to streamline and simplify the requisitioning, purchasing and payment process for small dollar transactions. The program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as check requests and expense reimbursements. The goal of this program is to reduce the cost of processing small dollar purchases, receive faster delivery of required merchandise, and to simplify the payment process.

General Guidelines

Card Issuance:

All cardholders will be asked to read and sign this document: Policy and Procedures Manual. By signing, they agree to adhere to the guidelines established in the manual. Most importantly, they are the only person entitled to use the card and the card is not to be used for personal use. As each card is linked to a specific cost center and individual employee, the card cannot be transferred from one employee to another.

Upon receipt of a *WellsOne* Commercial Card, the employee will need to activate the account by calling the toll-free number printed on the card. For verification purposes, each employee will be asked to provide a four digit Employee ID #. Although the card will be issued in the employee's name, personal credit history will not affect the employee's ability to obtain a card. The City of Twin Falls is responsible for payment of all purchases.

Account Maintenance:

If there's a need to change any information regarding an account, such as mailing address or expense accounting code, managers must contact one of the Program Administrators. The only account information individual card holders are able to change online is the email address.

Card Usage:

The *WellsOne* Commercial Card can be used at any merchant that accepts MasterCard, except as the City of Twin Falls otherwise directs. It may be used for in-store purchases as well as online, phone, fax or mail orders. There is no special terminal or equipment needed by the MasterCard merchant to process a card transaction.

When using the card with merchants, each employee will emphasize that an invoice must not be sent as this may result in a duplicate payment. For online, phone, fax and mail orders, the instruction is for the merchant to send a receipt only. This receipt must be retained for the employee's records.

Limitations and Restrictions:

Managers have assigned credit limits to the cards. There may also be a single transaction limit placed on each card, which means the card will be declined if there is an attempt to purchase more than this set amount at one time. Employees may not split a purchase to avoid the single transaction limit.

In addition to the single transaction limit, every cardholder has a total monthly dollar limit assigned to his/her account.

The *WellsOne* Commercial Card program also allows for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If a card is refused at a merchant where the employee believes it should have been accepted, call the Wells Fargo Business Purchasing Service Center at **1-800-932-0036** to determine the reason for refusal.

IMPORTANT: All requests for changes in limitations and restrictions must be made through the employee's manager. Wells Fargo Bank will change existing cardholder restrictions only after a request is received from the Program Administrator.

Lost or Stolen Cards:

Each employee is responsible for the security of their card and any purchases made on the account. Lost or stolen cards must be **immediately** reported to Wells Fargo Bank Business Purchasing Service Center (BPSC) at **1-800-932-0036**. – the BPSC is available 24 hours day/7 days week. Immediately after reporting to the BPSC, the employee must inform the Program Administrator. **It is extremely important to act promptly in the event of a lost or stolen card to avoid City of Twin Falls' liability for fraudulent transactions.**

As with a personal charge card, the employee will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

Authorized Purchases

Purchases may include:

- Office supplies and forms
- Books and subscriptions
- Day timers and calendars
- Professional membership dues
- Hardware and tools
- Spare parts
- Miscellaneous items, e.g., videotapes
- Uniform Rentals/Cleaning
- Courier/Overnight Deliveries
- Travel and Training Expenses

Unauthorized Purchases (not all inclusive)

- Items for personal use
- Capital goods (Must obtain prior approval from City Manager and/or CFO)
- Leased equipment

As with any City of Twin Falls' purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for city funds.

Failure to comply with the above guidelines for authorized purchases under the *WellsOne* Commercial Card program may result in disciplinary action, cancellation of your card privileges, and possible termination of employment.

Travel and Training

The *WellsOne* Commercial Card is intended to assist employees with payment for airfare, hotels, and ground transportation during business travel.

The *WellsOne* Commercial Card, when used for travel, must be used in accordance with the travel and expense policy already established.

Fuel cards vs. commercial cards – The City will still be using the Brico/United Oil cards for fuel purchases. The City has a relationship with United Oil to purchase fuel using their proprietary system. That relationship assures the City receives volume discounts in its fuel pricing. There are participating gas stations and convenience stores nationwide. Brico/United Oil cardholders should use the fuel card for local fuel purchases and are encouraged to use it as the primary source for fuel purchases when traveling out of the area.

Reconciliation and Payment

Unlike personal credit cards, the *WellsOne* Commercial Card program is handled as city liability. An employee's personal credit history has not been taken into account when a card has been issued in the employee's name.

The Accounts Payable Department is responsible for paying the Program invoice(s) each month. The employee is not responsible for payment under their account.

At the end of a statement period, employees will be notified via email that it is time to review their card statement. They will access the Commercial Card Expense Reporting tool via the Internet to review their statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. Employees will have the ability to reconcile their account at any time.

Employees are responsible for the following:

- Retaining all receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made by them on behalf of the City of Twin Falls.

Receipt Retention:

It is a requirement of the program that employees keep all receipts for goods and services purchased. For orders placed via phone, fax or mail, or online, employees must request a receipt, detailing merchandise price, sales/use tax, freight, etc., be included with the goods mailed/shipped. (*Note:* a merchant should not reject this request, as it is a MasterCard policy). It is extremely important to request and retain purchase receipts, as this is the only original documentation that shows whether sales tax has been paid.

Since standard reimbursement policies require retention of receipts or other proof of purchase, record keeping is not an extraordinary requirement.

As card records will be audited from time to time, it is essential to adhere to the above record keeping guidelines.

Reconciliation of Purchases:

It is the employees' responsibility, immediately upon receipt of their statement to check it to ensure all the transactions posted are legitimate transactions made by them. Other optional functions such as splitting transactions, adding descriptions, and reclassifying expenses can be performed using the Commercial Card Expense Reporting tool. If everything is in order, the employee will mark the statement as reviewed. Once the statement has been marked as reviewed, an email will be issued to the appropriate manager for approval. Original receipts are then to be stapled together in the order they are listed in the reconciliation. The original receipts should then be forwarded first to the manager (account approver) and on to Accounts Payable.

Disputed or Fraudulent Charges:

If there is a discrepancy between receipts and statements, it is imperative that the issue be addressed immediately! Depending on the type of discrepancy, the employee will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

Sales and Use Tax

The City's purchases are tax-exempt, and employees may be required to provide merchants with the necessary forms for non-taxable goods or services. Employees must ensure that purchases are tax exempt at the time of sale **BEFORE** completing the transaction.

Document Type: Policy
Number: IV-a
Effective: 10-1-13
Revised:

IDENTITY THEFT PREVENTION POLICY

Employees shall comply with the City of Twin Falls regulations and procedures designed to detect, prevent, and mitigate Identity Theft in connection with the opening and maintenance of certain accounts pursuant to City of Twin Falls' Resolution #1813, adopted on 4-27-09. (Identity Theft Prevention)

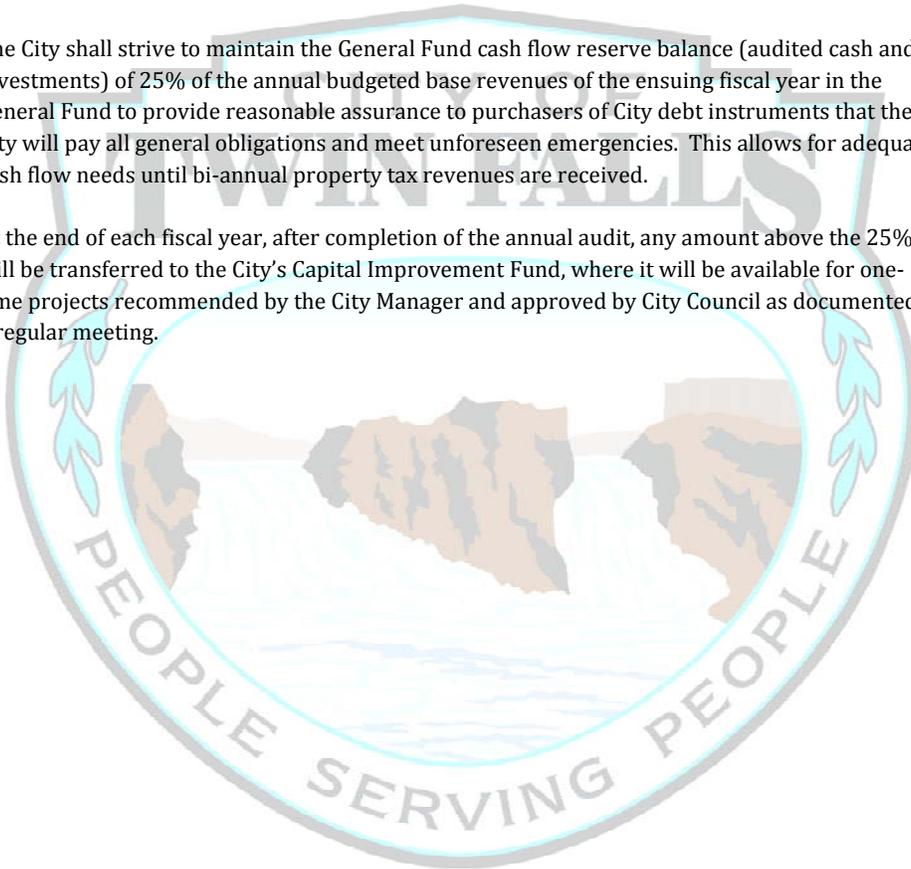


Document Type: Policy
Number: V-a
Effective: 10-1-13
Revised: 10-1-14

GENERAL FUND UNDESIGNATED FUND BALANCE POLICY

The City shall strive to maintain the General Fund cash flow reserve balance (audited cash and investments) of 25% of the annual budgeted base revenues of the ensuing fiscal year in the General Fund to provide reasonable assurance to purchasers of City debt instruments that the City will pay all general obligations and meet unforeseen emergencies. This allows for adequate cash flow needs until bi-annual property tax revenues are received.

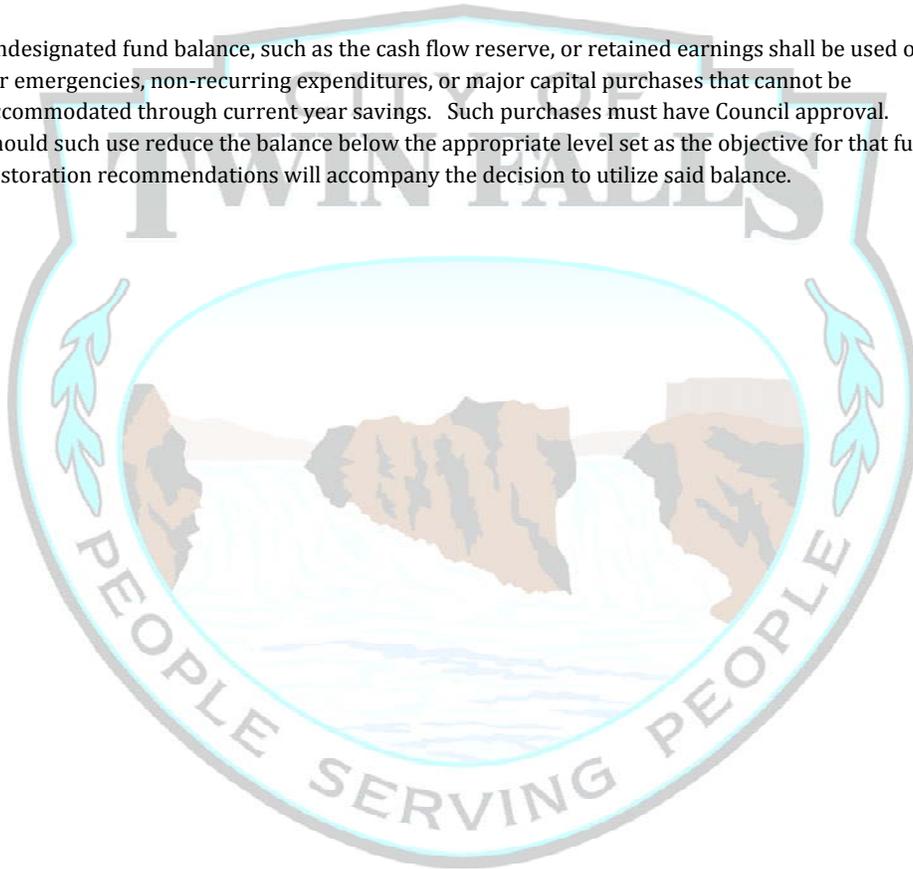
At the end of each fiscal year, after completion of the annual audit, any amount above the 25% will be transferred to the City's Capital Improvement Fund, where it will be available for one-time projects recommended by the City Manager and approved by City Council as documented in a regular meeting.



Document Type: Policy
Number: V-b
Effective: 10-1-13
Revised:

USE OF FUND BALANCE POLICY

Undesignated fund balance, such as the cash flow reserve, or retained earnings shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Such purchases must have Council approval. Should such use reduce the balance below the appropriate level set as the objective for that fund, restoration recommendations will accompany the decision to utilize said balance.

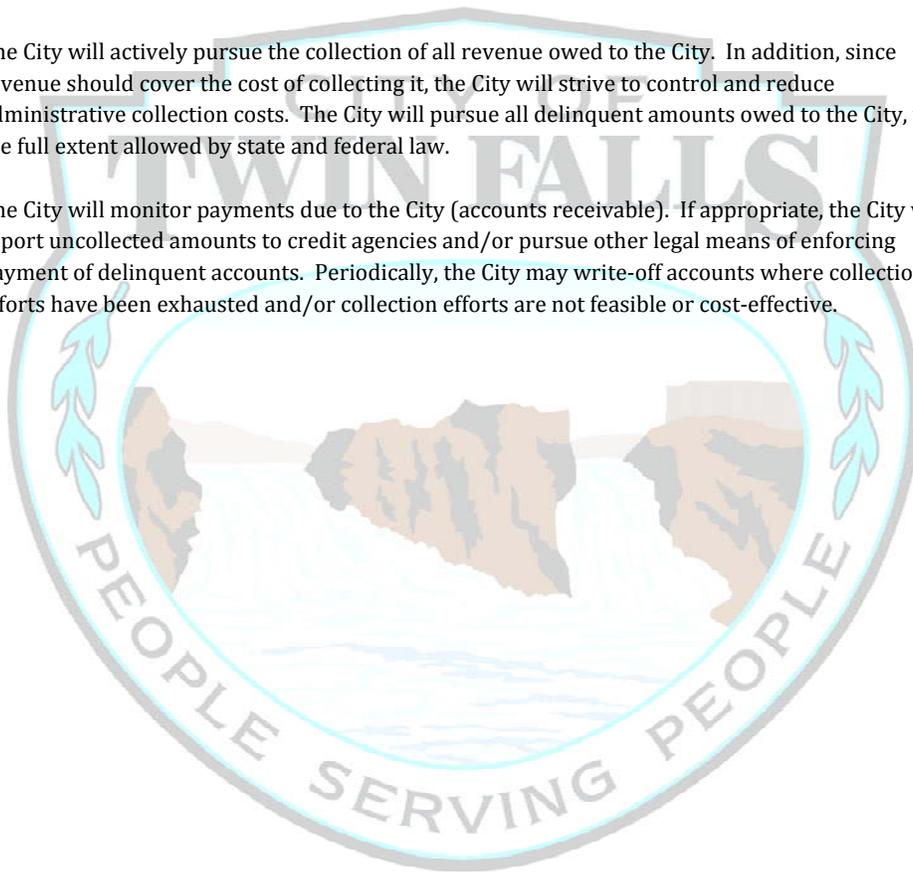


Document Type: Policy
Number: VI-a
Effective: 10-1-13
Revised:

REVENUE COLLECTION POLICY

The City will actively pursue the collection of all revenue owed to the City. In addition, since revenue should cover the cost of collecting it, the City will strive to control and reduce administrative collection costs. The City will pursue all delinquent amounts owed to the City, to the full extent allowed by state and federal law.

The City will monitor payments due to the City (accounts receivable). If appropriate, the City will report uncollected amounts to credit agencies and/or pursue other legal means of enforcing payment of delinquent accounts. Periodically, the City may write-off accounts where collection efforts have been exhausted and/or collection efforts are not feasible or cost-effective.



Document Type: Policy
Number: VI-b
Effective: 10-1-13
Revised:

REVENUE ESTIMATES POLICY

Revenue estimates allow the City to plan expenditures wisely and aid in consistent service provision, as well as avoid reactionary budget-balancing techniques, such as short-term borrowing or using reserves to fund base operational expenditures. The City will use an objective and analytical approach in order to predict revenues as accurately as possible. The City will project revenues over a five-year period to provide lead time to react to expected changes in revenue. The City will maintain a Revenue Manual detailing the important characteristics and historical facts on each significant revenue category.



Document Type: Policy
Number: VII-a
Effective: 10-1-13
Revised:

**UTILITY BILLING
REFUND POLICY**

It shall be the policy of the City of Twin Falls' Utility Billing Department that no refunds for excess payments on utility accounts shall be issued. This policy is effective regardless of payment method (IE: cash, check, money order, credit or debit card, online bank bill pay.) "Mistake" in paying the excess amount does not change the applicability of this policy.

Effect of Excess Payment:

- Any excess received via any of the account payment methods allowed shall be held as a credit in the pertinent account and applied against future charges until fully utilized.
- The credit amount will be appropriately reflected on all monthly statements until fully utilized.

Other considerations:

- Hardship – In cases where any overpayments have created undue financial hardship for the related citizen account holder, consideration of a refund will be made.
- Should an overpayment result in an exceptional credit (IE: one requiring 5 months or more to utilize at historical consumption rates) then a request for a refund will be considered.
- Any credit existing on an account that is closed, or where the account holder transfers to another address within the City, shall be either refunded or transferred, respectively, as fits the circumstances.
- The ordinary process of handling the City's accounts payable shall be followed in an instance where a refund is allowed.

This policy does not alter an account holder's ability to approach their financial institution to request the "redaction" of an overpayment amount in question, when such overpayment was made via an electronic bill pay method allowed for utility account payments. For purposes of the normal business operations of the City of Twin Falls Utility Billing Department, the timeframe required for such process will not be factored in to the effect of any billing date triggers such as "Past Due" notices and fees, "Turn Off" notices, "Pink Tag" placement for delinquent accounts, etc.

Document Type: Policy
Number: VII-b
Effective: 5-2-10
Revised: 2-4-13; 6-19-13

**UTILITY BILLING
WATER LEAK ADJUSTMENT POLICY**

It shall be the policy of the City of Twin Falls' Utility Billing Department to handle water leak adjustments according to the following:

- I. Leak detection is, primarily, the responsibility of the citizen or business owning the account, and any tenants occupying the property in those cases where the landlord maintains the account in their name or mailing address
- II. Water leaks will be determined through investigation by a Water Department employee qualified to read the meter and determine whether a leak is indicated.
- III. Upon notification by a citizen, this investigation will be initiated per Utility Billing and Water Shop procedures
- IV. If a leak is found, the City will provide shut off service for repair in coordination with the citizen holding the water account. Only City Water Department personnel are authorized to turn water on and off at the meter or on any other City water fixtures. The current "on/off" charge in place at the time of the service will apply to all of these types of calls.
 - A. Any unauthorized person who turns on or off, or attempts to turn on or off, any City valve or meter shut off will be subject to existing fines and penalties for such violation of City Code Section 7-8-2.
- V. To consider any type of Leak Adjustment:
 - A. **The leak must be of a nature that prevents earlier detection (i.e. underground with limited or no surface indication which is obvious - meaning water running onto nearby pavement or streets, large puddles or muddy areas formed on the surface, etc.)** Toilets, valves and faucets, etc., that are generally observable in ordinary daily activities are excluded from leak adjustment criteria.

- B. The leak must be called to the City Utility Billing or Water Shop personnel as soon as the problem becomes known to the citizen
 - i. This includes utilizing the consumption, billing amount, or “deferred balances” under Budget Billing, as shown on the statements to discover any potential problem
 - ii. Regular observation of property and all plumbed fixtures or systems is encouraged to expedite any discovery of leak issues (sprinkler systems)
- C. The citizen account owner must make necessary repairs in a timely manner, and must provide a written narrative of the timing and process of repair, along with receipts for parts used, to the Utility Billing Department for inclusion in the file to document the repair and provide evidence of timely attention to solving the problem

VI. Leak Adjustment Methodology

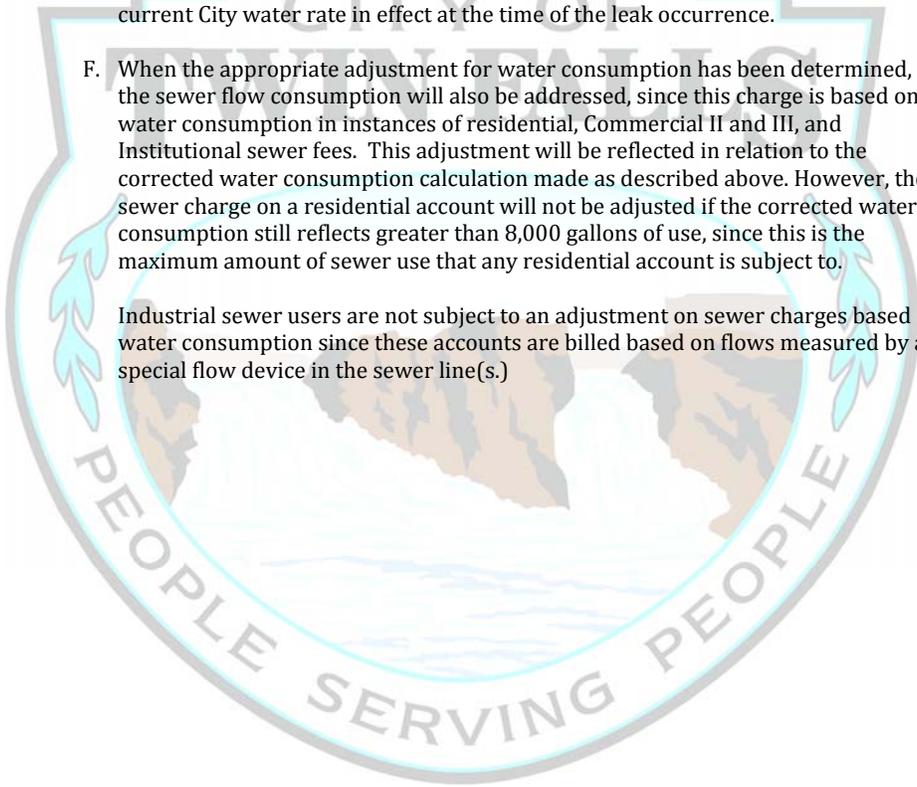
- A. Once the above documentation of repair is received, the account will be reviewed for “normal” usage per the history of the meter at the pertinent address
- B. Every reasonable attempt will be made, including, when deemed necessary by City Utility Services staff and management, averaging of several prior year’s consumption readings for the related periods, to arrive at a “normal” consumption amount for determining the adjustment amount
- C. Generally, the nature of the leak, and timing of discovery, will determine the period over which adjustment will be considered. For example:
 - i. Winter averaging prevents any observation of increased usage by reviewing water billing statements, but the reading, and related adjustment to the Winter Average, done in March, should be a strong indicator of a problem.
 - a. Under this circumstance, the City should be notified within a 3 week timeframe of receipt of the March billing.
 - ii. For periods outside the “Winter Average” timeframe (December to February,) the usage will be directly presented on the monthly statement (consumption as well as billed or deferred balance amounts,) and also by observation of the property in the case of breaks that provide evidence at the surface of the ground or at other locations related to the type of leak.
 - a. Under this circumstance, notification of the City should occur within a two week timeframe of the citizen becoming aware of either the increases noticed on the billing or physical evidence of the leak itself

D. For citizens billed on the actual usage method, any credit determined under the above described methods will be applied against the current account balance in the month when notification and the related investigation have occurred. The credit amount will be based upon the gallonage determined to have been caused by the leak, and will be calculated at the current City water rate in effect at the time of the leak occurrence.

E. For citizens billed under the Budget Billing method, adjustments will, of necessity, be made at the end of the Budget Billing year (effective for the November billing when the new calculation is made.) As above, the credit amount will be for the gallonage determined to have been caused by the leak, and will be calculated at the current City water rate in effect at the time of the leak occurrence.

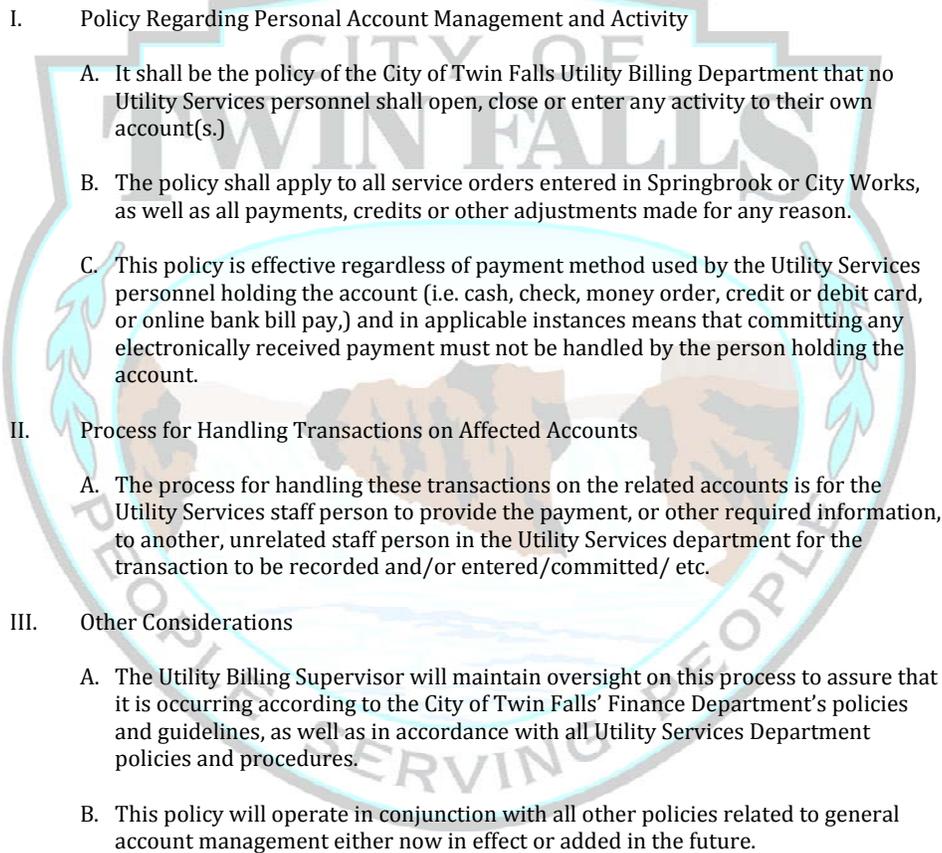
F. When the appropriate adjustment for water consumption has been determined, the sewer flow consumption will also be addressed, since this charge is based on water consumption in instances of residential, Commercial II and III, and Institutional sewer fees. This adjustment will be reflected in relation to the corrected water consumption calculation made as described above. However, the sewer charge on a residential account will not be adjusted if the corrected water consumption still reflects greater than 8,000 gallons of use, since this is the maximum amount of sewer use that any residential account is subject to.

Industrial sewer users are not subject to an adjustment on sewer charges based on water consumption since these accounts are billed based on flows measured by a special flow device in the sewer line(s.)



Document Type: Policy
Number: VII-c
Effective: 10-1-14
Revised:

**UTILITY BILLING
ACTIVITY AND MANAGEMENT OF PERSONAL UTILITY ACCOUNTS BY UTILITY
SERVICES PERSONNEL**

- 
- I. Policy Regarding Personal Account Management and Activity
 - A. It shall be the policy of the City of Twin Falls Utility Billing Department that no Utility Services personnel shall open, close or enter any activity to their own account(s.)
 - B. The policy shall apply to all service orders entered in Springbrook or City Works, as well as all payments, credits or other adjustments made for any reason.
 - C. This policy is effective regardless of payment method used by the Utility Services personnel holding the account (i.e. cash, check, money order, credit or debit card, or online bank bill pay,) and in applicable instances means that committing any electronically received payment must not be handled by the person holding the account.
 - II. Process for Handling Transactions on Affected Accounts
 - A. The process for handling these transactions on the related accounts is for the Utility Services staff person to provide the payment, or other required information, to another, unrelated staff person in the Utility Services department for the transaction to be recorded and/or entered/committed/ etc.
 - III. Other Considerations
 - A. The Utility Billing Supervisor will maintain oversight on this process to assure that it is occurring according to the City of Twin Falls' Finance Department's policies and guidelines, as well as in accordance with all Utility Services Department policies and procedures.
 - B. This policy will operate in conjunction with all other policies related to general account management either now in effect or added in the future.

Document Type: Policy
Number: VII-d
Effective: 7-1-13
Revised: 10-14-14

**UTILITY BILLING
BUDGET BILLING/LEVEL PAY POLICY**

- I. The Budget Billing process has been established to provide citizens with a method of “leveling” their monthly utility account amounts over a 12 month period, which runs, due to meter reading schedules, from November through the following October.
- II. Budget Billing, or “level pay” as some call it, is available to citizens who have resided at the address to which they want this method of billing to apply for a full one year period that begins prior to the October billing period for the previous calendar year. This requirement exists so that the calculation used in establishing the amount of the monthly charge is based upon the usage of the resident(s) to whom the Budget Billing will apply.
 - a. The citizen must be current on the account to which the election is being made. A history of past due balances on the current account or a previous account will preclude participation, until a period of two years has passed with timely payments.
 - b. The payment history of a citizen wanting to participate, for their first time, in the “level pay” method must show timely payments for one year prior to being allowed to participate. This time frame also matches the timeline for residency at the existing property required for making the election.
- III. The process can be participated in by customers through signing up to either establish Budget Billing for their account, or elect out of the Budget Billing method if they are a current participant, beginning with the September billing period and ending with October’s, essentially October 31st. The citizen must provide the application with their signature to be eligible to make the chosen election.
 - a. Sign up may occur prior to this timeframe, but the process will not begin until the period cited.
 - b. Termination may occur at any time during the year, should a citizen wish to be taken off Budget Billing, but any resulting charges due at that time on the “deferred balance” will become immediately due and payable. Credits, when present, will also be handled immediately.
 - c. Once an account under “BB” has been terminated, the customer must wait until the next sign up period to request this process again.

- d. Participation is allowed only so long as the account in question is kept current regarding monthly payments. If the account goes delinquent at any time during the period, the “level pay” method will be terminated, without notice, and any deferred balance will become immediately due and payable. If an account is removed from “level pay” for delinquent payment of amounts owed, a history of two years’ timely payments must be re-established before participation in this method of billing will be available again.

IV. The method of determining the dollar amount of the Budget Billing charges for the following year is:

- a. Total gallons of water consumption are added for the period November of the preceding year through October of the current year. Credits for water consumption, in gallons, issued during this same period are to be included in the calculation.
- b. The dollar amount of the water use calculated in A. above is figured using the new rates for water effective at October 1st of the current year under the newly adopted Rate Resolution.
- c. The sewer rate is then calculated in a similar fashion, using the water consumption calculated in A. above, but limiting the gallon total to the “cap amount” in effect for the new period. At July, 2013, this “cap amount” is 8,000 gallons per month.
- d. The two above amounts are then divided by 12 (months,) and added to the respective monthly “base rate” amount for the related service, to arrive at the monthly amount to be charged, for current billings, under the Budget Billing process, for water and sewer, respectively.
- e. “Deferred Balance” is the final factor to be included in both the water and sewer charges to be assessed each month. This category is the result of tracking the differences between the dollars for the actual, measured consumption for each service, compared to the dollar amount calculated above for the “estimated” consumption based on the previous period, as described above.
 - i. At the end of the 12 month period for which the Budget Billing process is in effect each year, the net “Debit” or “Credit” balance that represents the difference between actual and estimated dollars for the use of both water and sewer is calculated.
 - ii. This amount, for each separate service, is then divided by 12 (months) and added to (“Debit”) or subtracted from (“Credit”) the calculation of estimated consumption dollars (see A. through D., above) for the same respective service, to arrive at the total to be charged for the water and sewer portions of the Budget Billing monthly amount over the next 12 months.

- f. All other charges, including Sanitation items, Pressurize Irrigation (both potable and non-potable,) and the Mandatory Arsenic Charge, are assessed on the regular per month amount since they do not fluctuate with the water meter flow amounts.

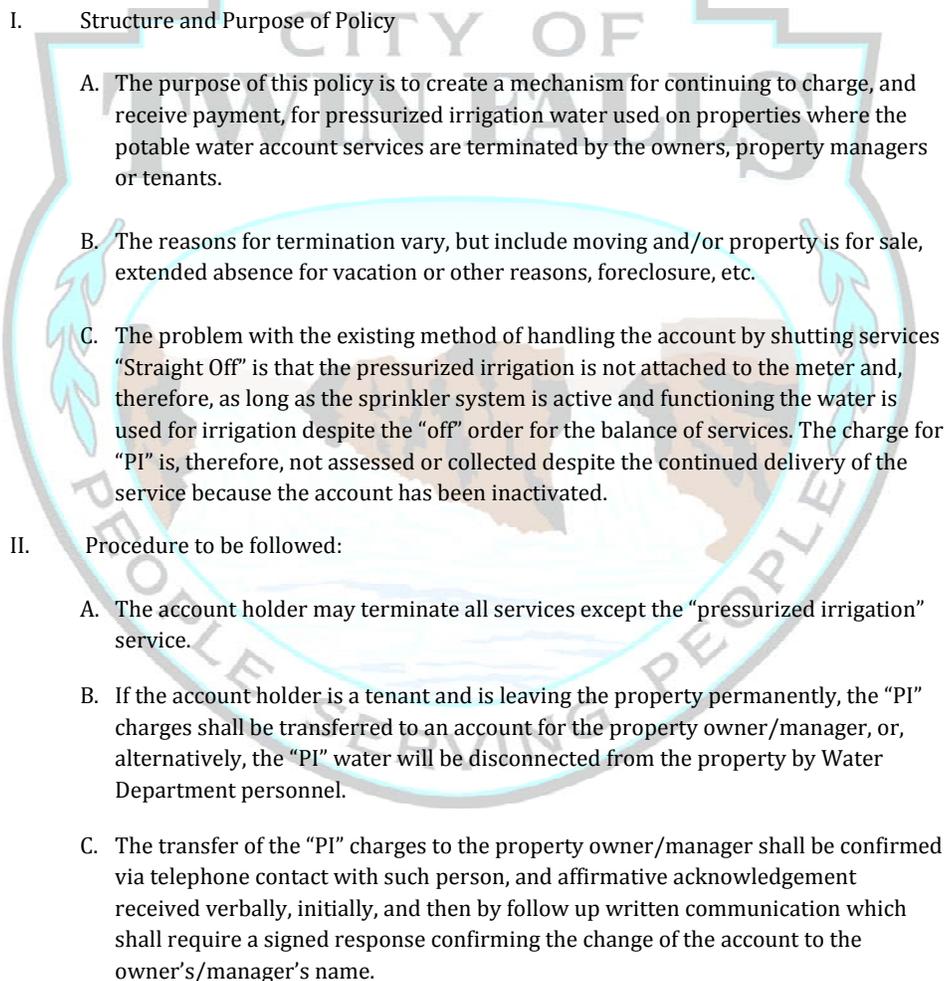
V. **It is crucial to remind Budget Billing customers to review their water use (consumption,) each month when they either receive their bill in the mail or review their bill online!** This will be the only way, under Budget Billing, to have some sense for the consumption that is occurring, since the monthly charges do not fluctuate. For “paper bill choice” customers, the “Deferred Balance” amounts reflected in the box under the “Service Address” section of the mailed bill also serve as an option for tracking what the account actually looks like.

VI. There is a spreadsheet in use by Utility Services that can be used to analyze the reason for changes in the Budget Billing amounts from one period to the other, but it only serves to assist in explaining the reasons for increases or decreases in the amount. This is one piece of a packet of information that has been sent to many “BB” customers who have requested understanding of their Budget Billing amounts.

VII. Another use of this spreadsheet is to help analyze results when the amounts charged under the current Budget Billing amounts appear to have failed to account for dollar credit amounts issued in a prior year, or reductions of prior year gallonage amounts that have not had the desired effect on the “BB” amounts for the current year. These situations frequently call for a mid-year adjustment to the monthly charge, since it is apparent that it is our process that led to the error.

Document Type: Policy
Number: VII-e
Effective: 7-1-14
Revised:

**UTILITY BILLING
PRESSURIZED IRRIGATION ACCOUNTS POLICY**

- 
- The seal of the City of Waterbury, Vermont, is visible in the background. It features a central figure holding a staff, surrounded by the text "CITY OF WATERBURY VERMONT" and "PEOPLE'S PEOPLE'S".
- I. Structure and Purpose of Policy
 - A. The purpose of this policy is to create a mechanism for continuing to charge, and receive payment, for pressurized irrigation water used on properties where the potable water account services are terminated by the owners, property managers or tenants.
 - B. The reasons for termination vary, but include moving and/or property is for sale, extended absence for vacation or other reasons, foreclosure, etc.
 - C. The problem with the existing method of handling the account by shutting services "Straight Off" is that the pressurized irrigation is not attached to the meter and, therefore, as long as the sprinkler system is active and functioning the water is used for irrigation despite the "off" order for the balance of services. The charge for "PI" is, therefore, not assessed or collected despite the continued delivery of the service because the account has been inactivated.
 - II. Procedure to be followed:
 - A. The account holder may terminate all services except the "pressurized irrigation" service.
 - B. If the account holder is a tenant and is leaving the property permanently, the "PI" charges shall be transferred to an account for the property owner/manager, or, alternatively, the "PI" water will be disconnected from the property by Water Department personnel.
 - C. The transfer of the "PI" charges to the property owner/manager shall be confirmed via telephone contact with such person, and affirmative acknowledgement received verbally, initially, and then by follow up written communication which shall require a signed response confirming the change of the account to the owner's/manager's name.

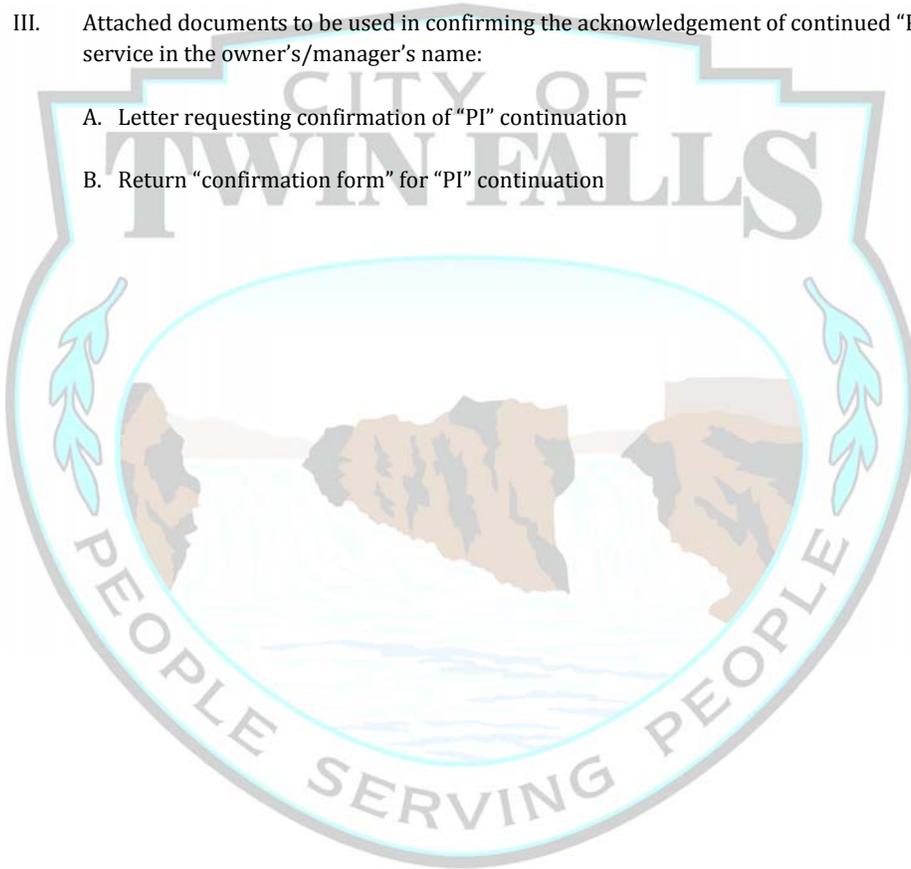
D. If these contacts to change the account to the owner/manager fail, the "PI" shall be disconnected by Water Department staff as per the steps when an account holder chooses not to maintain the "PI" service.

E. Failure to pay all fees and charges will be handled according to the "Past Due" Accounts Policy, with disconnection of the "PI," as discussed at "D" above, the final result of continued failure to settle amounts due.

III. Attached documents to be used in confirming the acknowledgement of continued "PI" service in the owner's/manager's name:

A. Letter requesting confirmation of "PI" continuation

B. Return "confirmation form" for "PI" continuation



Account Holder/Owner Name
Street Address
City, ST ZIP CODE

Date _____

RE: Pressurized Irrigation Continuation Agreement for _____ Address _____

Dear _____:

This letter is being sent to you as a confirmation of the conversation we had with you on _____. Per that conversation, you acknowledged that you are requesting that the "pressurized irrigation" service that the City of Twin Falls provides to the property at the above referenced address remain on. This request is being made even though all other City services (potable water, sewer and trash/recycling pick up) have been discontinued, also by your request.

Enclosed please find a form to use in acknowledging the termination of all other services, and your request to maintain the "pressurized irrigation" service. Please sign and return the enclosed form, with your signature, no later than 10 days from the date of this letter. Once received, the service will be left as requested, and the regular monthly charge for the "PI" will be billed to you at the address above. Should you prefer a different mailing address please provide us with that on the returned form.

In the event that you change your mind, the service can be terminated and you will receive a final billing. The service will be automatically terminated if we do not receive the enclosed, signed acknowledgement form within the 10 day period, and you will receive a final billing for the prorated service through the date of discontinuance.

Thank you for your assistance in maintaining your pressurized irrigation account. If you have any questions or concerns, at any time, please do not hesitate to contact me.

Truly,

Bill Baxter
Utility Billing Supervisor/Finance Accountant
City of Twin Falls
(208) 735-7264
bbaxter@tfd.org

Account Holder/Owner Name
Street Address
City, ST ZIP CODE

Date _____

RE: Pressurized Irrigation Continuation Agreement for _____ Address _____

I, _____, hereby request that all services being charged for City of Twin Falls **potable water, sewer, and garbage /recycling be discontinued** for the above address. Additionally, **I request that the pressurized irrigation water service continue at the above address, and I accept full responsibility for payment of all consumption** of this water until I notify the City of Twin Falls, in writing, of any decision to terminate such service. The amount of the charge for such pressurized irrigation service is agreed by me to be a service charged monthly throughout the year, and it is only by paying for this service year-round that I am paying for the service in full. There is no allowance for paying only during the months when the irrigation water is actually provided to the property, terminating the service for the winter and then reinstating service in the spring.

Under the above understanding, I agree to full pressurized irrigation service and related payments from the date of this agreement until either the property changes ownership/tenancy, or I decide to permanently discontinue this service at this address.

Signed this _____ day of _____.

Property Owner/Manager: _____

Please return this form to:

City of Twin Falls
Utility Services Dept.
P.O. Box 2469
Twin Falls, ID 83303-2469

Document Type: Policy
Number: VII-f
Effective: 7-1-13
Revised:

UTILITY BILLING
STRAIGHT OFF ON WATER METER WHEN UTILITY SERVICES HAS NOT BEEN INFORMED OF
A RESIDENT CHANGE

Purpose: The purpose of this policy is to reduce the incidences that impact Utility Services, and to clarify to all account holders/landlords the responsibilities of the account holder position.

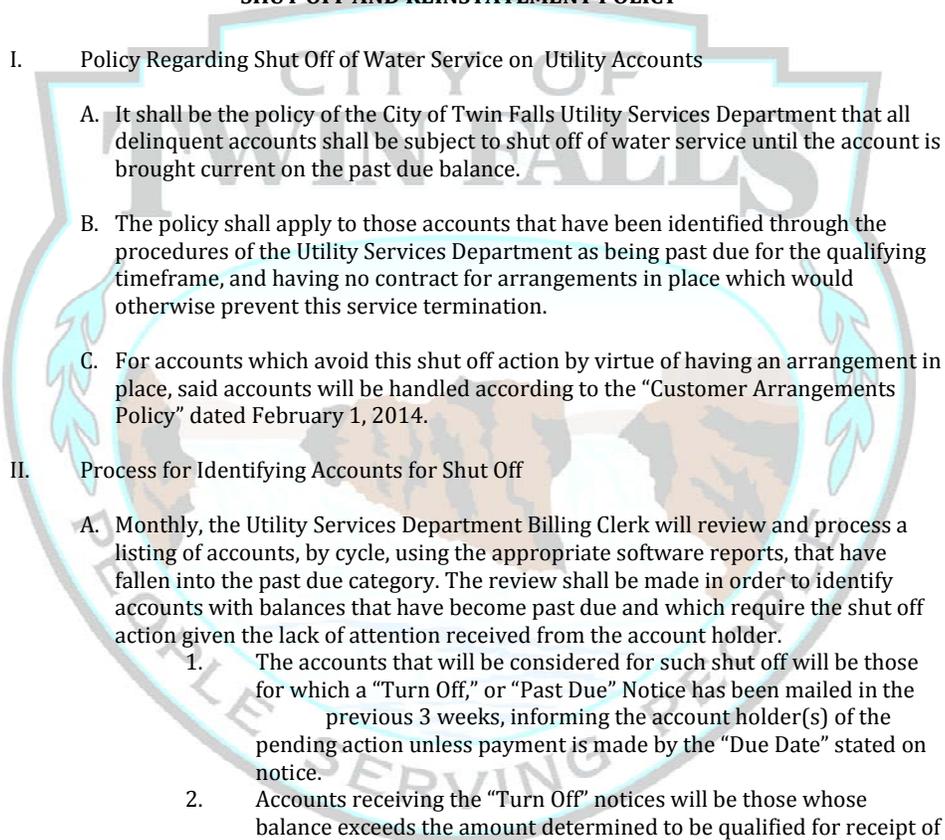
- I. Straight Off is the way of terminating City utility service for a property owner/tenant at an address by:
 - Taking the request.
 - Getting a date certain for shut off of the water meter, and stopping charges for the other services as well, and gathering forwarding address information for the Final Billing.
 - Making a final reading on the “shut off date” and locking the meter as available.
 - Making the Final Billing and closing the account with related credits and adjustment handled as appropriate.
- II. A critical step is getting the request from the occupant of the property/owner of the account.
- III. When the above referenced request is not made to Utility Services there is a significant issue regarding:
 - The date on which responsibility of the account owner ends.
 - The acquisition of the forwarding address for the Final Billing.
 - Measuring the consumption and thus the financial responsibility for the consumption.
 - Collection of the balance remaining on the account at Final Billing if the standing agreement of the property owner/occupant fails.

IV. Established Policy Guidelines on this process:

- A. The existing holder of the account remains responsible for all activity on the account until they proactively inform City of Twin Falls Utility Services or the Water Department that they are terminating service, and provide forwarding address information. (Or until the City Utility Services office discovers the change.)
- B. Without this contact (discussed in A. above,) there is no basis for any reduction of the consumption and related services charged beyond other extenuating problems (leaks, etc.)
- C. To this point, Utility Services will communicate to account holders their responsibilities under the agreement they make with the City of Twin Falls when they open an account for services. This will especially be mentioned upon the opening of an account.
- D. Upon learning of an account change, when an account holder has left the property without providing Utility Services with notice of the change, Utility Services will immediately have the water shut off and read the meter for a Final Billing. Utility Services will also use resources at its disposal to get a forwarding address. Discussions with the former account holder and/or the landlord of the property in question will be undertaken to re-establish the understanding of the need for communicating changes in tenant/account holders.
- E. In all cases of changes to account holders, whether Utility Services has been informed by those responsible or not, Final Billings for the established consumption and charges, and collections as needed, will be pursued as per standard operating procedures.

Document Type: Policy
Number: VII-g
Effective: 7-31-14
Revised:

**UTILITY BILLING
SHUT OFF AND REINSTATEMENT POLICY**

- 
- I. Policy Regarding Shut Off of Water Service on Utility Accounts
- A. It shall be the policy of the City of Twin Falls Utility Services Department that all delinquent accounts shall be subject to shut off of water service until the account is brought current on the past due balance.
 - B. The policy shall apply to those accounts that have been identified through the procedures of the Utility Services Department as being past due for the qualifying timeframe, and having no contract for arrangements in place which would otherwise prevent this service termination.
 - C. For accounts which avoid this shut off action by virtue of having an arrangement in place, said accounts will be handled according to the "Customer Arrangements Policy" dated February 1, 2014.
- II. Process for Identifying Accounts for Shut Off
- A. Monthly, the Utility Services Department Billing Clerk will review and process a listing of accounts, by cycle, using the appropriate software reports, that have fallen into the past due category. The review shall be made in order to identify accounts with balances that have become past due and which require the shut off action given the lack of attention received from the account holder.
 - 1. The accounts that will be considered for such shut off will be those for which a "Turn Off," or "Past Due" Notice has been mailed in the previous 3 weeks, informing the account holder(s) of the pending action unless payment is made by the "Due Date" stated on notice.
 - 2. Accounts receiving the "Turn Off" notices will be those whose balance exceeds the amount determined to be qualified for receipt of such notice; currently any amount over 30 days and in an amount exceeding \$89.50.
 - B. The accounts thus identified, and meeting the standards in place at the time, will be printed in a listing from the software and delivered to the Lead Water Operator for use in effecting the shut off of the listed accounts.

III. Reinstatement of Citizen Account Holders that have been Shut Off.

- A. Reinstatement following shut off will occur with payment, in full, of the outstanding balance as defined to be the past due amount, the amount of the current billing regardless of the issue date of the current billing, and any related fines or penalties already assessed on the account, or pertinent to the current restoration of water service, such as the "After Hours Fee," or any penalty for tampering with the meter if discovered prior to the account holder making payment for restored service.
- B. Certain accounts may be identified by the Utility Services Supervisor, or another designated Utility Services staff member, to require a 3 month average utility billing amount "deposit" per Twin Falls City Code Section 7-8-5. If an account has this requirement attached, the amount required to reinstate water service will include this deposit.
- C. Arrangements are not made with an account holder once water service has been terminated. In the interest of providing the best customer service possible, a "special" one week arrangement is available. All other methods of payment of the full balance must be pursued with the account holder prior to offering this option in an attempt to settle the account and bring it current immediately.

NOTE: ACCOUNTS SUBJECT TO THE DEPOSIT REQUIRED PER B. ABOVE ARE NOT ELIGIBLE FOR ANY ARRANGEMENT.

- D. Standard arrangements can be made with customers that have a timely payment history of at least one year on accounts held with the City, and either a limited experience with or no previous history of water service termination during that time. This is left to the discretion of the Utility Services Clerk handling the customer account at the time the issue arises, either with or without consultation with the Utility Services Supervisor, also at their discretion.

IV. Other Considerations:

- The accounts that are to receive the "Turn Off" notices are determined by the Utility Services Billing Clerk and printed from the list reviewed to select those accounts.
- The Utility Billing Supervisor will maintain oversight on this process, and review the "Turn Off" notices to be sent prior to their being prepared for mailing. The Supervisor will also use this review to assure that sending of such notices is occurring according to the City of Twin Falls' Finance Department's policies and guidelines, as well as in accordance with all other applicable Utility Services Department policies and procedures.

Document Type: Policy
Number: VII-h
Effective: 1-1-14
Revised:

UTILITY BILLING COLLECTION POLICY

The purpose of all City of Twin Falls' fees and charges to citizens is the operation of critical and/or desirable City services provided as a benefit of living in and using facilities maintained by the City and its personnel. To further the ability of the City of Twin Falls to maintain an efficient and effective fee receipting process, it is necessary to provide for a uniform procedure through which fees billed and yet remaining unpaid at a certain, pre-determined time, will be submitted to a collection agency for further enforcement.

I. PROCEDURE:

- A. **Final Billing** sent - Due in 15 Days from mailing
- B. **Collection Notice** sent - Due 30 days from mailing; includes 25% charge,
Which will be credited if payment received by due date.
- C. If Collection Notice not answered within 30 days, account goes to collection agency,
and is subject to all fees and charges.

II. TIME FRAME:

- A. The timing of the submission of items to the collection agent will be as follows:
 - 1. **Normal Billings** allow approximately **30 days** prior to assessment of late fees.
 - 2. **Second Billings** allow approximately **10 days** prior to further action. (In Utility Billing, the only accounts subject to collection assignment are those for closed accounts, where no further account is set up by the same citizen. (IE: They have moved out of the City of Twin Falls.))
 - 3. A **Final Billing statement** is provided, allowing **15 days** for full payment.
 - 4. A **Collection Notice** is sent at the end of the 15 day "Final Billing" period, notifying the citizen that unless payment is received within 30 days, the account will be sent to the collection agency. This notice includes language informing the account holder that there will be a 25% (of outstanding balance) fee added to the charges for the account should payment not be received within the 30 day time frame. If payment is received within the 30 day time frame, the 25% fee will be credited back against the account. Should the account balance be submitted to the collection agent, the 25% fee is irrevocable, as it becomes the fee for the collection process.

III. ADDITIONAL CONSIDERATIONS:

- A. Stale Accounts - Accounts that have shown no activity for an extended period of time, which have been closed by the account holder and show remaining balances due, will be handled by by-passing the "Normal, Second, and 'Final' billing statement" process above and will immediately be sent a "collection notice" providing for the 30 day period for receipt of payment. The process will then follow the above specified manner of assigning the account to collection from that point forward.
- B. Account holder has moved without Notice or Providing Forwarding Address Info - In situations where the account holder has vacated a property and failed to inform Utility Services of such abandonment of the property, the Billing Clerk shall issue the "Final' billing statement" as outlined above, and then follow up with the "collection notice," treating the billings that have been sent each month as the other steps in the process outlined above. Attempts to directly reach the account holder using existing contact information such as cell phone numbers and email addresses will also be made a part of this process. **(NOTE: This exception is provided only for those times when the account has been vacated by the citizen without informing the Utility Services Department of such termination.)**

Further, in cases where an account holder has left a property without giving notice to Utility Services regarding such move, the balance owed on the previous address will be collected prior to opening any new account at another property. Should the discovery of such change of address occur following the account holder opening a new account, the previous address' balance owed shall be transferred to the new account held by the related account holder. **(This procedure will be followed in any case where a previous balance can be traced to a new account being opened by a previous account holder with an outstanding balance - including people returning to the City after an absence.)**

Document Type: Policy
Number: VII-i
Effective: 1-7-15
Revised:

**UTILITY BILLING
CUSTOMER ARRANGEMENTS**

I. Arrangement Structure and Purpose.

The purpose of providing an arrangement for payment of past due utility account balances is to create a mechanism for recovery of past due balances in a way that recovers such past due amount while allowing for payment of current amounts billed.

- The methodology in each case must be such that within no more than two months the past due amounts are fully collected.
- The use of this option should be restricted to 3 times per year. Failure to remain outside the arrangement process will be addressed by the Utility Billing Supervisor.

II. Qualifications and Process.

- A. The account holder must have a past due balance that requires remediation.
- B. The account holder shall not have a current arrangement in place.
- C. The applicant must complete and sign the form used by the Utility Services and Finance Departments for this purpose, as provided by those Departments.
- D. The person signing the form must be the account holder.
- E. Past due amounts will continue to be subject to all Past Due fees and charges.
- F. Failure to maintain the agreed upon terms of the signed arrangement form will result in the entire (100%) past due balance and fees becoming due immediately, and shut off of water service until such time as the entire balance is paid. Any new arrangement under these circumstances will be made only under the supervision and authority of the Utility Billing Supervisor.

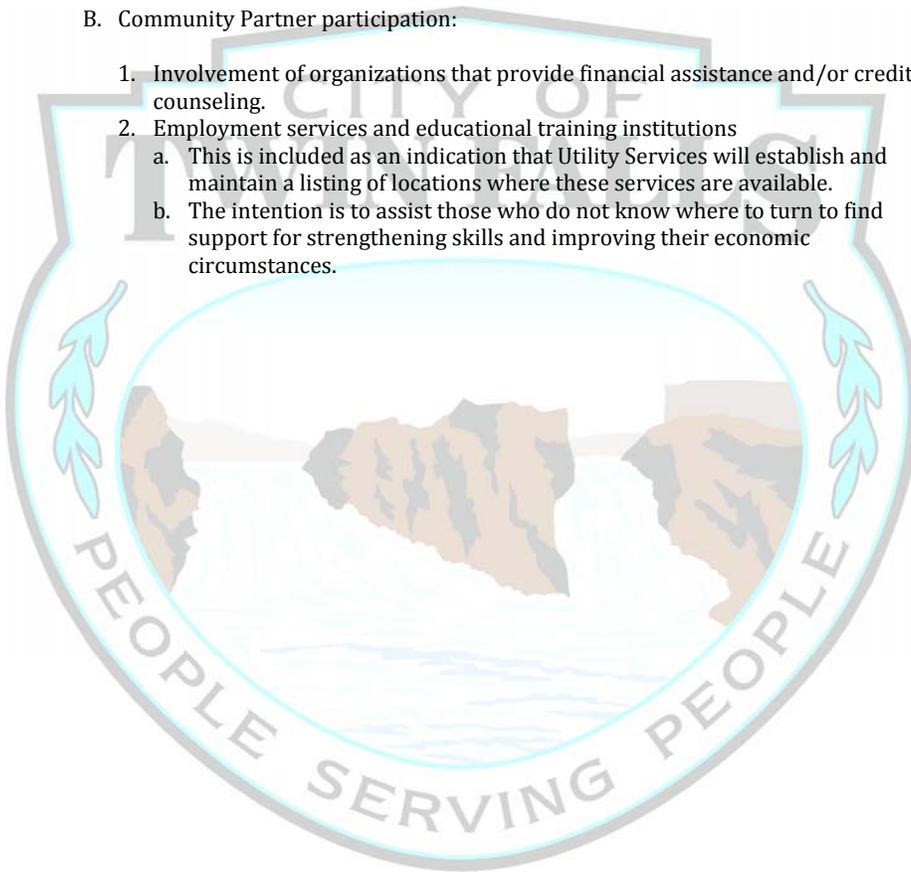
III. Steps to Remedy Failing Accounts

A. Strategic Plan Initiatives:

1. Financial Assistance Consultation options
2. Meetings with Utility Billing Supervisor to set amounts/support citizens in recovering ability to pay

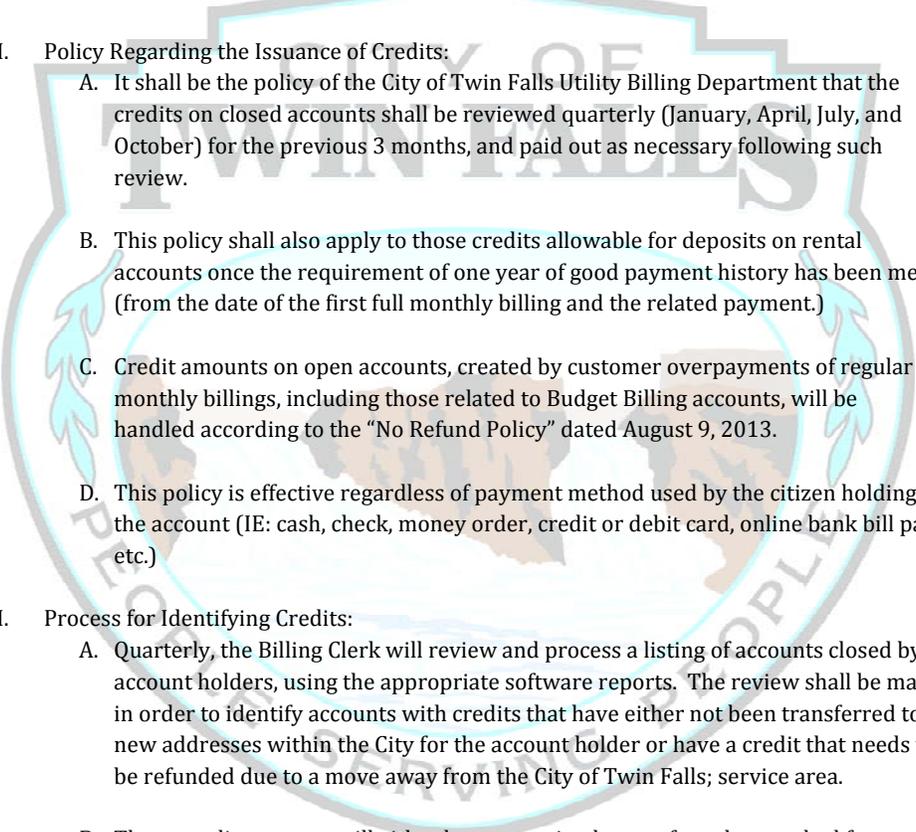
B. Community Partner participation:

1. Involvement of organizations that provide financial assistance and/or credit counseling.
2. Employment services and educational training institutions
 - a. This is included as an indication that Utility Services will establish and maintain a listing of locations where these services are available.
 - b. The intention is to assist those who do not know where to turn to find support for strengthening skills and improving their economic circumstances.



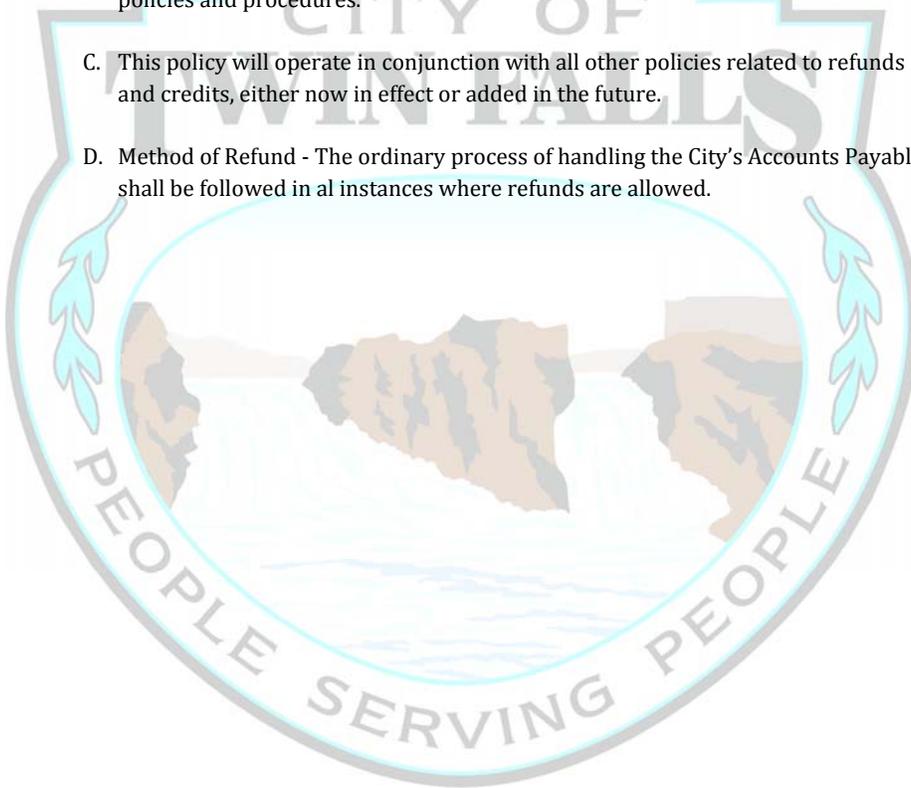
Document Type: Policy
Number: VII-j
Effective: 12-9-13
Revised:

**UTILITY BILLING
CREDIT ISSUANCE**

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- I. Policy Regarding the Issuance of Credits:
- A. It shall be the policy of the City of Twin Falls Utility Billing Department that the credits on closed accounts shall be reviewed quarterly (January, April, July, and October) for the previous 3 months, and paid out as necessary following such review.
 - B. This policy shall also apply to those credits allowable for deposits on rental accounts once the requirement of one year of good payment history has been met (from the date of the first full monthly billing and the related payment.)
 - C. Credit amounts on open accounts, created by customer overpayments of regular monthly billings, including those related to Budget Billing accounts, will be handled according to the "No Refund Policy" dated August 9, 2013.
 - D. This policy is effective regardless of payment method used by the citizen holding the account (IE: cash, check, money order, credit or debit card, online bank bill pay, etc.)
- II. Process for Identifying Credits:
- A. Quarterly, the Billing Clerk will review and process a listing of accounts closed by account holders, using the appropriate software reports. The review shall be made in order to identify accounts with credits that have either not been transferred to new addresses within the City for the account holder or have a credit that needs to be refunded due to a move away from the City of Twin Falls; service area.
 - B. Those credit amounts will either be appropriately transferred or marked for refund by the reviewer. Following this review, the Billing Clerk will undertake the process of issuing the refunds through Accounts Payable.
 - C. Credit balances of \$2.00 or less, shall simply be removed by a charge to the water revenue account to zero out the account balance, due to the costs involved in issuing a refund check.

III. Other Considerations:

- A. The necessary authority and software permissions will be provided to the clerk assigned to assist the Billing Clerk in this process of review by those managing internal control functions.
- B. The Utility Billing Supervisor will maintain oversight on this process to assure that it is occurring according to the City of Twin Falls' Finance Department's policies and guidelines, as well as in accordance with all Utility Services Department policies and procedures.
- C. This policy will operate in conjunction with all other policies related to refunds and credits, either now in effect or added in the future.
- D. Method of Refund - The ordinary process of handling the City's Accounts Payable shall be followed in all instances where refunds are allowed.



Document Type: Policy
Number: VIII-a
Effective: 10-1-14
Revised:

CONTRACTS SURETY BOND POLICY

This policy is intended to clarify the physical processing of surety bonds received by the City. The policy covers bid securities ~~in accordance with Idaho Statute 67-2805. These securities which provide guarantees that bidders on a project will execute the contract per the contract conditions and their bid prices (bid bonds) take the job if selected and have the financial means to accept the job for the price quoted in the bid.~~ This policy also includes other performance bonds that guaranty satisfactory completion of a project/contract as specified after it has been awarded.

Commented [LG1]:

<http://legislature.idaho.gov/idstat/Title67/T67CH28SECT67-2805.htm>

Commented [LG2]: A similar policy could be created for Performance and Payment bonds required per statute 54-1926 & 54-1926A.

<http://legislature.idaho.gov/idstat/Title54/T54CH19SECT54-1926.htm>
<http://legislature.idaho.gov/idstat/Title54/T54CH19SECT54-1926A.htm>

Definitions

Cash – Cash consists of Federal Reserve Notes and United States Coinage.

Personal Check - A check drawn against funds deposited in an individual or business checking account.

Bank Draft/Certified Check - A type of check where the payment is guaranteed to be available by the issuing bank. Once it has been confirmed that sufficient funds are available, the bank effectively sets aside the funds from the person's account to be given out when the bank draft or certified check is presented.

Cashier's Checks - A cashier's check is a draft drawn by a Bank on itself, which the Bank agrees to honor when properly presented for payment.

Surety Bonds - A surety bond is defined as a contract among at least three parties:

- The City - the recipient of an obligation.
- The bidder or principal - the primary party (contractor) who will participate in the bidding process or construct the contracted project.
- The surety - who assures the City that the bidder can perform the task, typically an insurance company or bonding company.

Security Handling

Cash and Personal Checks will be deposited when received into the City's general checking account and classified as a liability in general ledger account 101-00-00-220-00.

Cashier's Checks or Certified Checks, which are made payable to the City, will not be tendered. They will be held by the responsible department, or held in the vault if requested, until the responsible department returns them to the Bidder upon conclusion of the bidding process or returns them to the Contractor as stipulated upon satisfactory performance of the contract/project.

Surety Bonds executed by a qualified surety company and made payable to the City, will be held by the responsible department, or held in the vault if requested, until the responsible department returns them to the Bidder upon conclusion of the bidding process or returns them to the Contractor as stipulated upon satisfactory performance of the contract/project.

The City department overseeing the awarding of the bid or monitoring of contract performance (responsible department), will initiate any requests to keep Cashier's or Certified Checks in the vault. Among the considerations for that determination should be the anticipated length the bond will be outstanding. The responsible department will initiate the return of held checks or the issuance of a City refund check for bid bonds or performance bonds when appropriate.

Document Type: Policy
Number: IX-a
Effective: 10-1-14
Revised:

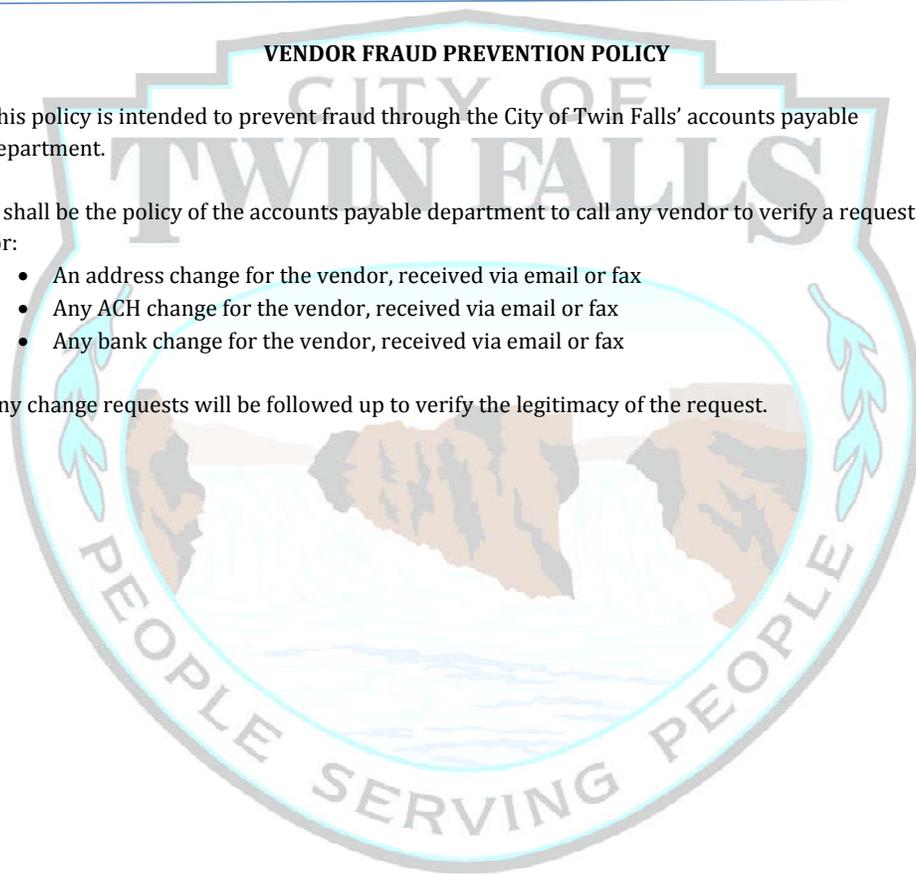
VENDOR FRAUD PREVENTION POLICY

This policy is intended to prevent fraud through the City of Twin Falls' accounts payable department.

It shall be the policy of the accounts payable department to call any vendor to verify a request for:

- An address change for the vendor, received via email or fax
- Any ACH change for the vendor, received via email or fax
- Any bank change for the vendor, received via email or fax

Any change requests will be followed up to verify the legitimacy of the request.



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Number: X-a
Effective: 5-1-15
Revised:

EVIDENCE ACCOUNT PROCEDURE

A checking account will be established by the Finance Department (Finance) and designated as the evidence account. The purpose of the evidence account will be to receive, hold, and disburse money collected by the Police Department's Crime Scene Investigation Unit (CSI).

When evidence money is processed between CSI and Finance, it will be verified at that time. A written receipt will be prepared and given to CSI when the funds have been counted and verified, and a deposit will be prepared at that time. Money will be received in a special styled envelope, designated as "Evidence." The amount, date, case number, and any associated name will be noted on the receipt. A duplicated copy of the receipt will be maintained by Finance. No foreign currency will be accepted.

Only one person within Finance will be designated to receive and process the money that is brought by CSI. That person shall be the Finance Clerk. Evidence envelopes will not be received by any other employee for receipting or safekeeping. If the designated employee is not available during his/her regularly scheduled work hours, CSI will store the evidence until the next available occasion to transfer the funds to Finance.

Disbursement from the evidence account will occur when a formal request has been prepared by CSI and received by the Finance Clerk. The request must be written and approved. The Finance Clerk will maintain a listing of disbursements and the pertinent information.

Monthly, someone in Finance, other than the Finance Clerk, will review the information received from the bank. The bank statement will be reconciled with the transactions recorded in the receipt log book and the disbursement listing. CSI will be responsible for maintaining a listing of the open cases that compose the balance of the evidence account. Finance will make available any information CSI deems necessary to accomplish that reconciliation between open cases and the current balance of the evidence account.