

FINANCIAL MANAGEMENT POLICIES

Financial Management Policies

4/10/2019



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Financial Management Policies

The purpose of these policies is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Hood River County Transportation District and managing their funds.

1. GENERAL OVERVIEW

The Hood River County Transportation District (HRCTD) is a special district which was created to develop, finance, organize, and provide transit services throughout Hood River County. Revenues are derived principally from property taxes, state and federal grants, and transit fare revenue. HRCTD is governed by a Board of Directors comprised of seven elected citizens that reside within Hood River County.

1.1 Financial Responsibility

It is the responsibility of the Board of Directors to formulate financial policies and review operations and activities on a periodic basis. This responsibility is shared through delegation with the HRCTD Executive Director. The Executive Director acts as the primary fiscal agent, implementing all financial policies and procedures. The Director, with oversight from the Board is responsible for the coordination of the following: Annual budget presentation, selection of an outside auditor, and approving revenue and expenditure objectives in accordance with the Board approved long-term plans, State of Oregon guidelines and standard SDAO policies.

The Executive Director is also responsible for the day-to-day operations, managing funds, ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.

The Office Manager is directly supervised by the Executive Director and is responsible, preparing and submitting deposits to the bank, finalizing District payroll for the outside payroll processor (which occurs every other week), ensuring the Accountant Team or designee has received invoices, bank statements and other information in a timely manner and submitting finalized budget documents with the State & County.

Hood River County Transportation District Accountant Team or designee is responsible for the preparation of the Chart of Accounts, Reporting Financial Statements & Ad hoc Report; Bank Reconciliations, Journal Entries to the General Ledger, Form 1099 reporting, Grant Invoicing and will assist with the preparation of the Form 5500

reporting, and Form 990 reporting. The Accountant Team or designee also helps the Executive Director prepare budget documents for the Board and Budget committee.

1.2 Conflict of Interest

Members of the Board of Directors are prohibited from activities that might present conflicts of interest. The powers of directorship may not be used to personally benefit the Executive Director or any close friends or family members. If a Board Member has a financial interest in a contract or transaction, the Board Member must fully disclose the interest and abstain from voting. Loans to Directors are prohibited. Our full conflict of interest policy is outlined in our Procurement Plan

1.3 Basis of Accounting

HRCTD uses the accrual basis of accounting, recording revenues when earned, and recording expenses at the time the liability is incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Proprietary funds further distinguish operating revenues and expenses from non-operating items.

1.4 Contingency Reserve

HRCTD maintains a contingency reserve in the Hood River County Account. The contingency reserve balance is essential to mitigate current and future risk of revenue shortfalls and unanticipated expenditures.

Reserve balance levels are defined to minimize disruptions to the District's services due to fluctuation in funding and in accordance to the Government Finance Officers Association (GFOA) recommendations. The following reserve balance policy provides parameters on desired levels and uses of unrestricted reserve funds.

1. The contingency reserve is available to maintain current service levels during short-term periods of declining revenue or slower than anticipated revenue growth. The contingency reserve shall have enough in the reserve account to ensure that the District can meet financial obligations for a minimum of 4 months and maximum of 6 months.
2. When the operating & contingency reserve is fully funded – at least twice a year the Board may consider options for these funds such as but not limited to set asides for future capital needs, expanding transit service, decreasing fares and/or other enhancements that benefit Hood River County Residents and are in alignment with the HRCTD mission statement.

1.5 Internal Control

Hood River County Transportation District is committed to carrying out internal controls that promote accountability, facilitate achievement of agency goals and objectives, and ensure compliance with state and federal laws, rules, and regulations.

As a small agency, Hood River County Transportation District assigns work duties and procedures that maximize internal controls in five key area: control environment, risk assessment, control activities, information and communication, and monitoring.

1.6 Reporting

HRCTD keeps and maintains complete and accurate financial records for at least three years or as otherwise required by State or Federal law and prepares required reports in accordance with the uniform system of accounts and records adopted by the State of Oregon. Financial statements are generated and presented to the Board on a monthly basis to allow the Board an opportunity to review the Agency's financial status and provide fiscal and operational accountability. The Board with help from the Budget Committee also approves and submits an Annual Budget (LB-20) before the beginning of the new fiscal year and the Board approves and submits the final audit within 6 months of the end of the fiscal year.

1.7 Accounting Software

HRCTD utilizes project-based fund accounting software to record and report on revenues and expenditures, assist with monthly financial reports, and record, report and manage grant invoices. The accounting software used by HRCTD can restrict user access to allow for appropriate segregation of duties and multiple approval layers. Accounting software user rights are granted by the Executive Director.

1.8 Accounts

Hood River County Transportation District two operating and one contingency reserve account. They included:

- Columbia Bank Operating Account – the main account for the day to day expenditures for the District. It also receives most direct grant fund deposits as well as revenues from other revenue contracts. Online access to this account is limited to the Accountant Team or designee and the Executive Director.
- Columbia Bank Savings Account – a savings account that is directly tied to the District's Operating Account. The savings account allows the Executive Director to transfer funds to/from the operating account without Board Approval. Online access to this account is limited to the Executive Director.

- Hood River County CIT Account – This is the contingency reserve account. At the beginning of each Fiscal Year the Board will authorize the Executive Director to transfer funds from the contingency reserve to the operating account based on the new budget. No additional transfers will be allowed unless specifically authorized by the Board.

Cash reconciliations are performed on a monthly basis for each account by Accountant Team or designee, reviewed by the Executive Director and approved by the Board of Directors at their monthly meetings.

1.9 Audit

The Agency will have an audit of its financial statements annually, within 4 months of the end of each the fiscal year. The audit shall be completed by a firm of Independent Certified Public Accountants. The Executive Director and the Accountant Team or designee shall have direct responsibility in overseeing the implementation of the Annual Financial Audit.

1.9.1 Selection of the Audit firm

The Board is responsible for selecting the Audit Firm and will follow standard HRCTD procurement policies but must ensure selection criteria meet 2 § CFR 200.509a which includes:

- Responsiveness to the RFP
- Relevant experience
- Availability of staff with professional qualifications & technical abilities,
- The results of peer review & external quality control reviews, and
- Price

1.9.2 Reporting Results

The Board Secretary will report the results to the Board of Directors. A representative of the audit firm shall be invited to attend the annual presentation to Board and shall be required to make a presentation to the Board if the audit report is other than unqualified, or if the auditor's report identifies material weaknesses in internal controls or reportable conditions.

The Auditor shall prepare the Form 990 and it shall be reviewed by the, the Executive Director and the Board Secretary before submission to the IRS.

The Board may opt to include a Board letter regarding the findings in the Audit file for the year.

1.9.3 Audit Findings Follow Up

CAT is responsible for ensuring that there is follow up and corrective action on any significant findings (as outlined in 2 § CFT 200.516(a)). CAT will follow the Federal requirements outlined in 2 § CFT 200.511 and State of Oregon Audit Finding requirements. Including, but not limited to developing a corrective action plan, a summary schedule of prior audit findings and submittal of the plan to the Oregon Secretary of State.

2. REVENUES

2.1 Grants

It is the responsibility of the Executive Director to oversee applications for all applicable federal, state, and regional funding grants, and to manage contracts received, account for funds and maintain records in accordance with grantor requirements.

The Executive Director may sign and enter into a financial contract for a State or Federal Grant, that is less than \$250,000, for the Board of Directors if their approval has been previously provided. Contracts over \$250,000 must be approved and signed by the Executive Director and the Board Chair.

2.1.1 Allowable Costs

HRCTD is committed to ensuring that costs claimed under State & Federal grant awards follow the guidelines contained in 2 CFR Part 200 Subpart E – Cost Principles as well as any special terms and conditions contained in the award. Additionally, as a grantee, the district is required to follow the more restrictive of the federal, state, and district policies. When applying these cost principles, the district will:

- Maintain responsibility for the efficient and effective administration of the Federal award through the application of sound management practices;
- Assume responsibility for administering State & federal funds in a manner consistent with underlying agreements, program objectives and the terms and conditions of the federal award;
- Apply accounting practices that are consistent with the cost principles, support the accumulation of costs as required by the principles, and provide for adequate documentation to support costs charged to the federal award.

The district will maintain a system of internal controls over state and federal expenditures to provide reasonable assurance that awards are expended only for allowable activities and that the costs of goods and services charged to State and Federal grants are allowable and in accordance with the above referenced cost principles. Those cost controls are outlined in 2.1.5 below.

2.1.2 Direct and Indirect Costs

Two categories of costs may be charged to a State & Federal award.

- Direct costs, which are costs that directly benefit the activity and are easy to identify.
- Indirect costs are costs that either benefit the activity in an indirect manner or directly benefit the activity but the complexity of adequately identifying the costs as such outweighs the benefit of charging them directly.

In most cases, HRCTD will have direct costs only. In any circumstance where indirect costs might be at issue, HRCTD should work with the Accountant Team or designee to ensure these costs are captured and accounted for in a way that is consistent with OMB standards.

2.1.3 Period of Performance

Grant funds will require a contract before expenditures can begin. Most federal and state grants reimburse based on expenditures made against the grant – and no money is provided upfront – though not always. The Executive Director and Board should be made aware of HRCTD’s responsibilities, obligations and any specific reimbursement terms and end date before signing a grant contract. Typically, grant funds may not be expended subsequent to the end date of the grant except to liquidate allowable obligations that were made on or before that date. All liquidations of prior obligations must be made within 90 days of the grant end-date, or an earlier date established by the granting agency.

2.1.4 OPTIS reporting

HRCTD is a subrecipient of the Federal Transit Administration because of this it receives all FTA funds through the Oregon Public Transit Division and must report on the status of and request all federal and state grants on a quarterly basis through Oregon Public Transit Information System (OPTIS). OPTIS is a comprehensive electronic grant management system created for the Oregon Public Transit Division (OPTD) to help facilitate the administration of the federal and state grant programs it manages.

OPTD has put out an OPTIS Users Guide which highlights how reporting requirements are entered and reimbursement sought through the OPTIS program.

(<https://www.oregon.gov/ODOT/RPTD/RPTD%20Document%20Library/OPTIS-User-Guide.pdf>)

Quarterly Reporting is done on the Federal Fiscal Year (October 1st - September 30th)

- First quarter reporting can begin the 1st of January and is due no later than the 15th of February
- Second quarter reporting can begin the 1st of April and is due no later than the 15th of May
- Third quarter reporting can begin the 1st day of July and is due no later than 15th of August
- Fourth quarter reporting is due the 1st of October and is due no later than the 15th of November.

The periodic report must be completed before a reimbursement request may be sought. All reports and invoices submitted to OPTIS must be reviewed and PINNED for compliance by the Executive Director.

2.1.5 Grant Program Financial Reporting

The financial management system must have the ability to account for funds in accordance with the terms and conditions outlined in the awards received. Reports must illustrate the receipt of funds as well as funded and match expenditures.

Costs must meet the following general criteria in order to be allowable under Federal awards:

- Be necessary and reasonable for the performance of the state and federal grant awarded and be allocable thereto under these principles;
- Conform to any limitations or exclusions set forth in these principles or in the State & Federal grant award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the district;
- Be accorded consistent treatment;
- Be determined in accordance with generally accepted accounting principles;
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period;
and
- Be adequately documented

Shared costs or matching funds and all contributions, including cash and third-party in-kind contributions meet all of the following criteria:

- Are not included as contributions for any other Federal award
- Are necessary and reasonable for accomplishment of project or program objectives
- Are not paid by another award, except where specifically allowed

Entries to the financial management system should include general ledger coding that will reports for activity of an individual to be produced, as well as a summary of grants for comparative purposes.

2.2 Invoicing and Accounts Receivable

Unless otherwise stipulated by contract or necessity, HRCTD invoices for accounts receivable on a monthly basis.

2.3 Fares, Fare Payment & Collection

General fares and fare payment options are detailed on our website and can be found in most District brochures. Updates or changes to the fare policy may be made by the Board at any time, but must follow FTA guidelines.

2.3.1 Fare Increase

A major change (increase or decrease of 25% or more) in fares requires staff to perform a fare Equity Analysis that ensure the changes will not have an undue burden on low-income, minority, disabled or aging populations. In addition, HRCTD is require to provide reasonable public notice (including but not limited to rider alerts, newspapers, website information, etc.) a public hearing in front of the Board, public input in other forms and a Board Meeting to formal adopt the changes. The public meeting and the formal adoption must be held at separate meetings to allow for ample public input.

2.3.2 Fare Collection

Fare payment options include an online system, pre-paid tickets and on-board collection through a fare box.

Online payments are linked directly to the Operating Account and show up directly as online deposits. Payments that come in this way are logged and recorded as fares in the Chart of Accounts.

Pre-paid tickets can be purchased at the CAT office in a book of twenty tickets. The passengers pay the ticket price (either with credit card, cash or checks) and receive the book of tickets. They may use the ticket in lieu of cash on the bus. The Dispatcher who takes the payment records the ticket numbers on a receipt or on credit card transaction – and puts the cash or check in a secured spot until a deposit can be made. When ready for deposit, the Office Manager counts the cash – verifies it is consistent with the amount of ticket sold and places the amount on a deposit slip.

Fare box payments are emptied daily by the Operations Manager and the Lead Dispatcher. The Operations Manager and Lead Dispatch provide the fare box amount (including any pre-paid tickets) in individual envelopes (which route passenger sheet) to the Dispatch staff for counting. The Dispatch staff counts the money and verifies that the passenger count and fare box revenue are consistent (e.g. no major discrepancies are found). This information is then provided to the Office Manager who addresses any discrepancies with the driver and readies the cash for deposit on a deposit slip.

Dispatch staff or the Office Manager deposit the amount in the bank. The bank counts the money and provides a receipt. The receipt is scanned to the Accountant Team or designee with the deposit slip – any discrepancies over \$10.00 are noted and the Executive Director is notified.

2.4 Vehicle Wraps or Other Media Sales

The Board is in the process of establishing a Vehicle and Other Media policy and will update this document as the policy is developed and finalized.

2.5 Recording Payment Receipts

The following procedures for cash received through the mail or given to a staff person shall be in place:

- All mail that is not marked confidential is opened by Dispatch. Dispatch is not involved in the accounting function. All confidential mail will be opened by the Executive Director. If the mail includes a check, this will be provided to Dispatch for entry.
- All checks shall be endorsed with the Agency's official stamp – and all checks and cash shall be recorded by date, name of company or individual, designation, and amount. After recording checks, or cash, they are forwarded to the Office Manager who records them for accounting purposes. That record shall include date of deposit, name of sender, amount, and designation.

- A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All cash and checks shall be deposited each Monday, Wednesday and Friday into the Agency's Bank Account.
- The Office Manager shall reconcile all logs of incoming cash/checks with the deposit slips.

3. EXPENDITURES

All non-contractual expenditures within existing budget line item that are over \$100 must be approved (either by email, or in writing) by the Executive Director. All expenditures shall be coded by account number using budget line items. The Accountant Team or designee will maintain standard accounting records containing all aspects of the HRCTD's financial operations. They include but are not limited to: A general ledger, a check register, and a payroll register.

Invoice Recording & Payment

All invoices shall be stamped as having been received and then forwarded to the Accountant Team or designee for processing in Quickbooks.

- Weekly the Accountant Team or designee will provide the Executive Director with the unpaid bill report and the associated invoices & back up as well as properly coding the invoice to a line item in the budget.
- The Executive Director will review the list – get any additional information required for payment back up and then approve items for payment that week.
- This unpaid bill list is returned to the Accountant Team or designee. The voucher to the invoice and pays the bills that have been approved by the Executive Director for payment.
- A copy of the payment voucher (or EFT record) shall be stapled onto the bill and payment date and check number shall be printed on the invoice.
- The paid invoices shall be filed alphabetically according to company/individual name and shall be kept on a fiscal year basis on file.

Invoices that are associated with a legal or formal contract or agreement and are less than \$20,000 should be paid through electronic fund transfer unless otherwise specified in the contract or by the Board. Other invoices may be paid by Electronic Fund Transfer if it doesn't not exceed the limits established by the Budget line, is approved by the Executive Director and is less than \$10,000.

Any non-contractual payments over \$10,000 must be approved by the Board, paid by check and follow the two-signature policy (see Section 3.2.)

3.1 Expenditure Approval Authority

The Executive Director may, without Board approval, enter into a vendor or consultant contract, provide payment, or commit HCRTD resources for a service or purchase that does not exceed \$10,000 within the fiscal year, provided that such a contract or commitment is consistent with and does not exceed existing budget limits. Contracts or purchases that exceed the designated micro purchase level must be purchased in compliance with the District's written Procurement Policy.

Please note the signature authority for contractual obligations related to grants is spelled out in Section 2.1 above and allows the Executive Director, **with prior Board approval**, signature authority for contractual obligations that do not exceed \$250,000

3.2 Signature Policy

Any formal check written by the District must be signed by the Executive Director and a Board Member (two signatures) unless the check is within line item budget limits, less than \$10,000 or less than \$20,000 when associated with a legal or formal contract or agreement that has been approved by the Board.

Other invoices may be paid by Electronic Fund Transfer if they are within line item budget limits; are approved by the Executive Director and are less than \$10,000 or less than \$20,000 when associated with a legal or formal contract or agreement that has been approved by the Board and signed by the Executive Director.

3.3 Electronic Fund Transfer Policy (includes online bill pay or automated clearing house (ACH) transfers)

EFTs may be used when a payment is less than \$20,000 and associated with a legal or formal contract or agreement that is in the budget, has been approved by the Board and has been signed by the Executive Director. EFT may also be used for other payments under \$10,000 if there is prior approval from the Board.

In order to initiate an Electronic Funds Transfer for bill payment the Accountant Team or designee will:

- Verify that the payment is eligible for EFT payment

- Ensure with the Vendor that the District has the correct payment information on file;
- If applicable, ensure the contract # is on the invoice and confirm that the payment requested is in keeping with contract requirements;
- Ask for and receive signed approval from the Executive Director for payment
- Prepare the EFT for payment, place the invoice number, and (if applicable, contract number) in the EFT memo field and pay the vendor.

3.3. Compensation and Payroll

Paychecks or direct deposits will be provided to each employee by the Office Manager. Monthly payroll expenses shall be verified by the Office Manager against payroll reports and direct deposit reports and reconciled the Accountant team through checking account reports. The compensation of the Executive Director shall be determined by the Board of Directors or their designees and CEO compensation is based on a board-approved process that considers comparable data and CEO performance. The salaries of all other employees shall be determined by the Executive Director. Compensation ranges for all staff positions shall be approved by the Executive Director. No employee of the Agency may be compensated outside of the approved range, without the approval of the Agency Executive Director.

Drivers salaries may be subject to a union contract if one is in effect.

3.4 Employee Expenses

Employees requesting reimbursement for personal expenditures must do so by submitting a HRCTD Transit expense report. Documentation, generally in the form of a receipt, is required for all expenditures itemized on the expense report other than mileage. Mileage reimbursement rates are set by the Internal Revenue Service (IRS) and updated annually. Any employee-claimed expense that is found to not be for HRCTD business will be rejected. Expenditures that have not been pre-approved may also be rejected.

Examples of typical reimbursable expenses include (but are not limited to): mileage, transportation, lodging, meals, conference fees, memberships, tolls, and supplies. Meals are reimbursed on actual expenses only, in an amount not to exceed the U.S. General Services Administration (GSA) rates for per diem & incidental expenses in the location of the expenditure in the given year. Expenditures for alcoholic beverages cannot be reimbursed due to federal government regulations.

Expense reports are available from the Office Manager and are to be completed as soon as possible after the expenditure. Expenses are to be reported at least monthly and any expense over two months old may be rejected. Each expense report is to be signed and dated by the employee completing the report.

3.5 Credit Cards

The Executive Director and the Operations Manager have been provided HRCTD Credit Card. HRCTD Credit Cards may only be used for HRCTD expenses and may not be used for expenses of a personal nature.

3.5.1 Responsibilities

Individuals holding HRCTD credit cards are responsible for:

- Receiving approval before a purchase is complete from the Executive Director (in writing) for any expenditures over \$100.
- Using the cards or allowing use of the card, only for their intended purpose;
- Submitting receipts and providing explanations for all credit card transactions; and,
- Notifying the appropriate authority if the credit card is lost or stolen

The designated HRCTD Accountant is responsible for ensuring the statements are reconciled. Any mismanagement of credit cards will be brought to the attention of Executive Director and placed in the monthly financial statement to the Board.

3.5.2 Violations of Use

Discipline, up to and including termination, will be considered for any violation to the credit card policy.

4. PAYROLL

HRCTD employees are hired directly by HRCTD. The Office Manager oversees the payroll process within the accounting software. Timesheets are required to be submitted by all District staff every two weeks on a Friday. Payment will occur no more than five business days after the timesheet submittal. Submitted timesheets are to be verified by the supervising employee within one business day of submittal – and certified to by Office Manager as correct. The Executive Director must approve the time sheet batch prior to posting in payroll system

Once the Office Manager receives the timesheet approval, they are submitted into the payroll system for payment. Once the payments have been generated the Office Manager indicates approval of the payments by creating the electronic payment file in the accounting software.

The electronic payment file is then uploaded to the bank's online system, which requires approval by the Executive Director before the payments can be made.

Payroll tax reports and payments are generated according to the timelines established by the State of Oregon and the Internal Revenue Service. Payments are processed electronically and recorded to the accounting software in the same manner as other vendor payments.

Policies regarding retirement, benefits, and other employment-related guidelines can be found in HRCTD Employee Handbook.

5. FIXED ASSETS

Fixed assets are governed by HRCTD's Fixed Asset Policy.

5.1. Depreciation Recognition

For the purposes of this policy – fixed-asset are assets (land, vehicles, equipment, computer software, etc.) costing over the \$5000. All assets meeting the definition of a fixed asset shall be considered a long-term asset and the HRCTD internal control structure will ensure the condition of such assets are reliably reported, maintained and in compliance with applicable laws and regulations.

5.1.1 Salvage Value

The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. In other words, the salvage value is the amount for which the asset could be sold at the end of its useful life. This value can be based on (1) general professional guidelines like those provided by FTA, (2) professionals such as engineers, architects, etc. or other reasonable estimation methods.

5.1.2 Depreciation Method

HRCTD has established the straight-line methodology for depreciating all fixed assets. Depreciation will begin in the month the asset is placed in service. Under the straight-line depreciation method, the basis of the asset is written off evenly over the useful life of the asset. The amount of annual depreciation is determined by dividing an asset's cost reduced by the salvage value, if any, by its estimated life. The total amount depreciated can never exceed the asset's historic cost less salvage value. At the end of the asset's estimated life, the salvage value will remain.

5.1.3 Disposition of Property

If the property was purchased with Federal funds, HRCTD must notify the State of its intent to dispose of the property.

Replacement after useful life is met - All property that has met its useful life will be disposed of so as to ensure the highest possible return on the item if sold. Items of property with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal government – provided that any revenues received are used for transit purposes.

Replacement before useful life is met - If a vehicle is replaced before it has achieved its minimum normal service life, the grantee has the option of returning to FTA and the state, an amount equal to the remaining federal/state interest in the vehicle or applying the "Like-Kind Exchange" policy (discussed below) and placing an amount equal to the remaining federal/state interest in the vehicle into a newly purchased vehicle. To determine the federal/state interest in a federally funded vehicle during its minimum normal service life, a straight-line depreciation formula is used: for example, for a bus with a 12-year minimum normal service life, the bus's value decreases each year by 1/12 of its original purchase price. Similarly, the federal/state interest in the bus decreases each year by 1/12 of the amount of the federal grant that was awarded for its purchase.

5.1.4 Disposal Procedures

The following disposal procedures must be followed:

1. **State must be contacted and Title must be received** – if the property has been purchased with State or Federal funds, the State of Oregon must be contacted and the sale must be approved. If the State holds title this must be received before the property can be sold.
2. **Value assessment of the property** – a proper value assessment of the asset must be conducted to ensure that a fair market price is established. Depending on the asset this may require a formal appraisal or consultation with outside sources. This assessment should be documented in the file.
3. **Place asset for sale in an open competitive market** – HRCTD is required to follow an open competitive market to sell their property on the open market. This can be anything from a public auction, to a craigslist ad, or bus sale website. A minimum bid price should be established that is based on the value assessment.

4. **Agency Lease or Sale** – HRCTD may sell or donate the vehicle to another public or non-profit agency without going through an open market process – but must still document the value of the item.
5. **Documentation of sales** – In each case the title transfer should be completed and the disposed property documented, as appropriate for HRCTD financial records.

6. PURCHASING & CONTRACTS

Purchasing and contracts are governed by HRCTD procurement policy.

7. BUDGET ADMINISTRATION

7.1 Annual Budget Adoption

The HRCTD Board of Directors adopts an annual budget for HRCTD’s fiscal year starting July 1 and ending June 30.

Under the direction of the Executive Director, staff develops a balanced budget for the Board of Directors that meets State Special District Budget Requirements and provides sufficient and sustainable funding for local transit service needs using the following guidelines:

-
- Preserve a balance of revenues and expenditures over a ten-year horizon
- Provide for Short Range Transit Plan (SRTP) adopted service levels
- Allow for innovative growth

The Board adopts the annual budget for the coming fiscal year no later than the June Board of Director’s meeting.

7.2 Budget Adjustments, Amendments and Supplemental

Budget control occurs at the total cost center level. Deviation from budgeted line item amounts are acceptable as long as the total cost center expenses do not exceed the budget authority. Budget authority transfers (formally called budget adjustments) between cost centers require Executive Director Approval and must be made such that total budget expenditures are not exceeded. Board should be made aware of the transfer between funds, but it does not require their approval

Requests for budget amendments to the Board must include adequate supporting documentation and identification of available revenue to support the expenditure. If

circumstances require immediate action, the Executive Director may act in place of the Board of Directors but must present the expenditure to the Board of Directors at the next possible opportunity.

If a budget amendment is approved HRCTD must move forward with a supplemental budget process. This process must follow the State regulations for Special District Budgeting.

8. FINANCIAL RECORDS RETENTION

Hood River County Transportation District recognizing its responsibility to the public to ensure the preservation of records documenting the activities of the District, adheres to the following policy for the collection, preservation and maintenance of records concerning the financial operation of HRCTD.

Financial records retention policies and practices have been established to provide consistent operational practices and to ensure compliance with government regulations. HRCTD conducts business under the rules and regulations of federal, state and local municipalities and as such follows the guidelines of and is consistent with Federal CFR 2 § 200.333 and State of Oregon Achieves 166 which specifically require documented policies and procedures regarding the retention of records. If there is a conflict between these documents HRCTD will default to the longest retention requirements.

It should be noted that the record retention requirements for the new Oregon State Transportation Improvement Funds is six years.

4/10/2019