

Corvallis Rural Fire Protection District-
Financial Policy
April 24, 2024

Objectives:

1. To ensure that all financial systems, functions, and controls meet generally accepted accounting standards.
2. Preserve capital through prudent banking and cash management activities.
3. To achieve the most productive use of cash, minimize operating costs, and to control receipts and disbursements.
4. To maintain competitive and good working relations with financial institutions.

Banking Services:

1. Banking services shall be solicited at least every five years on a competitive basis unless costs are below \$200 per year, per account.
2. Banks submitting proposals must meet the following minimum criteria:
 - a. Verify that the bank you want to use is on the list of qualified depositories on the State Treasurer's website at:
<http://www.ost.state.or.us/Services/PFCP/QualifiedDepositoriesPublicFunds.asp>
Qualified depositories for public funds, updated March 31, 2011.
Note: After January 1, 2006, deposit accounts up to [deposit insurance limits](#) may be held at any insured financial institution with a head office or branch in Oregon. Deposit accounts in excess of deposit insurance limits may only be maintained at financial institutions included in the list found at the above link, but are to be avoided if longer than one week.
 - b. Be insured by the Federal Deposit Insurance Corporation (FDIC) or for other funds being placed for principal safety and interest income, the National Credit Union Share Insurance Fund (NCUSIF). (The NCUSIF, like the FDIC's Deposit Insurance Fund, is a federal insurance fund backed by the **full faith and credit of the U.S. Government**, with limits of \$250,000)
 - c. Be able to facilitate transfers to and from the Local Government Investment Pool managed by the Oregon State Treasurer.
 - d. Provide annual audited financial statements.
3. All District financial and bank accounts must be authorized and approved by the Corvallis Rural Fire Protection District Board of Directors (the Board).

Billing and Receipts:

1. The District will invoice all vendors for amounts due on a current basis. An accounts receivable age schedule will be prepared and monitored to ensure amounts due the District are received. Invoices are due within 30 days of billing date. Interest of one and one half percent (1½%) per month will be charged on all balances over 30 days. (At this time, the District does not render any services before receiving payments – i.e. Rural Sign Program.)

State Funds/State Grants:

1. If state agency/grantor is willing and it is feasible, funds will be received via the Local Government Investment Pool.

Accounts Payable:

1. The District will maintain a system to track accounts payable. Invoices will be analyzed to take advantage of any discounts available.
2. All obligations paid to the District will be reviewed to ensure proper documentation is attached and that all District requirements are met.

Cash Forecasting:

1. Each fiscal year, the District's appointed Budget Officer will prepare an annual general fund cash flow budget for approval by the Budget Committee and then after the Budget Hearing process, adoption by the Board.
2. At each month's regular business meeting, the District's Treasurer will recommend any line item increases or decreases in the General Fund that are necessary to maintain a good understanding of the District's current financial condition.

Debt:

1. If feasible, the District may enter into long-term lease obligations or issue bonds to finance capital acquisitions upon approval of the Board.
2. Before issuing any debt, the District will consult with appropriate internal and/or external financial advisors.
3. All leases, as reported in the District's annual financial report, will be limited as follows.
 - a. Annual leases will be limited to the economic life of the equipment or facilities to be purchased, and in no case, shall be extended beyond 20 years or as otherwise authorized by Oregon Revised Statutes.
 - b. Lease purchases of equipment and facilities will be limited to fit within the District's stated mission, goal or government role.
 - c. All lease-purchase payments must be reflected in the General Fund or appropriate Special Revenue Fund or Reserve Fund.

Internal Controls:

1. Duties will be assigned to individuals in such a manner that the monthly reconciliation of accounts, the Treasurer's report, and review of District's General Fund and other Special Revenue Funds and Reserve Funds will minimize and reveal errors or omissions.
2. Deposits should be received by the District's Treasurer and noted on the Treasurer's monthly report to the Board.
3. All accounting records must be kept secure. Accounting records shall be backed-up monthly and all other financial records at least quarterly.
4. The Chair shall assign himself/herself or another Board member attending the monthly regular business meeting to review all account statements and reports and reconcile the balances. This person shall initial and date the statements at the places where balances match those on the Treasurer's monthly report. The same person that writes or authorizes writing the checks should not initial the monthly reconciliation of the District's accounts.

5. The Board may authorize a Certified Public Accountant to issue checks containing the pre-recorded signature of the Treasurer for any expenditures for which the Treasurer or Chair has submitted a bill that has been initialed and dated by the officer, indicating that the expenditure is for a valid District purpose.
6. For purchases or billings on behalf of the district:
 - a. Any Board member may incur expenses up to \$500 on his/her behalf.
 - b. Any Board member may incur expenses over \$500 but not to exceed \$2,000 with the concurrence of a second Board member.
 - c. Two Board members are required to sign checks for amounts exceeding \$2,000
7. Any request for funds in excess of \$20,000 to be presented to the Board at the regular meeting should be submitted to the Treasurer at least two days prior to the meeting for distribution to the Board prior to the meeting.
8. Two Board members are required to sign reimbursement checks for other Board members. (Board members shall not sign a reimbursement check for themselves under any conditions.)
9. The Lieutenant in charge at the Locke Fire Station is authorized to use a District's charge card to make purchases for the continuing operation of the Locke Fire Station. Purchases not to exceed \$500 per charge may be made without prior approval. Purchases greater than \$500 up to the card's daily limit of \$1,000 require approval by the Board President who will notify the Board Treasurer.
10. The District treasurer shall be authorized to apply for and open accounts with companies providing services that are necessary for the operation of the fire station and fire department. Application for an account must be reported to the Board at its next regular business meeting.
11. The treasurer shall be authorized to set-up auto-pay accounts, with the prior approval by resolution of the Board. Auto-pay accounts for utilities and reoccurring services are not limited to the limits described above.
12. The treasurer shall be authorized to transfer funds via Automated Clearing House (ACH) Transfer between the Oregon State Pool account and the US Bank checking account, as needed, in order to pay District obligations and maintain an adequate balance in the checking account.
13. Receipts should always be verified prior to paying an invoice. This does not apply to charge-card purchases as those may have already been paid before a receipt is available. If feasible, receipts or packing slips are to be checked by the treasurer to determine that merchandise or services have been received before payment is made.
14. Receipt of cash for sign orders is not a generally accepted practice. Only checks are accepted, however, once in a while cash is accepted in error, but is noted on the rural sign order form. No cash will be kept at the District's office.
15. Authorization for writing off bad debt shall come from the Board.
16. ORS 198.220 requires that any officer of the District who is charged with the possession or control of District funds and properties be bonded or have an irrevocable letter of credit issued by a commercial bank. Bonding is provided through the Special Districts Association of Oregon.
17. The US Bank checkbook is to be kept in a secure place at all times and not to be left upon the District office premises unless locked in the file cabinet.
18. The Board Chair is responsible for maintaining a current signature card with the appropriate financial institution.
19. The Treasurer shall submit monthly to the Board a report showing the beginning and ending balances for each District account and all transactions occurring during that month. If possible,

said report will be distributed by e-mail to all Board members in advance of the meeting. If e-mail distribution is impractical, a written report will be distributed at the Board meeting.

20. All checks made in error must be marked "VOIDED" and then stapled to the back of the check register page corresponding to the number of the check. "Voided checks" must be listed as such on the agenda and included in the bank statement reconciliation by the assigned board member.

Investments:

1. The Board will not invest District funds in any financial institution outside of federally insured banks, savings and loans, or the Oregon State Treasury's pool account.
2. The Board will adopt or modify this investment policy on an annual basis.

Audits/Auditors:

1. The District will initiate an annual audit on or before September 1st of each year.
2. The Board members will cooperate with all auditors, external and internal, regarding any records maintained for or by the District.
3. The Board shall review all external audit reports stating what actions have and have not been taken to address the findings contained in the audit.
4. All external and internal audit reports are to be sent to the CRFPD Board of Directors at its place of business:

Corvallis Rural Fire Protection District
544 NW Lewisburg Ave.
Corvallis, OR 97330

APPROVED BY THE BOARD OF DIRECTORS AS WITNESSED BY-

Robert A. Conder

Bob Conder
CRFPD President of the Board

DATE ADOPTED: April 24, 2024

As amended from the January 28, 2023 version of this policy.