

NOTICE OF MEETING

The Audit Committee Meeting of the Incline Village General Improvement District will be held starting at **6 p.m.** on **March 11, 2021** at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 4:00 p.m. on March 11, 2021 or via telephone (the telephone number will be posted to our website on the day of the meeting).

- A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*
Derrek Aaron (At-Large Member), Matthew Dent (Trustee, Chair), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), and Raymond Tulloch (At-Large Member)
- B. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.
- C. APPROVAL OF AGENDA (*for possible action*)

The Audit Committee may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Audit Committee may make a motion to accept and follow the agenda as submitted/posted.

- D. GENERAL BUSINESS ITEMS (*for possible action*)
 - 1. Review, discuss, and possibly approve Whistleblower Procedure for Financial Matters (Requesting Audit Committee Member: Sara Schmitz; Requesting Staff Member: District General Counsel Josh Nelson) – **pages 4 - 7**
 - 2. Staff update on Internal Controls (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 8 - 382**
 - 3. Staff update on Chart of Accounts (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 383 - 399**
 - 4. Review, discuss, and assess prior years' auditors, items for correction, deliverables, timeline for this year's audit, and Policy 15.1.0 (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 400 - 406**
 - 5. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: External review on the effect of complying with Dillon's Rule relating to employee benefits (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 407 - 412**

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Audit Committee Meeting of March 11, 2021 - Page 2

6. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: External review on the effect of leasing property to nonprofit tenants at below market rates and complying with Dillon’s Rule relating the absence of specific references to Donations in NRS. Chapter 318 General Improvement Districts (Requesting Audit Committee Member e: Audit Committee Chairman Matthew Dent) – **pages 413 - 416**
7. Review, discuss, and possibly take action regarding the memorandum from Clifford F. Dobler to Audit Committee dated November 30, 2020 – Subject: Can “Community Programming” activities be provided by IVGID if not specifically expressed in Nevada Revised Statutes as required by Dillon’s Rule? (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent) – **pages 417 - 423**
8. Review, discuss, and possibly take action related to the following communications that have been received and are included: (Requesting Audit Committee Member: Audit Committee Chairman Matthew Dent)
 - a. Memorandum from Cliff Dobler to IVGID Audit Committee dated November 23, 2020 – Effluent Pipeline – Phase II – Meters and Equipment – **pages 424 - 427**
 - b. November 25, 2020 e-mail communication regarding Memorandums by Clifford F. Dobler and Linda Newman regarding accounting errors and irregularities in the Incline Village General Improvement District Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 – **pages 428 - 429**
 - c. December 19, 2020 email communication to James C. Lanzarotta – Moss Adams LLP regarding Red-lined Draft Final Report on Evaluation of Certain Accounting and Reporting Matters: Punch Card Accounting dated December 19, 2020 from IVGID Audit Committee Member Clifford F. Dobler and Linda Newman – **pages 430 - 466**
 - d. Memorandum from Cliff Dobler to Indra Winquest dated January 6, 2021 – Budget manipulations – WRRF Aeration Systems Improvements Project #2599SS1707 – **pages 467 - 469**
 - e. Memorandum from Cliff Dobler to Indra Winquest dated January 6, 2021 – General Fund 2019 Capital Projects – Cost overruns on IT infrastructure – Project #1213CO1505 – **pages 470 - 476**
 - f. January 26, 2021 email communication from Aaron L. Katz; Subject: Whose idea was it to come up with the retaliatory provisions of the Committee’s proposed whistleblower procedure for financial matters? – **pages 477 - 478**
- E. LONG RANGE CALENDAR REVIEW
- F. APPROVAL OF MEETING MINUTES (for possible action)
 1. Audit Committee Meeting Minutes of January 27, 2021 – **pages 479 - 502**
 2. Audit Committee Meeting Minutes of February 10, 2021 – **pages 503 - 514**
- G. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.



NOTICE OF MEETING

Agenda for the Audit Committee Meeting of March 11, 2021 - Page 3

H. ADJOURNMENT *(for possible action)*

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Monday, March 8, 2021 at 9:00 a.m., a copy of this agenda (Audit Committee Session of March 11, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne
2. Incline Village Post
3. Crystal Bay Post
4. Raley's Shopping
5. Incline Village
6. IVGID's Recreation

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT,
DECLARATION OF EMERGENCY,
DIRECTIVE 006 (SECTION 3), 016,
018, 021, 026 and 029**

Vorderbruggen Building (Administrative Offices)
Office
Office
Center
Branch of Washoe County Library
Center

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC

Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

Audit Committee Members: Derrek Aaron (*At-Large Member*), Matthew Dent (*Trustee, Chair*), Cliff Dabler (*At-Large Member*), Sara Schmitz (*Trustee*), and Raymond Tulloch (*At-Large Member*)

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoepace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

MEMORANDUM

TO: Audit Committee

FROM: Josh Nelson
District Legal Counsel

REVIEWED BY: Indra S. Winqest
District General Manager

SUBJECT: Review, discuss, and possibly approve Whistleblower Procedure for Financial Matters

DATE: March 11, 2021

I. RECOMMENDATION

The Audit Committee receive, review, potentially revise, and consider adopting the enclosed Whistleblower Procedure.

II. BACKGROUND

The Audit Committee has been delegated the authority to review and refine financial whistleblower procedures under Policy 15.1.0 (2.8). At two prior meetings, the Audit Committee reviewed and provided comments on a draft Whistleblower Procedure. In response to the latest comments, Staff worked with Trustee Schmitz to substantially revise the draft procedure. Enclosed is a revised draft based on those efforts. A redline is not provided given the number of changes.

The proposed process generally involves the receipt, investigation, and disposition of complaints regarding financial misconduct or other violations of applicable law or IVGID ordinances, resolutions, and policies. Complaints by employees should generally be made through the chain of command. Complaints may also be made through the IVGID website. Upon receipt, complaints will be investigated by the District General Manager with oversight by the Audit Committee Chair in coordination with Human Resources and legal counsel as appropriate.

III. ALTERNATIVES

Do not move forward with the proposed procedure.

IV. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

General

The Incline Village General Improvement District (IVGID) expects its employees, Trustees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of IVGID must practice honesty and integrity in fulfilling their responsibilities and comply with all IVGID Policies, Practices, Resolutions and Ordinances and other applicable laws and regulations. Moreover, IVGID is committed to transparency and fostering a “speak up” culture. This Whistleblower Procedure implements Board of Trustees Policy 15.1.0(2.8).

In addition, IVGID encourages its employees, volunteers, and other stakeholders of the organization to share their questions, concerns, suggestions, or complaints with their supervisor, Venue Manager, Trustees, General Manager, or the Audit Committee Chair.

The Whistleblower Procedure includes the following:

- The methods for submission of concerns by employees, Trustees, volunteers, and other stakeholders of the organization on a confidential and anonymous basis to the extent permitted by applicable law.
- The receipt, retention, and treatment of complaints received by the Audit Committee regarding accounting, internal controls, auditing matters, or other violations of laws or policies.
- The protection of employees, Trustees, volunteers, and other stakeholders of the organization reporting concerns from retaliatory actions.

Reporting Responsibility

It is the responsibility of all employees, Trustees, and volunteers to report Misconduct in accordance with this Whistleblower Procedure. Other stakeholders of the organization may also report Misconduct in accordance with this Whistleblower Procedure.

“Misconduct” means (a) questionable or improper accounting or auditing matters, (b) violations and suspected violations of federal, state, local laws, and (c) violations and suspected violations of IVGID ordinances, policies, and procedures, resolutions including, but limited to, those related to financial reporting, safety, and accounting.

Employees should:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

- A. First discuss any Misconduct with their immediate supervisor.
- B. If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe Misconduct occurred, the individual should report the suspected Misconduct to the Director of Human Resources.
- C. If the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Misconduct, the individual should report his or her concern directly to the Director of Human Resources. If the Misconduct was reported verbally to the Director of Human Resources, the reporting individual, with assistance from the Director of Human Resources, shall reduce the Misconduct to writing. The Director of Human Resources is required to promptly report the suspected Misconduct to the Chair of the Audit Committee and the General Manager..
- D. Report the issue to the Chair of the Board of Trustees should the concern of Misconduct implicate one or both of the General Manager or the Chair of the Audit Committee.
- E. Report the issue to the Chair of the Board of Trustees or any other Trustee if the Chair is implicated.

Contact information for the Chair of the Audit Committee may be obtained through the Human Resources Department. Allegations of Misconduct may be also be submitted anonymously through the IVGID website. Such anonymous allegations of Misconduct will be sent directly to the Chair of the Audit Committee with a copy to the General Manager.

Upon receipt an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation. The appropriate level of inquiry will depend on the nature of the allegation. Investigations shall include the Human Resources department and legal counsel as applicable.

It is the responsibility of the General Manager to take immediate action to investigate and determine if corrective action needs to be taken. To ignore a report may result in disciplinary action up to and including termination for inaction. The Chair of the Audit Committee shall retain ultimate responsibility to ensure that allegations of Misconduct are appropriately investigated.

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, volunteers, and employees to report Misconduct within IVGID for investigation and appropriate action. With this goal in mind, no Trustee, volunteer, or employee who, in good faith, reports Misconduct shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or employee who retaliates against someone who has reported Misconduct in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

Retaliation includes harassment or adverse employment actions, such as unwarranted discipline or termination. Any employee, Trustee or volunteer who retaliates in violation of this procedure is subject to discipline up to and including termination of employment or removal as a volunteer, as applicable.

Acting in Good Faith

Anyone raising concerns of Misconduct must be acting in good faith and have reasonable cause for believing the information disclosed indicates Misconduct. Any allegations that prove to be made maliciously or knowingly false will be viewed as a serious disciplinary offense. For employees, this may result in termination.

Confidentiality

To the extent permitted by applicable law, reports of Misconduct or suspected Misconduct will be kept confidential on a "need-to-know" basis, consistent with the need to conduct an adequate investigation. Improper or unauthorized disclosure of reports of Misconduct or resulting investigations will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment.

MEMORANDUM

TO: Audit Committee

THROUGH: Matthew Dent
Audit Committee Chair

FROM: Paul Navazio
Director of Finance

SUBJECT: Staff Update – IVGID System of Internal Controls

DATE: January 22, 2021

I. RECOMMENDATION

Receive a presentation on IVGID's System of Internal Controls Framework.

II. BACKGROUND

The Board of Trustees and Audit Committee have identified the need to review and, where appropriate, strengthen internal control policies, policies, procedures and practices consistent with financial management and accountability best practices. Further, the Board of Trustees recently authorized the Audit Committee to engage outside contract services to assist in the review of internal controls and, separately, the Board, through its Audit Committee, is working to update Policy 15.1.0 that establishes the role and responsibility of the Audit Committee to support its broad oversight charge, including in the area of internal controls.

The Audit Committee received a report from the Director of Finance at their meeting of May 6, 2020 outlining the elements of a comprehensive framework for developing and implementing a systems of internal controls. The purpose of that report and framework presentation was to highlight for the Board of Trustees, staff and the public how the various components of a system of internal controls work together and, taken collectively, achieve the goal of robust and sound internal controls in support of the Board's role as fiduciary of public funds and assets.

On July 29, 2020 an agenda item was presented to the Audit Committee that provided an overview the existing policies, practices and procedures that serve as a foundation for the District's system of internal controls.

This report is intended to provide a more in-depth review of the District's existing internal control documents an inform "next step" in the District's assessment of its existing internal controls, including selected areas where polices, practices and procedures warrant updating to current best practices as well as identify areas where there may be gaps in

policy or procedures that represent weaknesses in the District's overall system of internal controls.

Specifically, the presentation will review the following internal control documents:

- a. District Ordinances
- b. Board Resolutions
- c. Board Policies
- d. Board Practices
- e. Financial and Accounting Policies and Procedures
- f. Purchasing Policy
- g. Personnel Policies

III. **STRATEGIC PLAN REFERENCE(S)**

Long Range Principle #2

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

IV. **ATTACHMENTS**

- 1) Framework of System of Internal Controls (from Audit Committee packet of May 6, 2020).
- 2) Matrix of District's Existing System of Internal Controls
- 3) Review/Update of Finance and Accounting Procedures
- 4) Documents:
 - a. Summary of Board Ordinances
<https://www.yourtahoeplace.com/ivgid/resources/ivgid-ordinances>
 - b. Summary of Board Policies / Practices
<https://www.yourtahoeplace.com/ivgid/resources/board-policies-practices>
 - c. Summary of selected Board Resolutions
https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Policy_and_Procedure_Resolutions.pdf
 - d. Finance and Accounting Procedures – Table of Contents
 - e. Purchasing Policy
 - f. Personnel Policy
 - g. Procurement Card Program

MEMORANDUM

TO: Audit Committee

THROUGH: Matthew Dent
Audit Committee Chair

FROM: Paul Navazio
Director of Finance

SUBJECT: Review, discuss and provide feedback on Draft Framework for Implementing System of Internal Controls

STRATEGIC

PLAN REFERENCE(S): Long Range Principle #2

DATE: April 26, 2020

I. RECOMMENDATION

Review, discuss and provide feedback on a Draft Framework for Implementing System of Internal Controls.

II. BACKGROUND

The Board of Trustees and Audit Committee have identified the need to review and, where appropriate, strengthen internal control policies, procedures and practices consistent with financial management and accountability best practices. Further, the Board of Trustees recently authorized the Audit Committee to engage outside contract services to assist in the review of internal controls and, separately, the Board, through its Audit Committee, is working to update Policy 15.1.0 that establishes the role and responsibility of the Audit Committee to support its broad oversight charge, including in the area of internal controls.

By considering a comprehensive framework for developing and implementing a systems of internal controls, the Board, Staff and the public will be better informed as to how the various components of a system of internal controls work together and, taken collectively, achieve the goal of robust and sound internal controls in support of the Board's role as fiduciary of public funds and assets.

III. ALTERNATIVES

As deemed appropriate during discuss of this topic.

IV. STRATEGIC PLAN REFERENCE(S)

Long Range Principle #2

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

V. BUSINESS IMPACT

The Audit Committee, Board, and District leaders are enabling all of Staff to become actively engaged with the oversight of the District's finances.

VI. ATTACHMENTS

- 1) Framework for Internal Controls –Tasks
- 2) Framework for Internal Controls – Implementation Plan

DRAFT

FRAMEWORK FOR REVIEW AND IMPLEMENTATION OF INTERNAL CONTROLS

PHASE TASKS

Part 1 - Comprehensive Assessment of IVGID Internal Controls / PROJECT

- Review all relevant Board Policies and Procedures
 - Review all Administrative Policies and Procedures
 - Evaluate "gaps" in internal controls
 - Absence
 - Oversight/compliance
 - Separation of duties
 - Develop formal recommendations for Updating Internal Controls
 - Update existing policies
 - Establish new policies
 - Formalize Accountability
 - Staff Training
-

Part 2 - Regular and Continual Review of Internal Controls

- Establish regular "cycle" of review / update / continuous improvements
 - Example: All administrative policies and procedures will be reviewed on a 3-year cycle (1/3 per year).
-

Part 3 - Internal Audit(s)

- a) Concurrent with tasks identified in Part 1, develop comprehensive list of "areas" for internal controls
 - Primary focus on areas with greatest "risk" to District related to liability, fraud, missappropriation of public funds and/or assets
 - On an annual basis, TWO (?) areas will be candidates for a formal Internal Audit
 - Assess adequacy of internal controls
 - Evaluate compliance with existing policies
 - Report on "Findings and Recommendations"

 - b) Implement / Formalize periodic "impromptu" internal audits of operations and administrative practices and procedures
 - Random, unscheduled, unannounced
-

Part 4 - External Independent Auditor

- SAS Requirements - Elected Officials and Executive Management
 - Identify areas of concern re risk/liability/fraud
 - Memorandum of Internal Controls
 - Review of Internal Controls related to Financial Management based on review of policies, procedures and roles
 - Random sampling of transaction records (payroll, accounts payable, revenue, expenditures, fixed assets, debt).
-

FRAMEWORK FOR REVIEW AND IMPLEMENTATION OF INTERNAL CONTROLS

PHASE	TASKS	RESPONSIBILITY					Schedule				
		Board	Audit Committee	Staff	Consultant	External Auditor	Q4 A M J	Q1 J A S	Q2 O N D	Q3 J F M	Q4 A M J
Part 1 - Comprehensive Assessment of IVGID Internal Controls / PROJECT											
	<input type="checkbox"/> Review all relevant Board Policies and Procedures	Lead		X							
	<input type="checkbox"/> Review all Administrative Policies and Procedures		X	Lead	X						
	<input type="checkbox"/> Evaluate "gaps" in internal controls		X	X	Lead						
	Absence										
	Oversight/compliance										
	Separation of duties										
	<input type="checkbox"/> Develop formal recommendations for Updating Internal Controls		X	X	Lead						
	Update existing policies			Lead	X						
	Establish new policies			X	Lead						
	Formalize Accountability			Lead	X						
	Staff Training			Lead	X						
Ongoing											
Part 2 - Regular and Continual Review of Internal Controls											
	<input type="checkbox"/> Establish regular "cycle" of review / update / continuous improvements Example: All administrative policies and procedures will be reviewed on a 3-year cycle (1/3 per year).		X	Lead							
Annually											
Part 3 - Internal Audit(s)											
a)	<input type="checkbox"/> Concurrent with tasks identified in Part 1, develop comprehensive list of "areas" for internal controls Primary focus on areas with greatest "risk" to District related to liability, fraud, missappropriation of public funds and/or assets			Lead	X						
	<input type="checkbox"/> On an annual basis, TWO (?) areas will be candidates for a formal Internal Audit Assess adequacy of internal controls Evaluate compliance with existing policies Report on "Findings and Recommendations"		X	X	Lead						
Annually Rpt Annually Rpt											
b)	<input type="checkbox"/> Implement / Formalize periodic "impromptu" internal audits of operations and administrative practices and procedures Random, unscheduled, unannounced			Lead							
Ongoing											
Part 4 - External Independent Auditor											
	<input type="checkbox"/> SAS Requirements - Elected Officials and Executive Management Identify areas of concern re risk/liability/fraud	X	X	X							
Annually											
	<input type="checkbox"/> Memorandum of Internal Controls Review of Internal Controls related to Financial Management based on review of policies, procedures and roles Random sampling of transaction records (payroll, accounts payable, revenue, expenditures, fixed assets, debt).	X	X	X							
Annually											

Y MATRIX

Policies / Practices / Policy Resolutions

Board Policies		Accounting and Financial Procedures		Personnel Policies		Board Policy Resolutions		
		Old Section	New Section	Section		Number	Resolution Description	
1.1.0	Strategic Planning	I	6.3.1 Internal Controls	1	General Provisions	098 495	Indemnifying Trustees and Officers of the District	
2.1.0	Financial Standards	II	6.3.2 Controls in a Computer Environment	2	Employee Relations	103 1475	Granting of Easements Across District Property	
3.1.0	Conduct of Meetings of the Board of Trustees	III	6.3.3 General Ledger and Journal Entries	3	Employment	105 1480	Personnel Management	
4.1.0	Performance Measurement for Decision Making	IV	6.3.4 Cash	4	Compensation	110 1493	Community Relations Expenditures	
5.1.0	Budgeting for Results and Outcomes	V	6.3.5 Revenue Cycle	5	Leave Plans	111 1494	Collection of Delinquent Special Assessments	
6.1.0	Adoption of Financial Practices	VI	6.3.6 Production Cycle	6	Benefits	113 1517	Use of Trademark by Private Businesses and Persons	
7.1.0	Appropriate Level of Fund Balance	VII	6.3.7 Pre-paid Expenses	7	Travel Expenses	115 1527	Use of IVGID Boardroom	
	Practice 7.2.0 Appropriate Level of Fund Balance	VIII	6.3.8 Investments	8	Procurement Cards	116 1538	Penalty and Interest Charges on Delinquent Accounts	
8.1.0	Establishing the Estimated Useful Lives of Capital Assets	IX	6.3.9 Property and Equipment	9	Performance Management (Evaluations)	120 1575	Group Use of Beaches	
9.1.0	Establishing Appropriate Capitalization Thresholds	X	6.3.10 Purchasing and Accounts Payable	10	Employee Separation	121 1581	Settlement of Lawsuits and Related Claims	
	Practice 9.0.0 Capitalization of Fixed Assets	XI	6.3.11 Notes Payable / Long-Term Debt	11	Rules for Conduct and Behavior	127 1619	Complimentary Recreation Privileges	
10.1.0	Use of Local Government Investment Pools	XII	6.3.12 Accrued Liabilities	12	Disciplinary Actions and Appeals	129 1632	Relinquishment and Acquisition of Utility Easements / Encroachment Agreements	
11.1.0	Investment Management	XIII	6.3.13 Human Resources and Payroll	13	Concern/Dispute Resolution	132 1701	Fundraising / Donnation Activities at District Facilities	
	Practice 11.1.0 Investment Management	XIV	6.3.14 Budget Cycle	14	Health and Safety	134 N/A	Service of Alcoholic Beverages at IVGID Facilities	
12.1.0	Multi-Year Capital Planning		6.3.15 Electronic Payment Systems	15	Definition of Terms	135 1760	Temporary Dog Park at Village Green	
13.1.0	Capital Project Budgeting		6.3.18 Central Services Cost Allocation			136 N/R	Access to District Property and the Use of District Facilities for Expression	
	Practice 13.2.0 Capital Expenditure		Procurement Cards Program			137 1801	Public Records	
14.1.0	Debt Management					138 1849	Naming/Dedication of IVGID Facilities	
	Practice 14.2.0 Debt Management					Other	1838	Establishing Special Revenue, Capital and Debt Fund Structure
15.1.0	Audit Committee							
16.1.0	Recreation Roll							
17.1.0	Personnel Policies							
18.1.0	Central Service Cost Allocation Plan							
	Practice 18.2.0 Central Services Cost Allocation Plan							
19.1.0	Appropriate Level of Working Capital							
	Practice 19.2.0 Appropriate Level of Working Capital							

Accounting and Financial Procedures

Old Section	New Section		Review				Revisions					Staff Responsibility			Comments		
			Date	Current	Update	Obsolete	New	Draft	Review	Final	Date	Initial	Policy	Admin.		Compliance	
I	6.3.1	Internal Controls															
		Effective Internal Controls															
II	6.3.2	Controls in a Computer Environment															
		Application Controls															
		Program Maintenance															
		Computer Operations															
		Security															
III	6.3.3	General Ledger and Journal Entries															
		Maintaining an Effective Accounting System															
		General Ledger Activity															
		Adequate General Ledger Maintenance															
IV	6.3.4	Cash															
		Cash Management															
		Cash Receipts															
		Disbursements from Bank Accounts															
		Imprest and Similar Funds															
		Bank Reconciliations															
V	6.3.5	Revenue Cycle															
		Revenue Recognition															
		Accounts Receivable															
		Customer Returns and Allowances															
		Other Revenues															
VI	6.3.6	Production Cycle															
		Sales and Product Forecasts															
		Cost-Flow Methods															
		Inventory Control															
		Periodic Physical Inventory															
		Inventory Obsolescence															
VII	6.3.7	Pre-paid Expenses															
		Monitoring and Accounting for Prepaid Expenses															
		Controlling Asset Balances															
VIII	6.3.8	Investments															
		Investment of Idle Funds															
		Safeguarding of Investments															
		Return of Investment															
IX	6.3.9	Property and Equipment															
		Additions to Property and Equipment															
		Accurate Records of Property and Equipment															
		Depreciation of Property and Equipment															
		Existence of Capital Assets															
		Disposal of Capital Assets															

Accounting and Financial Procedures

Old Section	New Section		Review					Revisions					Staff Responsibility			Comments		
			Date	Current	Update	Obsolete	New	Draft	Review	Final	Date	Initial	Policy	Admin.	Compliance			
X	6.3.10	Purchasing and Accounts Payable																
		Determination of Needs																
		Placement of Orders																
		Cellular Telephone Use																
		Receipt and Acceptance																
		Establishment of Accounts Payable																
		Return of Goods to Suppliers																
		Purchase Cut-Off																
		Procurement Card Program																
		Advertising																
		Tipping																
		Bulk Purchases																
XI	6.3.11	Notes Payable / Long-Term Debt																
		Financial Resource Requirements																
		Assumption and Authorization of Debt																
		Safekeeping of Debt Agreements																
		Record of Debt																
		Timely Interest Expense Accruals																
		Debt Payments																
		Bond Discounts and Premiums																
		Current and Long-Term Debt Summary																
		Debt Covenants																
XII	6.3.12	Accrued Liabilities																
		Monitoring of Accrued Liabilities																
		Reconciliations and Accuracy																
XIII	6.3.13	Human Resources and Payroll																
		Payroll and Personnel/Human Resources																
		Wages and Salaries																
		Timekeeping																
		Payment to IVGID Employees																
		Payroll Deductions																
		Quarterly and Year-End Reports																
XIV	6.3.14	Budget Cycle																
	6.3.15	Electronic Payment Systems																
	6.3.18	Central Services Cost Allocation																
		Procurement Cards Program																

Ordinances set District rates, rules, and regulations as they apply to the operations of the District and service charges to the District's customers. Currently there are four active ordinances; they are as follows:

Ordinances 1 - An Ordinance Establishing Regulating Solid Waste Matter and the Collection, Removal and Disposal thereof:

This ordinance outlines the process of how solid waste rates are updated and determined each year, as well as, how service is provided by our Utility Fund. The District has entered into a Franchise Agreement with a third party to provide this service. The franchise agreement provides for an annual increase based on predetermined parameters.

Ordinance 2 – An Ordinance Establishing Rate Rules and Regulations for Sewer Service by the Incline Village General Improvement District:

This ordinance outlines the process of how sewer rates are determined each year, as well as, how service is provided within by our Utility Fund.

Ordinance 4 – Rules and Regulations for Water Service by the Incline Village General Improvement District:

This ordinance outlines the how water rates are determined each year and how service is provided within our Utility Fund.

Ordinance 7 – An Ordinance Establishing Rate Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District:

This ordinance addresses fees and charges for the District's recreational business type activities; such as, our beaches, golf, ski, parks, and other recreational venues. This ordinance outlines fee structures and application of such fees on the users.

Policy and Practice Statements represent best business practices as they apply to the District. A policy statement is set by the Board of Trustees, as the highest authorization level. A Board Policy statement is broad and sweeping, and provides for sound financial and management practices. A Board Practice statement provides a framework for the procedures for the execution of the higher level Policy statement.

Current Board Policy and Practices include:

- Policy 1.1.0 Strategic Planning: This policy recognizes the importance of using some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending, broad organizational goals and sets key steps to execution. The policy outlines the need to initiate the strategic planning process, prepare a mission statement, assess environmental factors, identify critical issues, agree on a small number of broad goals, develop strategies to achieve Long Range Principles, develop objectives, create an Action Plan, incorporate performance measures, obtain approval of the plan, implement the plan, monitor progress, and finally to reassess the strategic plan.
- Policy 2.1.0 Financial Standards: This policy states that the Board of Trustees will maintain a set of Long Range Principles under the Strategic Planning Process. They will include at a minimum an element for each of the following areas: 1) Resources and Environment; 2) Finance; 3) Workforce; 4) Services; 5) Facilities; and 6) Communications.
- Policy 3.1.0 Conduct of Meetings of the Board of Trustees: This policy allows the Board of Trustees to fix the time and place of the regular meeting of the Board of Trustees and provide the manner in which special meetings may be called, for proceedings of the Incline Village General Improvement District, Washoe County and State of Nevada. It addresses regular meetings, special meetings, meeting places, holidays, item(s) of business, rules of proceedings, assures that Robert's Rules are followed, agenda preparation, reconsideration, public participation, officers of the Board, authorization to sign checks, facsimile signature, reports, consent calendar, legislative matters and conflict resolution.
- Policy 4.1.0 Performance Measurement for Decision Making: This policy states that program and service performance measures will be developed and used as an important component of long term financial planning and decision making. It is linked to the budgeting and performance measures as an integral part of the budget process. The expectation is that meaningful performance measures are produced and expanded as identified.

- Policy 5.1.0 Budgeting for Results and Outcomes: This policy establishes parameters to achieve the objective of integrating performance into the budgetary process. These processes will until conducting analysis, prioritize results, allocate resources, set measures, monitor outcomes and communicate performance results.
- Policy 6.1.0 Adoption of Financial Practices: This policy establishes that the District will maintain the following processes: 1) financial planning as it pertains to a balanced budget, long-range planning, and asset inventory; 2) revenue as it pertains to revenue diversification, fees and charges for services, use of one-time revenue and use of unpredictable revenues; 3) expenditures for debt capacity, issuance and management of debt service, reserve or stabilization accounts, and operating and capital expenditure accountability.
- Policy 7.1.0 Appropriate Level of Fund Balance: This policy addresses maintaining a formal practice on the level of fund balance that should be maintained in the General and Special Revenue Funds.
- Policy 8.1.0 Establishing the Estimated Useful Lives of Capital Assets: This policy addresses the estimated useful lives of the District's capital assets and the approach taken. Normally, the District's past experience with similar assets that guide the estimated useful lives. In situations where the documentation of the District's own past experience for a given type of capital asset, is not adequate for this purpose, the District will consider the experience of other governments, professionally determined specifications and private-sector enterprises. The following factors are also considered: quality, application of the asset, environmental conditions that impact the life, matching the asset to the department use, and maintenance of the asset.
- Policy 9.1.0 Establishing Appropriate Capitalization Thresholds: This policy addresses the guidelines in establishing capitalization thresholds and the estimated useful life. It addresses that the potentially capitalizable items should only be capitalized if they have an estimated useful life of greater than two years following the date of acquisition or placed into service; and that capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets. In no case will the District establish a capitalization threshold of less than \$5,000 for any individual item. Capitalization thresholds, if the District is a recipient of Federal awards, then Federal requirements will prevail, when they prevent the use of the District capitalization thresholds.
- Policy 10.1.0 Use of Local Government Investment Pools: This policy outlines items for consideration when using Local Government Investment Pools (LGIPs); such as, the investment eligible under governing laws and that the

District fully understands the investment objectives, legal structure and operating procedures of the investment pool before placing any money in the pool.

- Policy 11.1.0 Investment Management: This policy addresses that the District properly managing the risk in its portfolios to achieve investment objectives and comply with investment constraints. This is accomplished by carefully and clearly defining what the objectives mean for safety, liquidity, and return to the District, preparing a cash flow projection to determine liquidity needs and the level and distribution of risk that is appropriate for the portfolio, considering political climate, stakeholders' view toward risk and risk tolerances, ensuring liquidity to meet ongoing obligations (investing a portion of the portfolio in readily available funds, such as Local Government Investment Pools, money market funds, or overnight repurchase agreements), establishing limits on positions in specific securities to protect against default risk, limiting investments in securities that have higher credit and/or market risks, defining parameters for maturity/duration ranges and establishing a targeted risk profile for the portfolio based on investment objectives and constraints, risk tolerances, liquidity requirements and the current risk/reward characteristics of the market.
- Policy 12.1.0 Multi-Year Capital Planning: The District will prepare and adopt comprehensive multi-year capital plans to ensure effective management of capital assets. It is the District's opinion that a prudent multi-year capital plan identifies and prioritizes expected needs based on a community's strategic plan, establishes project scope and cost, details estimated amounts of funding from various sources, and projects future operating and maintenance costs. The capital plan should cover a period of at least five years, preferably ten or more. This is accomplished by identifying needs, determining costs, prioritizing capital requests, and developing financing strategies. Currently, the District has taken the multi-year capital planning to twenty years.
- Policy 13.1.0 Capital Project Budgeting: This policy insures that the District prepares and adopts a formal capital budget as part of their annual budget process. The capital budget is directly linked to, and flows from the Multi-Year Capital Improvement Plan. The capital budget is adopted by formal action of the Board of Trustees, either as a component of the operating budget or as a separate capital budget. It will comply with all state and local legal requirements by preparing and adopting a capital budget and reporting on the capital budget.
- Policy 14.1.0 Debt Management: This policy establishes a comprehensive written debt management practice that it is reviewed annually in conjunction with the budget process and revised as necessary. It establishes debt limits, debt structuring practices, issuance practices, and the management of debt.

- Policy 15.1.0 Audit Committee: The Board of Trustees maintains an audit committee. This policy was recently amended to re-structure the committee to include five members – two Trustees and three At-Large appointees. As a general rule, no one having managerial responsibilities that fall within the scope of the audit should serve as a member. The Policy establishes that the independent auditor reports directly to the audit committee, the scope of the audit committee’s authority and responsibilities, and the structure of the audit committee.

- Policy 16.1.1 Recreation Roll: This policy supports the establishment and eligibility to pay the Recreation Facility Fee and, where applicable, the Beach Facility Fee. It sets the prescribed Recreation Facility Fee and the Beach Facility Fee to all qualifying real properties within the boundaries of the District and in one of the following categories: 1) all dwelling units on developed residential parcels; 2) all commercial parcels; and 3) all undeveloped residential parcels which are not designated as unbuildable.

- Policy 17.1.0 Personnel Policies: The Personnel Policies have been adopted by the Board of Trustees to carry out Incline Village General Improvement District’s level one policy statement to adopt uniform personnel policies that will enable each employee to make his/her fullest contribution to the programs and services of the District.

- Policy 18.1.0 Central Service Cost Allocation Plan: Establishes the basis for allocating and billing costs of services provided by the District’s General Fund to the Enterprise and Special Revenue Funds. This Policy provides for the costs allowed, allocation method and billings rates.

- Policy 19.1.0 Appropriate Level of Working Capital: The District will maintain a formal practice on the level of working capital that should be maintained in the Utility (Enterprise) Funds. Working capital is defined as current assets minus current liabilities; the District will consider certain characteristics of working capital that affect its use as a measure. Specifically, the “current assets” portion of working capital includes assets or resources that are reasonably expected to be realized in cash (e.g., accounts receivable) or consumed (e.g., inventories and prepaid expenses) within a year.

The following Practice statements support the high level Policies set by the Board of Trustees.

- Practice 7.2.0 Appropriate Level of Fund Balance: (Relevant Policies 1.1.0 Strategic Planning, 7.1.0 Appropriate Level of Fund Balance, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management): This practice sets the parameter to maintain Fund Balance in each governmental fund type in a manner which provides for contractual and bond and customer service obligations while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations. The General Fund must meet the minimum balance requirements under Nevada Administrative Code Section 354 (4% of operating expenses). The Special Revenue Funds utilize 25% of the current adopted budget operating expenditures (not including capital expenditure or debt service).
- Practice 9.2.0 Capitalization of Fixed Assets: (Relevant Policies: 8.1.0 Establishing the Estimated Useful Lives of Capital Assets and 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets). This practice sets the capitalization thresholds and useful lives for asset classes. It also outlines the physical control to be exercised over District assets.

<u>Asset Class</u>	<u>Minimum cost</u>
Equipment	\$ 5,000.00
Structures and Land Improvements	\$10,000.00

In addition to cost, all of the following criteria shall also be used;

- 1) The normal useful life of the item is three or more years,
- 2) The item has an acquisition cost (including freight and installation) of at least the amounts listed above in each asset class,
- 3) The item will not be substantially reduced in value by immediate use,
- 4) In case of repair or refurbishment, the outlay will substantially prolong the life on an existing fixed asset or increase its productivity significantly, rather than merely returning the asset to a functioning unit or making repairs of a routine nature, and
- 5) The capitalization threshold is applied to individual items rather than to groups of similar items (e.g. desks and tables).

- Practice 11.2.0 Investment Management: (Relevant Policies: 10.1.0 Use of Local Government Investment Pools and 11.1.0 Investment Management): This practice outlines the District's ability to invest public funds in a manner which provides the highest investment return consistent with the need for safety and liquidity while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations governing the investment of public funds. The primary investment objective is to obtain the maximum investment return in light of the following constraints: safety, risk, liquidity, cash flow requirements and operating within the guidelines of statutes and regulations.
- Practice 13.2.0 Capital Expenditure: (Relevant Policies: 1.1.0 Strategic Planning, 9.1.0 Establishing Appropriate Capitalization Threshold for Capital Assets, 12.1.0 Multi-Year Capital Planning and 13.1.0 Capital Project Budgeting.) This practice outlines the authority and decision making responsibilities, financing resources and project life cycle for capital spending. It outlines clear levels of Trustees, General Manager, and operations staff duties as to planning, feasibility, scheduling, funding, design/specification, and constructing/acquisitions.
- Practice 14.2.0 Debt Management: (Relevant Policies: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits.) This practice ensures that debt principal and interest payments are made on a timely and cost effective basis.
- Practice 14.2.1 Debt Issuance Limitations: (Relevant Policies: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits.) This practice is to ensure that debt, through the issuance of bonded indebtedness, is limited to appropriate levels and the District will manage outstanding bonds through a measure of affordability as stated in the practice (such as, debt issued for non-utility purposes must remain within a Debt Coverage Ratio of at least 1.5 times). Debt issued for utility purposes must remain within a Debt Coverage Ratio of 1.75 times. Issuing a bond for any non-“utility” project or group of projects only when that is more than \$2,500,000, and can be repaid within 10 years of issuance and issuing a bond for any “utility” project or group of projects only when that is more than \$2,500,000 and can be repaid within 20 years of the completion of the project acquisition or construction.
- Practice 18.2.0 Central Service Cost Allocation Plan: Relevant Policy 18.1.0 Central Service Cost Allocation Plan, outlines the specific costs allowed for allocation (the District has selected to use only Accounting and Human Resources even though more are eligible), establishes the method for allocation including the basis as budgeted data, and identifies the manner of monthly billing for services and establishes a limit not to exceed budgeted

amounts.

- Practice 19.2.0 Appropriate Level of Working Capital: Relevant Policies: 1.1.0 Strategic Planning, 12.1.0 Multi-Year Capital Planning, and 13.1.0 Capital Project Budgeting, 14.1.0 Debt Management, 17.1.0 Appropriate Level of Working Capital: This practice is to maintain Working Capital in each Enterprise Fund in a manner which provides for contractual, bond and customer service obligations, while meeting its routine and non-routine cash flow requirements and complying with all federal, state and local statutes and regulations.

Policy Resolutions express the opinion, intention, or recognition by the Board of Trustees regarding District matters. The policy resolutions relating to financial matters are to be rescinded and converted into the current format of the Policies and Practice Statements that represent best business practice. Some policy resolutions have been repealed and replaced with Policy and Practice statements. The following Policy Resolutions impacting financial results are still in effect:

- Policy Resolution 105 aka **Resolution 1480**, Personnel Management: The Incline Village General Improvement District (IVGID) is committed to maintaining a dedicated and motivated work force, while developing its Staff's technical and professional standards to meeting changing demands for services with the Village. This policy statement establishes a framework which the Board of Trustees and the General Manager will use in addressing personnel matters within IVGID. The District operates under a Board-Manager form of government which places the Board of Trustees in the role of establishing overall IVGID policy direction. IVGID Staff is appointed to administer and execute day-to-day operations. The Manager is responsible for supervising these operations and providing general administrative direction. With regarding to IVGID personnel, it is the Board's responsibility to establish overall guidelines governing IVGID's approach to personnel matters. The Manager's role is to put these guidelines into the day-to-day practice of hiring, firing, motivating, promoting, demoting, compensating, and training individual employees.
- Policy Resolution 110 aka **Resolution 1493**, Policy Statement on Community Relations Expenditures. The purpose of this policy resolution is to ensure proper and frugal expenditure of public dollars for requests for financial participating in community events. The cash expenditure for any one event over \$1,000 must be approved by the Board of Trustees, and must be related to a purpose authorized by Nevada Revised Statues 318, sponsored by a local non-profit group, a one-time event, and the District's participation must be unique and not merely a contributor to a community fund-raising drive.
- Policy Resolution 132 aka **Resolution 1701**, Fundraising/Donation Activities at IVGID (District) Facilities: The purpose of this policy resolution is to establish a process and procedures by which the District donates the use of District facilities. This policy allows an organization to request the donation of a District facility. They must be a qualified, non-profit, volunteer organization or activity based in Incline Village/Crystal Bay, North Tahoe Region, government agency, or a local school that administers and conducts the activity themselves. The request will be considered on a first-come, first-served basis and use of District facilities will be evaluated on a venue by venue basis balancing capacity and the resident's needs as the key criteria. The activity must not be for commercial or personal gain with the exception that business

collaboration results in advertisements and its benefit to business. The activity must be overseen by the sponsoring organization and a lead individual identified to handle details up to and through the day of the event. This person must be someone who is in attendance at all times the day of the event. IVGID will have no responsibility for the administration of the event or for the funds collected by the activity.

- Policy Resolution 137 aka **Resolution 1801**, A policy for the provision of records to the public and an appointed of a District Public Records Officer. This policy resolution aligns the District public request with the Nevada Revised Statue 239, Nevada Public Records Law and Nevada Revised Statue 241, Nevada Open Meeting Law.

Policies and Procedures Manual for

Accounting & Financial Control



TABLE OF CONTENTS

<u>Section</u>	<u>Section Title</u>	<u>Page</u>
I	Internal Controls Effective Internal Controls	1-4
II	Controls In a Computer Environment Application Controls Program Maintenance Computer Operations Security	5-13
III	General Ledger & Journal Entries Maintaining an Effective Accounting System General Ledger Activity Adequate General Ledger Maintenance	14-19
IV	Cash Cash Management Cash Receipts Disbursements from Bank Accounts Imprest and Similar Funds Bank Reconciliations	20-26
V	Revenue Cycle Revenue Recognition Accounts Receivable Customer Returns and Allowances Other Revenues	27-30
VI	Production Cycle Sales and Product Forecasts Cost-Flow Methods Inventory Control Periodic Physical Inventory Inventory Obsolescence	31-35
VII	Prepaid Expenses Monitoring and Accounting for Prepaid Expenses Controlling Asset Balances	36-38
VIII	Investments Investment of Idle Funds Safeguarding of Investments Return of Investment	39-43

IX	Property and Equipment	44-50
	Additions to Property and Equipment Accurate Records of Property and Equipment Depreciation of Property and Equipment Existence of Capital Assets Disposal of Capital Assets	
X	Purchasing and Account Payable Cycles	51-69
	Determination of Needs Placement of Orders Cellular Telephone Use Receipt and Acceptance Establishment of Accounts Payable Return of Goods to Suppliers Purchase Cut-Off Procurement Card Program Advertising Tipping Bulk Purchases	
XI	Notes Payable and Long-Term Debt	70-78
	Financial Resource Requirements Assumption and Authorization of Debt Safekeeping of Debt Agreements Record of Debt Timely Interest Expense Accruals Debt Payments Bond Discounts and Premiums Current and Long-Term Debt Summary Debt Covenants	
XII	Accrued Liabilities	79-81
	Monitoring of Accrued Liabilities Reconciliations and Accuracy	
XIII	Human Recourses and Payroll Cycle	82-87
	Payroll and Personnel/Human Resources Wages and Salaries Timekeeping Payment to IVGID Employees Payroll Deductions Quarterly and Year-End Reports	
XIV	Budget Cycle	88-90
	Budgetary Controls	



Section I

Internal Controls

1. EFFECTIVE INTERNAL CONTROLS

Policy Incline Village General Improvement District (IVGID) should maintain an effective system of internal control in order to monitor compliance with policies and procedures established by management. IVGID operates under provisions of the Nevada Revised Statutes, Chapter 318. The District has been granted authority to provide water, sewer and refuse collection services and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries.

Internal controls are divided into two areas: accounting controls and administrative controls. Administrative controls deal with the operations of the business, whereas the accounting controls deal with accounting for such operations. This manual focuses on internal accounting controls (although there may be some overlap between the two). Accounting controls are designed to achieve the five basic objectives:

Validation

Validation is the examination of documentation, by someone with an understanding of the account system, for evidence that a recorded transaction actually took place and that it occurred in accordance with the prescribed procedures.

Accuracy

The accuracy of amounts and account classification is achieved by establishing control tasks to check calculations, extensions, additions, and account classifications.

The control objective is to be certain that each transaction is recorded at the correct amount, in the appropriate account, and in the right time period following generally accepted accounting principles (GAAP). Control tasks, which ensure that transactions are recorded and reported in the proper accounting period, are essential to accurate financial reporting.

Completeness

Completeness of control tasks ensures that all transactions are initially recorded on a control document and accepted for processing once and once only.

Completeness controls are needed to ensure proper summarization of information and proper preparation of financial reports. To ensure proper summarization of recorded transactions as well as a final check of completeness, subsidiary ledgers and journals with control accounts need to be maintained. This is because individual transactions are the source of the ultimate product – financial reports.

Completeness can be achieved by using two techniques. One is to sequentially number all transactions via documents as soon as the transactions occur and then apply the control task of accounting for all the numbered documents completed in the processing. The use of “control totals” also provides information by which control is exercised. Totaling

the critical numbers before and after processing does this. When the two totals agree, one assumes that the processing is complete.

Maintenance

The objective of the maintenance controls is to monitor accounting records after the entry of transactions to ensure that they continue to reflect accurately the operations of the business. The control system should provide systematic responses to errors when they occur, to changed conditions, and to new types of transactions. The maintenance function should be accomplished principally by the operation of the system itself. Control maintenance policies require procedures, decisions, documentation, and subsequent review by a responsible authorized individual. Disciplinary control tasks, such as supervision and segregation of duties, should ensure that the internal control system is operating as planned.

Physical Security

It is important that the assets are adequately protected. Physical security of assets requires that access to assets be limited to authorized personnel. One means to limit access to both assets and related accounting records is through the use of physical controls. Protection devices restrict unauthorized personnel from obtaining direct access to assets or indirect access through accounting records, which could be used to misappropriate assets. Locked storage facilities restrict access to inventories, and fireproof vaults prevent access to petty cash vouchers. Transaction recording equipment limits access to assets by limiting the number of employees involved in recording and posting transactions, thereby minimizing the possibility of misrepresentation.

Procedures Determination of Validity

- 1.1 An informed individual should review transactions and a determination made as to their validity – which appropriate approvals have been obtained and/or comparisons have been made to the underlying documentation.

Control of Documents

- 1.2 All transactions should be entered on a control document.
 - (a) If the document is internally or externally generated it should be prenumbered and physical control should be maintained over unissued documents.

Check for Accuracy

- 1.3 Documents supporting transactions should be checked for mathematical accuracy. The extent of checking can either be 100% or spot checking of certain amounts.

Record in Appropriate Journals

- 1.4 As transactions are completed (and/or matched with other supporting documentation), they should be entered into the appropriate journals or registers with a notation or cross-reference indicating the completion of the transaction.

Investigation of Unprocessed Transactions

- 1.5 Unprocessed transactions should be investigated periodically by a person other than the record keeper and corrective action taken.

Performance of Monthly Reconciliations

- 1.6 Reconciliations between subsidiary records and control accounts should be performed monthly to ensure that postings are correct and adjustments have been properly processed.

Timely Investigation of Differences

- 1.7 All differences should be investigated on a timely basis.

Safeguarding of All Accounting Records

- 1.8 All assets and the accounting records should be properly safeguarded to prevent theft.



Section II

Controls in a Computer Environment

Computer Overview

The Information Technology Division directs and oversees the District's Computer network and all computer hardware, software, telecommunication, telephone and troubleshooting.

1. APPLICATION CONTROLS

Policy Application controls should be applied to ensure the completeness, accuracy, and validity of data.

Through a combination of both manual and programmed procedures, each application should include a series of control steps to be followed from the onset of a task through its final disposition.

Procedures **Completeness of Input**

1.1 Completeness of input is concerned with whether or not all transactions are recorded. All transactions should be recorded and input into the system once and only once.

Accuracy of Input

1.2 Accuracy of input controls focuses on the data associated with each transaction. All transactions should be recorded and input accurately into the system.

Authorization of Transactions

1.3 Controls over authorization of transactions are designed to ensure that only authorized or valid transactions are processed. All transactions should be subject to at least one the following techniques in order to determine their validity:

- (a) Authorization by a responsible person should be required for all transaction data. This process may take place on-line.
- (b) Security measures that restrict access to various administrative or accounting functions, terminals, programs and data should be employed.
- (c) Computer matching using masterfiles with preapproved standing/transaction data should be applied.

Handling of Rejected Transactions

1.4 All transactions rejected during editing should be identified, investigated, and corrected on a timely basis. Transactions should then be reintroduced to the system and subject to the same editing and control procedures as original transactions. Procedures should be established to ensure that all rejected transactions are ultimately corrected and reprocessed. Rejected items will not be recorded in the system.

Completeness and Accuracy of Updating

1.5 Update of data controls is needed to ensure that masterfiles are

completely and accurately updated. Controls should be established to ensure that all transactions are updated accurately to relevant files once and only once.

2. PROGRAM MAINTENANCE

Policy Maintenance controls should ensure that changes to programmed procedures are designed appropriately and implemented effectively.

Controls over maintenance focus only on the process that should be followed for program modifications. These controls should include the handling of the request, programming or updating, testing, the approval to move the program into the production environment, and the actual move to production.

Procedures Internally Maintained Applications

2.1 Internally maintained applications are programs that are enhanced, or supported, in house. Regardless of who makes the modification, there should be procedures that are followed consistently throughout IVGID.

IVGID can make use of contract programmers to enhance or maintain its system. These outside programmers should still follow the same development and testing procedures as in-house programmers. Also, all appropriate documentation should be properly updated before the contract with the programmers expires.

Completeness of changes should be ensured via a manual or computerized system to track change requests from submission to implementation. A service request form should be required for all maintenance whereby management can establish that all requests have been considered and, if so, prioritized and implemented on a timely basis.

The user and data processing personnel should be involved in evaluating the reasonableness of the modification request and the acceptance of the modification. Both parties should meet to discuss costs and benefits and identify alternatives. Once validity of the request has been established, the user and relevant data processing personnel should evidence approval.

A procedure should be established whereby management considers all major requests and decided actions to be taken, including setting priorities for outstanding requests.

Modifications should be properly tested and approved before being placed in production. The extent of the testing depends on the significance of the change.

Controls should be implemented to prevent production files from being used in testing. Testing procedures should be designed to prevent unauthorized coding from being inserted into the program. The user should make an independent review and approval of test results.

Procedures should be established to ensure that all-relevant system and/or program documentation is properly updated.

Vendor Maintained Packages

2.2 Controls over maintenance of package systems by their respective vendors should ensure the validity and proper implementation of modifications. Most of the procedures described in 2.1 should still apply.

Whether modifications are introduced by the vendor or user, approval by the user and appropriate data processing personnel as to the appropriateness of the modifications with regard to the user's requirements should be made.

Proper testing procedures should be followed regardless of who modifies the package.

The documentation described in 2.1 should be appropriately updated either by the vendor or user.

Cataloging

2.3 Cataloging is a method of moving amended programs into the production environment. The following procedures should be in place to ensure that only tested and approved programs are transferred from the test to the production environment.

Different versions of each program should be distinguishable so as to ensure that the most current versions of the programs are the ones subject to modification.

Controls should be established to ensure that unauthorized changes cannot be made to programs between the time they are tested and approved and the time they are transferred to production status. The use of an intermediate secured library should be considered for this purpose.

Only programs that have been properly approved and tested should be transferred to production status. A cataloging authorization form should be used to ensure and document that proper approval and testing has occurred. Care must be exercised to ensure that the versions of the programs involved in the transfer are the same versions that were in fact tested and approved.

All relevant program libraries should be properly updated with the appropriate versions.

3. COMPUTER OPERATIONS

Policy Computer processing should be performed on a consistent basis.

Computer operations controls ensure that authorized programmed procedures are consistently applied, that correct data files are used, and that processing can be properly resumed in the event of system failures.

Procedures **Scheduling**

3.1 The primary control considerations in job scheduling are whether jobs are run at the appropriate points in time and in the correct sequence. When on-line application systems are in operation, scheduling will be relevant only to regular batch jobs, end-of-day or period routines, and back-up and housekeeping routines.

Daily operations schedules for all jobs and programs to be run should be prepared and approved by a responsible individual.

Controls should be established to ensure that all jobs and programs are processed in accordance with the schedules. Any departures from the schedules should be documented and approved by a responsible individual.

Job Set-Up and Execution

3.2 Written procedures and instructions should be established regarding the set-up and execution of each application job or program. These instructions should be developed and approved by responsible representatives from the computer operations division.

Controls should be established to prevent or detect unauthorized changes to approved job set-up instructions, including processing parameters. Any variations to job set-up instructions should be documented and approved by a responsible individual.

Operator Actions

3.3 Control procedures should cover the actions of computer operators, such as supervision and review of their work.

Controls should be established to ensure the proper identification and reporting of all abnormal conditions: system failures, system restart or recovery, emergency situations, etc.

Supervision should include regular reviews of operator actions. Particular attention should be given to situations of abnormal conditions (as mentioned above) to ensure that processing results were not adversely affected.

Back-Up and Recovery

- 3.4 Controls over recovery from processing failures require that data be regularly copied as back-up, that the processing status at the time of failure can be established, and that procedures ensure that proper recovery takes place. The computer department should handle recovery with involvement by various other departments as deemed necessary.

Controls should be established to ensure that program libraries are regularly backed up, together with a record of changes made between back-ups.

Controls should be established to ensure that data files and programs are recovered properly after a processing failure and that errors are not introduced during the recovery process. Should modifications to data files or programs be necessary during an emergency situation, procedures should ensure that all changes made are accurate and authorized.

To ensure that back-up copies of data files and programs are available for recovery during an emergency situation, back-up media should be stored in an off-site facility. The off-site location should be secure and environmentally protected as well as sufficiently remote to realistically serve its purpose.

A contingency plan should be developed that ensures the continuity of applications processing in the event of an unexpected interruption of computer service, taking into account and documenting possible risk scenarios. Once a plan has been developed, approved, and documented, it should be periodically tested in order to ensure that all its pieces work properly and remain consistent.

4. SECURITY

Policy Access to information stored on a computer should be restricted.

Management should identify and classify computerized resources and protect them with a well-organized combination of software and manual procedures. Security software provides the ability to restrict access to the system at various levels: system, application, application function, data file, and data element.

Procedures Overall System Access Controls

- 4.1 Controls should be established to prevent unauthorized access to the system and to restrict each user's access based on specific job-related functions. Based on a user's ID and password, the operating system will force the user into a restricted workshell/menu out of which the user cannot venture. All

unauthorized attempts to bypass access controls should be reported and promptly investigated.

Network access is obtained by completion of the Network Access Authorization Form. This form is to be completed by managers or supervisors for each employee and sent to the IT division. Upon receipt individual access will be established.

Internet Access is a privilege and should not be abused. IVGID does have a policy regarding visiting web sites that are not related to your job or that are inappropriate (see section VI, electronic communications for further details. Internet access is given through the Network Authorization form.

Security Policy

- 4.2 Management should develop and communicate a security policy stating their position on information security. Such a policy should consist of a set of written guidelines promoting rules and criteria about the treatment of computerized resources.
- 4.3 Responsible individuals independent of the programming function should perform administration of access security controls.
 - (a) Only authorized individuals should be assigned system IDs and passwords that permit access to the system. An access request form should be used to ensure and document proper authorization. Each ID should be unique in order to track user activities and provide for accountability.
 - (b) Passwords should be used to ensure the correct identification of authorized users by the system. Passwords should be kept secret, not easily guessed, and changed on a regular basis.
 - (c) All access privileges should be promptly canceled or amended for terminated or transferred employees.
 - (d) Adequate security and controls should exist over the ability to perform administration of all of the functions mentioned above.
 - (e) Periodic security reviews should be conducted to ensure that access privileges granted remain appropriate.

Dial-Up Access

- 4.4 Controls should be established to prevent unauthorized access via dial-up mechanisms.

Physical Access

- 4.5 Physical access to all computer facilities and other areas identified as containing sensitive information should be limited at all times, including evenings, weekends, and holidays. Computer facilities include terminals, modems, and communications lines, as well as the computer itself. Depending on the circumstances, physical access should be treated with the same formalities as described in 4.1 for system access.

Custody of Data and Programs Stored Off-Line

- 4.6 Magnetic tapes, diskettes, and removable disks containing programs or data files, including back-up copies, should be protected and uniquely identified. Control procedures should be established over the existence and movements of all off-line media. Off-line media should be stored in secure environments and should be accessible only by individuals authorized by management.

Utilities and High-Level Programming Languages

- 4.7 The use of high-level programming languages and utility programs that can be used to modify data files should be restricted to appropriate personnel authorized by management. In addition, the use of such programs should be closely monitored by a responsible official for appropriateness.

Bypassing Normal Access Controls

- 4.8 When it becomes necessary to bypass normal access security controls, such as during emergency situations, a responsible official should authorize the action. Such authorization may be informal at the onset of the conditions that caused the temporary change in policy, but formal written authorization should nevertheless be provided after the fact. It is also important to ensure that normal access security controls are reinstated as soon as possible and that any changes to data files have been properly controlled and approved.

Output

- 4.9 Data security extends beyond the physical domain of computer hardware. Printed reports containing sensitive information should be produced only according to an approved schedule or when requested with the authorization of a responsible official. Sensitive output that is not printed directly but is held on-line or transmitted to a remote computer should be controlled to prevent or detect changes to the output prior to printing and to ensure that the output reaches only its intended destination.



Section III

General Ledger & Journal Entries

1. MAINTAINING AN EFFECTIVE ACCOUNTING SYSTEM

Policy Incline Village General Improvement District (IVGID) has established and maintains an effective accounting system to capture data regarding the economic activity of the governmental and enterprise funds.

Management requires accurate and timely financial reports in order to judge the performance of the district operations and plan for future activities. Preliminary operating reports are published on the 5th business day following the end of a month, and final operating reports are published on the 10th business day following the end of a month.

Monthly financial reports are published approximately within ten business days of the final operating reports.

A Comprehensive Annual Financial Report (CAFR) is published at the conclusion of our yearly audit. An outside auditing firm approved by our Board of Trustees and management completes our audit.

Procedures General Ledger Set-Up and Posting

1.1 IVGID has set up a general ledger system to quickly and accurately accumulate all financial transactions. The framework for this system is called the chart of accounts. The chart of accounts consists of the account titles and account numbers assigned to the titles. The account titles are developed from an understanding of the economic activity and the information management deems necessary in the financial reports. Account titles must appropriately describe the assets, liabilities, equity, revenues, and expenses of IVGID.

Arrangement of Account Titles

1.2 Account titles within the chart of accounts should generally be arranged in the following order:

- Assets
- Liabilities
- Equity
- Revenue
- Expenses

Within these categories, current accounts are grouped first, followed by long-term accounts. Referring to our chart of accounts, note that current assets such as cash, accounts receivable, and inventory are listed before long-term assets such as land and buildings.

Accounts are numbered in the following manner:

1000-2999	Assets
3000-3900	Liabilities

4000-4999	Equity
5000-5999	Revenue
6000-6999	Expenses
7000-8900	Nonoperating Revenue/Expense

Establishment of Contra Accounts

- 1.3 IVGID's account systems record transactions at their historical cost. However, there are instances where generally accepted accounting principles require that an account be presented in the financial reports at a lesser amount. This is accomplished through the use of contra accounts, allowing the accounting system to maintain records of the accounts at historical cost. However, for financial reporting purposes, accounts receivable must be reduced for accounts that will not be collected. Therefore, the allowance for doubtful accounts is established to reduce accounts receivable to its collectible amount.

Financial Information Adequacy

- 1.4 The accounting systems provide adequate financial information on a divisional level.

Although business enterprises are extremely concerned with their overall operating results, they often require more detailed information to know how various segments of the business are performing. Businesses with more than one profit center or division must know detailed information about each area to determine if it is profitable or not.

Additional codes added to the accounts in the chart of accounts give all of the detail needed for each profit center or division. The computerized accounting system is able to produce financial reports for each profit center or division, as well as combined reports to show the overall financial position and results of operations of the organization.

The chart of accounts is arranged so that each profit center or division is consistent with each other. The accounts are arranged consistently so that the operating result of each profit center or division can be quickly merged with the operating results of other profit centers or divisions to produce the overall results for the entire organization.

2. GENERAL LEDGER ACTIVITY

Policy All valid general ledger entries, and only those entries, should be accurately recorded in the general ledger.

The general ledger consists of control accounts for accounts in the chart of accounts. These accounts are listed in the general ledger in numerical order with the account title. The general ledger is maintained on JDEdwards software.

Procedures Posting Monthly Activity to the General Ledger

2.1 At least monthly, all activity should be posted to the general ledger. The postings to the general ledger accounts may come from any and all of the following sources:

- General journal – adjusting journal entries
- Sales journal – sales and account receivable activities
- Purchases – expense and accounts payable entries
- Payroll journal – payroll summary
- Cash receipts journal
- Cash disbursements journal

Our computerized accounting software package, JDEdwards, is fully interactive and posts journal activity to the general ledger on command by a computer operator. Daily sales and cash receipt journal entries are automatically uploaded daily from our operating locations.

Documentation of Entries Not Originating from Journals

2.2 All entries that do not originate from journal entries should have supporting documentation.

Certain entries (recurring adjusting journal entries) are made every period. These entries include, but are not limited to the following:

- Depreciation of fixed assets
- Amortization of intangible assets
- Amortization of prepaid expenses
- Amortization of deferred revenue
- Accrual of interest expense on notes that are not paid within each accounting period.

Nonrecurring adjusting journal entries must be prepared to properly reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to the following:

- Correction of posting errors
- Accrual of income and expense items
- Recording of noncash transactions

Adequate Documentation for All Journal Entries

- 2.3 All journal entries should be prepared only on the basis of adequate supporting documentation. Journal entries should include pertinent information such as original date, exact amount, vendor name, and reason for adjustments.

Authorization of Entries

- 2.4 All journal entries into the general ledger should be authorized by the Controller.

Review of All Authorized Vouchers

- 2.5 A review should be performed of the sequential voucher number to ensure that all entries have been made and posted accurately and timely.

Filing and archiving journal entries

- 2.6 All journal entries are to be kept in a central area in the finance and accounting division with access to accounting personnel. They are to be filed numerically in binders by general ledger month. These binders will be made available to our outside auditors during the yearly audit.

After the audit is completed, all journal entries are to be scanned and archived in a secure place.

3. ADEQUATE GENERAL LEDGER MAINTENANCE

Policy The general ledger should be adequately maintained.

As stated throughout this section, the general ledger accounts are the source of all the financial reports used by management. It is therefore critical that the accounting records, after the entry of transactions in them, are properly controlled so that they continue to reflect accurately the operations of the business.

A trial balance should be prepared periodically from the general ledger. The trail balance should list all general ledger accounts and their balances as of a particular date. The trial balance will verify the general ledger account balances and serves as a workpaper to make adjustments to any accounts to correct their balances.

Procedures **Performance of Reconciliations**

3.1 Reconciliations should be performed at least twice per year between control accounts maintained in the general ledger and the subsidiary ledgers.

Review of Trail Balance and Reconciliations

3.2 The Controller should review the trail balance and the reconciliations. The reasons for differences noted should be investigated and any adjustments properly processed in the form of journal entries.

Close of Income and Expense Items

3.4 At the end of the fiscal year, all items of income and expense should be closed so that they will not carry forward to the next fiscal year. After the closing entry is posted to the general ledger, the income and expense accounts should be zero, and the general ledger is ready to begin accepting transactions for the next fiscal year.



Section IV

Cash

1. CASH MANAGEMENT

Policy Incline Village General Improvement District (IVGID) should maintain an effective system of cash management that anticipates cash needs and plans adequately to satisfy them and to be in compliance with Nevada Revised Statutes.

Cash is required to pay for all assets and services purchases by IVGID and to meet future obligations as they come due. The disbursements of cash, therefore, are a regular occurrence, and a sufficient level of cash should be kept available to meet these requirements. However, cash is not a productive asset, as it earns no return. Therefore, only cash necessary to meet anticipated day-to-day expenditures plus a reasonable cushion for emergencies should be kept available. Any excess cash should be invested in liquid income-producing instruments.

The District's Controller invests operating and capital reserves following a formal investment policy adopted by the Board of Trustees.

Procedures Maximizing Return on Idle Funds

1.1 Cash not required for operations should be invested. Authorized investments include obligations of the U.S. Government or U.S. Treasury with maturates of ten years or less, the local government investment pool, certificates of deposit issued by commercial banks or insured savings and loans, short-term negotiable notes or bonds issued by local governments, and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

Expediting of Cash Receipts

1.2 The time lag between service performance and the deposit of funds to IVGID's bank account should be kept to a minimum.

- (a) Invoices/billings should be issued timely and consistently, and as close as possible to the time of performance.
- (b) All customer remittances should be sent to a single address at each of our facilities - utility, golf, ski, recreation, and general administration areas.

Collection Practices

1.3 A review of accounts receivable listings for past due balances should be performed on a continuous basis by qualified personnel at each of our facilities. Delinquent accounts should be contacted immediately.

Deferring Disbursements

1.4 Cash disbursements should be released at the latest acceptable time, without affecting relationships with vendors. However, early payment discounts should be taken. Checks will be mailed at the

end of each week on Fridays. Exceptions will be made if a holiday falls on a Friday. Vendor checks over and above \$2500 must be approved by our Board of Trustees during their next scheduled meeting. Upon approval, those checks will be immediately mailed.

Cash Budgets

- 1.5 A cash budget should be prepared in order to effectively manage cash balances. The budget should be prepared on an annual basis, broken down by month. Monthly reports will let divisions monitor each component by comparing actual performance with budget, both for the current month and cumulatively.

2. CASH RECEIPTS

Policy Control should be established over all cash, checks, and credit card payments received, and they should be deposited promptly within three days in IVGID's bank account.

Cash receipts should be protected from misappropriation. Physical access to cash receipts and cash receipt records should be limited to authorized personnel. Additionally, cash receipts should be recorded in the appropriate accounting period. Cash over/short should be recorded and should not be forced to zero. Adjustments to cash over/short and receipts are to be made with the proper audit trail.

Procedures Opening the Mail

- 2.1 The mail is to be opened and a listing of cash and/or checks received should be prepared under the supervision of a responsible staff member.
- (a) Individuals preparing the list of cash receipts should be persons other than those who deal with accounts receivable, accounts payable, or the general ledger.
 - (b) The listing of cash receipts should include the name, amount, date, and person and division to whom the cash receipt was sent.

Endorsement of Checks

- 2.2 In situations where cash receipts are received directly by IVGID, checks should be restrictively endorsed immediately.

Bank Deposits

- 2.3 All cash sales and check remittances should be deposited intact daily. Completing and balancing a daily sales report and making the deposit does not have to be completed simultaneously but should be completed within three business days.

Reconciliation of cash/checks received to bank deposits

- 2.4 Persons other than those who handle cash receipts should compare records of cash receipts and summaries to deposit slips to bank statements on a monthly basis.

Summarize Cash Receipts

- 2.5 Records of cash receipts should be summarized and totals established for posting to the general ledger. Daily sales reports should be completed and sent to accounting for posting or uploaded into our financial system within three working days.
- 2.6 Return Items (return checks) should be redeposited immediately. Verification of good funds can be verified with the customer in a discrete manner and handled only between the customer and our appropriate personnel. Since our bank does not charge use a return item fee, we do not charge our customers a return item fee.

3. DISBURSEMENTS FROM BANK ACCOUNTS

Policy Disbursements from bank accounts should be made only for valid transactions.

The payment for goods and services, whether accomplished by check or bank transfer, should be organized to ensure that no unauthorized payments are made, that complete and accurate records are made of each payment, and that payments are recorded in the appropriate period. Additionally, physical access to cash and unissued checks must be restricted to authorized personnel.

Procedures Preparing Checks and Bank Transfers

Checks and bank transfers should be prepared based on the determination that the transaction is valid and is in accordance with the following district procedures:

- 3.1 A determination that the transaction is valid should be accomplished by reviewing the following supporting documentation as applicable:
 - (a) Invoices – together with receiving documents and purchase orders.
 - (b) Payroll records.
 - (c) Petty cash vouchers.
 - (d) Remittance advices.
 - (e) Check requisitions.

A responsible person indicating proper authorization and coding should sign all supporting documentation. All invoices, \$500 or more, should be completed through the purchase order process.

- 3.2 Persons other than those who initiate or approve any documents should prepare checks and bank transfers.

- 3.3 Checks and bank transfers should be designed or completed in such a way to make subsequent unauthorized alternation difficult through the use of protective paper, check imprint, and so on.
- 3.4 The following procedures are prohibited:
 - (a) Checks payable to "bearer" or "cash."
 - (b) Checks signed in blank.
 - (c) Altered checks and bank transfers.

Check Signing

- 3.5 Officials other than those who approved the transactions for payment should sign checks. Two signatures are required on district checks. IVGID's official signatories are the General Manager and one of the district Trustees.
- 3.6 Limited control over the authorization of the use of the laser printer must be monitored to protect check stock and usage.
- 3.7 An original and one copy of accounts payable checks are to be printed. The copy should have "nonnegotiable" printed on them. The original of the check is to be distributed to the vendor and the copy attached to the voucher package for filing in the accounts payable files.

Disbursement of Checks

- 3.8 After checks have been printed and properly matched with voucher package, all checks should be forwarded to the payees. Major checks (over \$2,500) are listed on a Major checklist and forwarded to the Board of Trustees. After the bi-monthly board meetings, at which major checks are approved, these checks should be immediately forwarded to the payees. Each weekly check run will have some checks that are picked up by other IVGID departments for distribution. These checks are to be listed on a separate sheet and signed for by a responsible person when picked up.

Maintenance of Check Control Log

- 3.9 A separate record of checks being processed should be maintained by using a control log. The control log should contain the date of the check, the range of the check numbers, the initials of the person in charge of writing the checks, and the verification initials of a supervisor.

A separate record of returned and/or voided checks should be maintained. This log should contain the name of the payee, the date the check was written, the date the check was voided and/or returned, the check number, and a void description.

The usage of checks should be accounted for by reconciling the quantity of checks issued to the cash disbursement records. Persons should perform this other than those who have authority to issue checks.

Supplies of unused checks should be properly safeguarded.

Summarize Cash Disbursements

3.10 All checks and bank transfers should be summarized and recorded in the General Ledger.

4. IMPREST AND SIMILAR FUNDS

Policy Reimbursement of imprest and similar funds (petty cash) should be made only for valid reasons.

Imprest accounts are limited to a nominal balance, and reimbursements are to be in the amount equal to the total of miscellaneous payments made. Reimbursements are to be paid through accounts payable and require approved and coded slips for backup.

Procedures Disbursements of Funds

- 4.1 Prior to the disbursement of any funds, a voucher should be prepared with supporting evidence such as receipts or other miscellaneous supporting details and approved where appropriate.
- 4.2 A summary of all disbursements should be maintained and an analysis should be performed in order to charge the proper general ledger accounts.
- 4.3 Periodically, the imprest account should be replenished so as to bring the balance up to the imprest amount. The amount replenished should equal the sum of all imprest account disbursements since the previous reimbursement and any differences should be reconciled.

5. BANK RECONCILIATIONS

Policy Adequate steps should be taken to confirm the accuracy of the bank balances shown in the general ledger.

Generally monthly, data on cash receipts and disbursements journals should be compared with the details reported on bank statements. Unmatched and mismatched data are used to reconcile the book and bank balances. The bank reconciliations are performed by computer using the computerized cash records and the bank's statements from its computer-readable media.

Procedures Preparing Bank Reconciliations

- 5.1 Bank balances, as shown by the bank statement, should be reconciled monthly with the general ledger balance. Data on cash receipts journals and cash disbursement journals should be listed for investigation. The person who prepares the

reconciliation should receive the bank statements directly from the bank and retain them until the reconciliations are completed.

Determination of Reconciling Items

- 5.2 Discrepancies between general ledger cash balances and closing balances reported on the bank statements result from transactions recorded in cash journals but not yet processed and recorded by banks (such as deposits in transit and outstanding checks) and items on bank statements not yet processed and recorded by IVGID (such as bank service fees). Most of those items do not require investigation.

Accounting personnel who do not have access to cash and are not involved in processing and recording cash transactions should investigate all significant differences. Items of investigation should include but are not limited to items such as: 1) unmatched data in cash receipts and disbursements journals that fail to clear the banks within a reasonable period of time, 2) unmatched items on bank statements unanticipated or judged erroneous by IVGID, and 3) mismatched items in cash receipts and disbursements journals and bank statement items.

- 5.3 Bank reconciliations and proposed adjustments to the general ledger cash balances and cash detail files should be reviewed and approved by the Controller.



Section V

Revenue Cycle

1. REVENUE RECOGNITION

Policy All sales should be recorded accurately and on a timely basis.

Sales are generally initiated through the rental or use of district facilities, the sales of pro shop inventory items, and the use of district-provided utilities. Facility or pro shop sales are rung up using registers that are tied to appropriate POS systems in each area within the district. Controls over the use of registers should be established and monitored at each location. Utilities are billed to customers on a monthly basis.

Procedures Sales

1.1 Prices of fees and pro shop sales should be determined prior to sale by management within each area according to budgeted fees and mark-up rates. Management, according to approved budgeted amounts, determines utility fees. Appropriate individuals at each area should approve pricing exceptions (changes). All sales are to be recorded in the appropriate POS system according to department controls and guidelines. All fees are presented and approved by the Board of Trustees during budget planning.

All sales should be summarized on a daily sales report with the exception of the utility billings and uploaded to the general ledger. Utility sales are summarized on a monthly basis and then uploaded to the general ledger.

Sales Journal Review

1.2 The daily or monthly sales journal should be reviewed periodically for accuracy and completeness. All errors or omissions should be investigated immediately and corrected.

Sales Journal Posting to the General Ledger

1.3 The posting of the sales journal summarization to the general ledger should be reviewed and completed within three business days by a responsible person at each location.

The Finance and Accounting Division should audit the posting of daily sales and compare cash deposits recorded to the general ledger to the actual deposits made to the bank. Any discrepancies should be investigated and resolved.

2. Accounts Receivable

Policy Accounts receivable records should be accurate, complete, and maintained in a manner to indicate the length of time the customers' debt has been outstanding.

Accounts receivables arise from sales on credit to customers generally from the use of district-provided utilities and facility use. The account is

relieved by the posting of receipts, approved credit memos for allowances, and write-offs of uncollectible accounts.

Procedures Posting of Sales

2.1 Posting of sales to the accounts receivable subsidiary ledger should be performed by individuals independent of cash functions.

Posting as an Independent Function

2.2 The general ledger control account should be posted by individuals independent of the accounts receivable and cash receipt functions.

Timely Identification of Errors

2.3 Monthly statements/bills should be mailed to customers to allow for timely identification of errors in addition to prompting collections.

Posting of Adjustments

2.4 Payments, partial payments, credits, and other authorized adjustments to accounts receivable should be posted against the corresponding statement in order to maintain the accurate aging of the accounts receivable subsidiary ledger.

Reconciliation of Accounts Receivable Subsidiary Ledger

2.5 The accounts receivable subsidiary ledger should be reconciled to the general control account monthly. All differences should be investigated and resolved. The reconciliation should be reviewed by the Controller.

Review of Credit Balances

2.6 A review of credit balances should be performed periodically by reviewing the accounts receivable subsidiary ledgers or the accounts receivable aging. If credit balances remain for more than a reasonable time, those amounts should be returned to our customers.

Review of Billing Records

2.7 A review of billing records, sales journals, cash receipts, and other relevant records should be reviewed to determine that all has been recorded in the appropriate accounting period.

3. Customer Returns and Allowances

Policy Returns and allowances should be controlled, documented, and recorded.

The return of goods by the customer results in adjusting receivables and/or inventory. Allowances are less frequent yet difficult to ascertain. They are often based upon evaluations or customers' complaints.

Procedures Written Authorization

- 3.1 Written authorization should be given to customers to permit the return of goods when appropriate.

Count and Examination of Returned Goods

- 3.2 Authorized returned goods should be counted and examined and recorded in a return log.

Recording Returned Goods

- 3.3 Returns should be recorded in the accounts as quickly as possible in order to maintain the correct balances of revenues and accounts receivable.

Authorization of and Conditions for Allowances

- 3.4 The conditions under which allowances may be given and the personnel authorized to do so should be documented.

Review of Returned Goods

- 3.5 Returned Goods credits should be reviewed periodically for accuracy and correct authorization. Any discrepancies should be investigated and resolved.

4. Other Revenues

Policy

Other types of revenue should be recorded on a timely basis.

Revenues flow into IVGID from sources other than that of sale of products and services. Taxes and assessment payments are examples of the more common sources.

Procedures Deferred Income

- 4.1 Deferred income relates to revenue for which the service has not been performed or the goods have not been delivered.
 - a) Schedules should be prepared indicating the appropriate points in time at which the revenue is to be earned and recorded.
 - b) The schedules and corresponding journal entries should be reviewed and approved by the Controller.

Taxes and Assessments

- 4.2 Tax and assessment payments should be recorded in the general ledger in the appropriate accounting period. A schedule of income and receivables should be kept and periodically balanced to State and County records. Any discrepancies should be investigated and resolved.



Section VI

Production Cycle

1. SALES AND PRODUCT FORECASTS

Policy Management should establish policies concerning forecasting, appropriate production plans and rates, capacity, usage, and on-hand inventory levels.

The forecasting of future sales of products, the use of our facilities, and the usage of component materials is critical in planning and control. "Top down" forecasting starts with general business conditions. It is then translated, given specific industry and company attributes, into the sales the company anticipates. "Bottom-up" forecasting starts with the individual sales expectations, formulated by input from division managers, customers, and other forecasters. Both methods should be employed and compared to arrive at a reasonable budget for sales. Other factors to be considered include the optimal operating capacity and the hiring of extra employees or lay-off in seasonal operations.

Procedures Preparation of Sales Forecasts

1.1 A sales forecast for the year, broken down by month, should be prepared and approved by appropriate levels of management.

Review of Production Levels and Related Sales

1.2 Actual production levels and related sales should be reviewed frequently to allow for timely cost-effective adjustments to production scheduling. Appropriate levels of management should approve such adjustments.

Raw material levels (inventory items) should be assessed to ensure that sufficient quantities would be available to meet the sales production schedule.

2. COST-FLOW METHODS

Policy Determination of a cost-flow assumption and method of allocating production costs should be made by appropriate levels of management.

Various cost-flow assumptions may be used including specific identification: first in, first out (FIFO); last in, first out (LIFO); and variations thereof.

Procedures Determination of Appropriate Method

2.1 Appropriate management levels should make determination of the most appropriate cost method for each division.

Consistent Use of Method Selected

2.2 The methodology selected should be utilized consistently.

Allocation of Costs – Overhead Application Rate

2.3 Once management has established a policy of costs, an overhead

application rate should be determined and applied.

Variance Analysis

2.4 Variances should be analyzed by appropriate personnel to allow for corrective action. Analysis and corrections should be on a timely basis.

Review of Standard Costs and Overhead Rates

2.5 Standard costs and overhead rates should be reviewed periodically by appropriate personnel and revised as necessary.

3. INVENTORY CONTROL

Policy Procedures to provide physical security for all inventory should be established at each division.

Cost/benefit analyses should be utilized to ascertain the optimum level of security that should be provided (locked storage areas, site security guards, etc.). Value, likelihood of theft, and ease of removal/loss are factors to be considered in drawing a conclusion.

Procedures Custodial Control of Operations

3.1 A responsible custodian should have control of the operations.

Written Procedures for Inventory Custody

3.2 Specific written procedures over the custody of inventory items between initial receipt and recording into the inventory records should be established.

Authorization for Movement of Inventory

3.3 Movement of all inventory should be in writing. Interdepartmental requests should be made to the custodian of the inventory by authorized personnel, and proper account codes should be supplied for accurate tracking

Return of goods to inventory should be authorized, documented, and appropriately recorded.

Reconciliation of Regularly Scheduled Physical Counts

3.4 Physical counts of quantities of inventory should be scheduled on a regular basis. The counts should be reconciled to the inventory records and to the general ledger.

4. PERIODIC PHYSICAL INVENTORY

Policy A physical count of all inventories should be made periodically (at least twice annually --December and June).

Procedures Proper Control of Physical Inventory

- 4.1 The physical inventory should be properly supervised and controlled.
- 4.2 When all inventories are physically counted concurrently, a greater effort is required of each of the participating departments of accounting and warehousing/inventory control because a larger volume of counting is necessitated.
- 4.3 Operations should be suspended or significantly reduced.
- 4.4 Instructions to company personnel concerning the physical inventory should be written and include:
 - Location, date, and beginning time of inventory
 - Members of count team
 - Detailed directions on how to fill out inventory sheets in order to expedite the subsequent reconciliation process
 - Identification of damaged or obsolete inventory and scrap
 - Identification of inventory held for others
 - Control of the inventory sheets
 - Accumulation of appropriate cut-off information
- 4.5 Inventory should be maintained in an orderly arrangement to facilitate the count.
- 4.6 Inventory should be properly identified and described.
- 4.7 Counters should be aware of the possibility of obsolete and slow moving items, as well as inventory with a deteriorating value or of questionable quality (excessive dust, presence of rust, scrap, goods rejected by quality control). These items should be noted on the inventory sheets and brought to the attention of the count supervisor for follow-up.
- 4.8 All sheets used during the physical count should be accumulated and accounted for before the count team leaves the area.
- 4.9 The Accounting Department and/or district auditors should perform unscheduled test counts on occasion to maintain the accuracy and integrity of the inventory.

Proper Identification of Inventory Ownership

- 4.10 All inventories belonging to others should be clearly identified and physically segregated to avoid any erroneous inclusion in the inventory counts. This type of inventory should be noted but excluded from the inventory valuation.

Supplies Inventory

- 4.11 Depending on the size of the inventory, management may elect to expense the items as they are purchased or to capitalize them and charge to expense as they are used.

5. INVENTORY OBSOLESCENCE

Policy Management should establish a policy for evaluating inventory, material, and parts for obsolescence.

In addition, a comparison must be made of the quantity of product on hand with the demand for it.

Procedures Revalue Certain Inventory to Net Realizable Value

5.1 If inventory on hand exceeds demand or there has been no activity in the past year nor any forecasted requirements, the obsolete or excess portion of the inventory should be reduced to an amount not less than its net realizable value. The difference should be charged to the current period expenses.

Disposal of Obsolete or Excess Inventories

5.2 Consideration should be given to disposing of the obsolete or excess inventory or offering it at substantially reduced prices in order to obtain a write-off and to generate cash flow.



Section VII

Prepaid Expenses

1. MONITORING AND ACCOUNTING FOR PREPAID EXPENSES

Policy The district should establish a method to monitor and account for prepaid expenses.

Prepaid expenses arise whenever cash is disbursed and a portion of the associated benefit of the disbursement is for a future period. An example of prepaid expense is an insurance premium that is paid in a lump sum when the policy is issued or renewed and the policy covers multiple accounting periods. Consequently, an asset (prepaid expense) is recorded on the books for the total premium when paid and is charged (amortized) to expense over the coverage period.

Procedures Reviewing Incoming Invoices to Ensure Prepayment

1.1 The accounts payable clerk and the accountants in the finance and accounting department should review the coding of incoming invoices to ensure that all prepayments are identified.

Maintenance of Asset Accounts

1.2 Once identified, each expense should be maintained in an asset register to better monitor the various types of prepaid expenses. The register should list the general ledger account number and title as well as a description of each asset, including vendor, type of service or coverage, benefit period, amount paid, expense for the period, and any other relevant information.

Amortization Periods and Rates

1.3 Once an expense has been entered in the asset register, the amortization period should be determined. For example, if an insurance invoice, billed quarterly, is paid at the beginning of the quarter, one-third should be charged to expense each month. Some prepaid expenses may be amortized on a basis other than time. For example, brochures or golf amenities may be amortized as they are used.

Preparation of Standard Journal Entries

1.4 An accountant should prepare a standard journal entry to record the monthly expense to ensure proper matching. The entry should be reviewed and approved by the Controller.

2. CONTROLLING ASSET BALANCES

Policy Detailed records of prepaid expenses should be reconciled periodically with the control account.

Reconciliations should be performed to help ensure the accuracy of the detailed records and the control account.

Procedures Preparation of Reconciliations

- 2.1 On a periodic basis, a reconciliation should be performed between the asset register and the general ledger balance. A person in the accounting department should perform the reconciliation.

Investigation of All Discrepancies

- 2.2 All discrepancies should be investigated on a timely basis.

Supervisory Review of the Reconciliation

- 2.3 The reconciliation should be reviewed and approved by the Controller.



Section VIII

Investments

1. INVESTMENT OF IDLE FUNDS

Policy Funds not presently needed for company operations should be invested. Such investments should be properly authorized and accurately accounted for.

The district should invest available funds in order to maximize earnings and minimize risk during the period of availability of the funds. The overall investment policy, specifying the needed liquidity of investments, acceptable risk, expected returns, and in compliance with Nevada Revised Statutes should be established by management and approved by the Board of Trustees.

Procedures Investment Policy

1.1 The Board of Trustees establishes the investment policy for the district. Authorized investments include obligations of the U.S. Government or U.S. Treasury with maturities of ten years or less, the local government investment pool, and certificates of deposit. Management, specifically the Controller, is designated as the person to implement the Board's investment policy. The Controller is designated to:

- Approve transactions such as purchases and sales
- Access investment certificates
- review and approve investment accounting, bank and broker statement reconciliations, adjustments to the carrying value of investments, and other decisions regarding investments.

Authorization of Investment Vehicles

1.2 Annually, the Board of Trustees should authorize the use of specific depository and investment banks and brokerage firms. This authorization should be documented in the minutes of the applicable board meeting and communicated to the appropriate management personnel. Management should then communicate the authorization and a list of those personnel designated as authorized agents for the district to the appropriate banks and firms. As a part of the annual authorization process, management should evaluate the company's prior relationship with banks and brokerage firms to determine suitability for renewal. Such evaluation should consider service responsiveness, type of investments offered, quality of investment advice, service and transaction charges, and any other relevant criteria.

Authorization of Investments

1.3 All transactions regarding investments should be properly authorized by the Controller and recorded in an investment log. Such transactions include purchases, sales, and movement to and from safekeeping (vault, safe deposit box, or custodian).

Investment Purchases

1.4 Investment purchases should be made by check or bank transfer after compliance with the following:

- A determination that the purchase transaction is properly authorized in accordance with district policy by the board of trustees and the Controller
- A determination that the investment authorization is properly document.
- Preparation of a check requisition or bank transfer

Investment Sales

1.5 Investment sales should be transacted after compliance with the following procedures:

- A determination that the sale transaction is properly authorized by the Board of Trustees and the Controller
- A determination that the authorization is properly documented.

Investment Sales Gain or Loss

1.6 The expected gain or loss upon sale or other disposition of an investment should be calculated before a decision regarding the sale is finalized. The calculation should be update/finalized subsequent to the sale. The gain or loss calculation should be documented and should be filed in the investment file.

Investment Sales Proceeds

1.7 Proceeds from the sale of investments should be received either by check or bank transfer. A copy of the receipt or deposit slip should be included in the investment file.

Investment Results Reports

1.8 Monthly reports detailing the earnings and activity in all investment accounts should be prepared and distributed to appropriate management. The summary of all transactions should be recorded in the general ledger through the use of a journal entry and approved by the Controller.

Reconciliation of Investment Accounts

1.9 Investment account balances should be reconciled monthly with the general ledger. This reconciliation should be reviewed and approved by the Controller.

Investment Account Balances Agreed to Bank/Broker Statements

1.10 Amounts recorded on the supporting schedules should be reconciled to broker/bank statements at least quarterly but preferably monthly. The Controller should review these reconciliations.

2. SAFEGUARDING OF INVESTMENTS

Policy All investments should be safeguarded against physical loss or misuse.

All investments should be properly controlled to safeguard against theft, misuse, or damage. Authorized personnel and bankers or brokers should properly control certificates and other investment documents.

Procedures Investments Held by Authorized Agent

2.1 Certain investments may be held by an authorized agent dependent upon the type of investment activity. For instance, banks may or may not issue passbooks or certificates for demand and time deposits. Investments of this type should be held in a separate account, the activity of which will be reported on a periodic statement. In addition, other investments such as bonds, notes, or stock certificates may be physically controlled by a broker, bank, or bank trust department. If investments are held by an unrelated organization, a safekeeping receipt should be received in support of each transaction.

Investment Certificate or Safekeeping Receipt

2.2 An investment certificate or safekeeping receipt and a statement should be received in exchange for the check or bank transfer. For purposes of this section, an investment certificate refers to any evidence of investment including savings account passbooks, certificates of deposit, notes, bonds, stock certificates, and so on.

Physical Safeguards

2.2 All investment certificates kept on the premises should be physically safeguarded against theft, loss, misuse, or damage. The certificates should be kept in a locked, fireproof safe. If a safe is not available, a locked file cabinet should be utilized for temporary storage. Regardless of the storage used, it should be accessible only to authorized personnel.

Investment Storage Facility

2.3 If the district does not have a suitable investment storage facility on site, then arrangements should be made to rent a safety deposit box at a financial institution.

3. RETURN ON INVESTMENT

Policy Earnings on investments should be calculated and recorded in the general ledger monthly.

Separate investment income accounts should be utilized to record monthly activity. Such accounts should include interest and dividend accruals, and related interest and dividend income accounts as well as

accounts for both the unamortized balance and the current year amortization of investment premiums and discounts.

Procedures Interest Income

3.1 Interest income should be recorded monthly for earnings on all investments. The earnings should be calculated for each investment and aggregated for recording purposes. A worksheet should be used to document the interest income calculations.

Premium/Discount on Bonds and Notes Receivable

3.2 Certain bonds and notes receivable can be acquired and sold at amounts other than face value. The amount in excess of face value is a premium whereas the amount of the reduction from face value is a discount. The premium or discount represents the present value of the future amounts necessary to adjust the stated interest rate to a market rate on the trade date. The amount of the premium represents a reduction of earnings calculated at the stated rate and should be recognized over the investment holding period. Similarly, a discount represents additional earnings that should be recognized over the investment holding period.

Premiums and discounts should be amortized into income utilizing the interest method. The interest method results in a level yield on each investment over the applicable holding period.

Investment Income Schedule

3.3 A schedule should be prepared to support the various investment income and premium/discount general ledger accounts. The schedule should include:

- Investment number
- Investment description
- Date acquired
- Interest rate (if applicable)
- Face amount
- Historical cost
- Amortization/adjustments to date
- Carrying value

Investment Summary Schedule

3.4 A summary schedule of the total activity by investment type should be prepared as indicated in 1.8.



Section IX

Property and Equipment

1. ADDITIONS TO PROPERTY AND EQUIPMENT

Policy All additions to property and equipment should be properly authorized utilizing our requisition/purchase order processing. Expenditures for tangible assets used actively in business operations that benefit a period exceeding one fiscal year should be capitalized. Repair costs are recorded as expenditures. The following procedure should be followed in determining if a purchase meets the necessary requirements for capitalization:

<u>Asset Class</u>	<u>Minimum Cost</u>
Equipment	\$ 5,000.00
Structures & Land Improvements	\$10,000.00

The following broad asset types generally categorize property and equipment:

- Land
- Land improvements
- Buildings
- Equipment
- Furniture, fixtures, and office equipment
- Computer equipment, including purchased software
- Tools
- Vehicles
- Construction in process

Capital budgeting is as integral to forming a company's annual business plan as is operations budgeting. Since the budgeting process must take place far in advance, estimations of acquisitions in the budget year must be made. The decision to purchase a capital asset should be an informed one based on current year budgets, projected benefits of the addition, and possibility analysis of the lease versus purchase options.

The fixed asset accountant should maintain a CIP book, which contains details for all proposed capital project expenditures over a five-year period.

Procedures Approval of Capital Budgeting

1.1 Capital budgets should be submitted along with operating budgets for review and approval by the appropriate levels of management and the Board of Trustees.

Capital Asset Purchase Authorization

1.2 No purchase of capital assets should be made without proper authorization and review to ensure compliance with budget guidelines and sound investment decision making.

Approval of Requisition Requests

- 1.3 Requisition requests should be submitted and approved by appropriate levels of management as determined by the dollar magnitude of the acquisition before funds are committed for capital expenditures.

Requisition requests and purchase orders are required for all capital asset expenditures. The requisition and purchase order should specify the reason for the request and the estimated cost.

In some instances, capital items will need to be purchased that were not included in the budget. Proper change-of-scope forms and authorizations by the appropriate levels of management must be received prior to purchasing these items.

Long-Term Lease or Purchase

- 1.4 Obtaining the use of property and equipment through long-term leases is an alternative to outright purchase. Leases vary in term, assumption of expenses, and many other details. The purchase versus lease decision should be based upon the basis of net cost, considering cash flows, financial statement presentation, and suitability of the asset to leasing.

2. ACCURATE RECORDS OF PROPERTY AND EQUIPMENT

Policy Accurate records should be maintained of the cost and accumulated depreciation of property and equipment.

The acquisition of capital assets should be organized to ensure that no unauthorized acquisitions have been made and that records of each acquisition are accurate, complete, and recorded in the appropriate period.

Procedures Receipt and Identification of Capital Assets

- 2.1 All property and equipment should be identified upon their receipt by the use of a prenumbered tag. The tag should be permanently affixed in a readily visible area. The property number on the tag should be recorded in the detailed fixed asset ledger. The location of the asset should be recorded in the detailed fixed asset ledger.

Review of Purchase Price Variances

- 2.2 For each capital item purchased, a comparison should be made of the actual versus budgeted cost. Differences should be explained and approved by a responsible person.

Maintenance of Detailed Fixed Asset Ledgers

- 2.3 Detailed fixed asset ledgers that are accurate and complete should be maintained for all asset classifications.

Depreciable Assets Net Acquisition Costs

2.4 Depreciable assets should be carried in the accounting records at the original net acquisition cost, less separate accounts for accumulated depreciation or depletion. Non-depreciable capital assets customarily should be carried in the records at the original net cost. Purchased items of property and equipment that meet the capitalization requirements are to be capitalized at the invoice price plus all charges incurred to prepare the asset for operations.

Cost of acquisition or construction includes not only the contract or invoice price but also such costs as preliminary engineering studies and surveys, legal fees to establish title, installation costs, freight, and labor and material used in construction or installation.

Cash discounts taken should be recorded as a reduction of the cost.

Posting to Detailed Ledger

2.5 Asset additions, disposals, and period depreciation should be posted to the detailed ledger on a monthly basis.

Reconciliation to General Ledger

2.6 On periodic bases, the detailed fixed asset ledger should be reconciled with the general ledger for asset cost and accumulated depreciation.

Investigation and Resolution of Differences

2.7 Any differences disclosed by the reconciliation in 2.6 should be investigated and resolved.

Review of Differences

2.8 The results of the reconciliation should be reviewed and approved by the Controller before any adjustments to the accounts are recorded. A signature should evidence such review.

Capitalization of Expenditures While Building

2.9 Expenditures made by the District while building a capital asset should be capitalized.

Expenditures such as those for materials, labor, engineering, supervision, clerks' salaries and expenses, legal expenses, insurance, overhead, and interest should be capitalized as "construction in progress" until the project is completed and placed in service. No depreciation should be taken on construction in progress.

Periodically during construction, a comparison should be made between projected and actual expenses incurred. Appropriate approvals should be obtained if projected costs will exceed the budgeted amount prior to expenditures going over budget.

Upon completion of construction and placement in service, the asset should be removed from construction in progress and entered into the detailed fixed asset ledger under the appropriate classification. Depreciation should now be taken on the asset.

Expenditures – Capitalization vs. Expense

2.10 Repair expense should be distinguished from expenditures for improvements, additions, renovations, alterations, and replacements.

- (a) Expenditures are repair expense if they do not materially add to the value of the property and do not materially prolong the life of the property. Examples of repair expense are:
 - Replacing loose or damaged shingles
 - Replacing broken glass
 - Painting and decorating
 - Resurfacing a parking lot
 - Making temporary repairs to last less than one year
 - Making minor repairs to fully depreciated assets

- (b) Repair costs that increase the value of property, prolong its life, or adapt it to a new or different use are capital expenditures. If the life of the asset has been significantly extended, the remaining original cost and the repair cost should be depreciated over the new life. Examples of repair expenditures that are capital expenditures are:
 - Replacing floors
 - Replacing a roof, thereby substantially prolonging its life
 - Reconditioning machinery, thereby extending its life
 - Replacing an auto's or a truck's engine
 - Overhauling an auto or truck that was substantially worn out
 - Installing a new heating system

- (c) Other expenditures that may be capitalized:
 - Structural changes or alterations to company-owned buildings, which become a part of a building and increase its life or value
 - Significant improvements to property leased by the company, improvements that add value to the leasehold (e.g. permanent office partitions)

3. DEPRECIATION OF PROPERTY AND EQUIPMENT

Policy The cost of all capitalizable assets should be allocated over the estimated useful lives in a rational and systematic manner.

Straight-line depreciation is used for determining depreciation. Straight-line depreciation is calculated by using an equal amount of the net cost of an asset and retiring this amount monthly over the useful life of the asset.

Procedures Determination of Useful Life

3.1 The useful life should be determined when a capital asset is acquired. The useful life is expressed in terms of months.

The cost of an asset should be allocated over a useful life via depreciation or depletion.

When a useful life is not determinable, such as for land, no depreciation should be taken.

If there is a change in the estimate of the remaining useful life after the asset is placed into service, the remaining cost to be depreciated should be spread over the revised remaining life.

The Controller should review the estimated useful life.

Once depreciation has been determined, it should be applied consistently until conditions change to such a degree that its application no longer produces reasonable results.

4. EXISTENCE OF CAPITAL ASSETS

Policy Control should be maintained over capital assets and their related records to ensure that all recorded assets exist and are in use for operations.

The physical existence of capital assets should be verified and reconciled to the fixed asset records.

Procedures Identification and Record of Assets

4.1 At the time of acquisition, all assets should have been identified, tagged, and entered into the detailed fixed asset ledger. The tag should have been placed in a visible area. The tags provide a clear method of tracing the asset to the fixed asset ledger. Periodically, the District should take a physical inventory of all capital assets to ensure the completeness and accuracy of the company's records.

Responsible management employees who are not responsible for the custody or record keeping of the assets should oversee the inventory process.

All assets should be examined to determine that they are currently being used.

Comparison to Detailed Records

4.2 The inventory of the assets on hand should be compared to the detailed records.

A responsible management employee should resolve all differences.

5. DISPOSAL OF CAPITAL ASSETS

Policy Disposal of capital assets should occur only after proper authorization has been given.

Control over the disposition of property should be maintained not only to preserve the accuracy of the records but also to ensure that assets are safeguarded, improper disposal is avoided, and the best possible terms are received for disposal.

Procedures Documentation of Disposal

5.1 The following procedures should apply to the retirement and disposal of company assets:

- No item of property and equipment should be removed from the premises without a properly approved disposal form
- A disposal form should be completed for all disposals
- This disposal form should be reviewed and approved by the fixed asset accountant
-

Recording Disposal

5.2 Once the retirement has been properly approved and documented, the following procedures apply to the recording of the transaction:

- (a) At the time the property is retired, the cost should be removed from the appropriate asset account; the related accumulated depreciation including depreciation to date of disposal, should be removed from the accumulated depreciation account; and the profit or loss, adjusted for the cost of removal, should be recorded as an income (gain) or expense (loss) item.
- (b) When the disposal is via a trade-in of a similar asset, the acquired asset should be recorded at the book value of the trade-in asset plus any additional cash paid. In no instance should such cost exceed the fair market value for the new asset.

Fully Depreciated Assets

5.3 Fully depreciated assets should remain on the property records with the related accumulated depreciation as long as the property is still in use.



Section X

Purchasing and Accounts Payable Cycles

1. DETERMINATION OF NEEDS

Policy Determination of IVGID's needs for goods and services should be made by appropriate personnel and according to company guidelines.

The determination of needs for goods and services, such as inventory, equipment, office supplies, and professional services, should be made by qualified individuals in the company and according to organizational guidelines that consider adequate quantities, reasonable prices, timely receipt, proper specifications, and desired quality. The guidelines must also consider and avoid the disruption of operational efficiency because of improper or untimely purchases and potential losses and use of cash caused by excessive purchases.

Procedures Methods to Determine Needs

1.1 Purchasing requirements, categorized by the type of goods or service, should be determined according to the following methods:

- (a) Inventory replenishment needs should be determined by a supervisor who has responsibility for the specific task, and should be done automatically when stock on hand reaches a reorder point.
- (b) The need for services that are provided on a recurring basis by the same vendor, such as utilities, telephone, periodicals, or janitorial services, should be determined initially by authorized persons and, thereafter, provided continuously or not redetermined until the end of the contract period.
- (c) Determining the need for specialized services, such as insurance, advertising, and legal and accounting services, should be the responsibility of designated individuals.
- (d) Responsible individuals within each division of IVGID should determine routine operating and maintenance goods and services.

Preparation of Requisitions for Routine Goods and Services

1.2 Requisitions for routine goods and services should be prepared by the user department on the JDEdwards software and contain the following information:

- (a) Vendors – names and address.
- (b) Billing address - all departments should use 893 Southwood Blvd., Incline Village, NV 89451.
- (c) The date the department made the requisition.
- (d) Ship or deliver to the specific location where goods or services are to be delivered.
- (e) Name of originator or individual designated to receive goods when received from vendor.

- (f) List of specific items requested including part number, model number, color, dimensions, item description, etc.
- (g) Specific quantity to be purchased and delivered.
- (h) Unit of measurement – each, dozen, carton.
- (i) Current unit price.
- (j) Approval obtained through JDEdwards software if the amount is above the originator's approval level.
- (k) CIP requisitions should include the CIP budget year, the data sheet number, and area, and should be printed on the hard copy of the purchase order form.

New Vendors

1.3 When it is necessary to establish credit with a new vendor, the following information needs to be furnished to an Accounts Payable Clerk prior to placing an order:

- Vendor Name – DBA, if applicable
- Vendor Address and remit address if different
- Vendor Tax ID number or social security number
- Vendor organizational type – e.g. corporation, partnership, or sole proprietorship
- Vendor phone and fax numbers
- Vendor contacts

An Accounts Payable Clerk will then request from the vendor completion of a W-9 form and remit address form (before checks will be issued).

Limitation on Purchases through Imprest Funds

1.4 Purchases through an imprest fund should be limited to \$50, and should be for items that are purchased in small quantities and usually required within a very short time period. A petty cash voucher is to be filled out for each purchase and given to the person responsible for keeping the petty cash fund. This voucher should include the description of purchase, correct account coding, and an authorized legible signature.

When the imprest fund becomes significantly low, the authorized personnel in charge maintaining the funds must request reimbursement of purchases paid. This is accomplished by completing a check request form, attaching receipts equal to the request, and forwarding the request to accounts payable.

Purchase Order Processing

1.5 Once the requisition request has been approved, the requestor should obtain a purchase order number through the JDEdwards computer software.

Purchase Order numbers must be obtained before ordering the services or materials and given to the vendor upon order - see exceptions, 2.1(b).

Bid Processes

1.6 There are 3 types of bidding processes to consider for local governments:

- Informal bids: If bid/contract is over \$10,000 but less than \$25,000 then 1) bids must be submitted to 2 or more persons capable of performing the contract, and 2) Records of all requests for bids received must be kept for at least 7 years after the date of execution of contract.
- Non-Public Works construction bids: If bid/contract is over \$25,000 then the following rules must be followed.
 - A. Must advertise all contracts for which the estimated amount required to perform the contract exceeds \$25,000.
 - B. Maintain a record of all requests for bids and all bids received for at least 7 years after the date of execution of the contract.
 - C. Publication of notice to bid must be published at least once and not less than 7 days before the opening of bids. The advertisement must be by "notice to bid," and must be published in a newspaper having general circulation.
 - D. The notice must state the nature, character or object of the contract; if plans and specifications are to constitute part of the contract, where the plans and specifications may be viewed.
 - E. On-line bidding is allowable – see statute on requirements (NRS 332.047).
 - F. Exceptions to requirements for competitive bidding (NRS 332.115) include: items which may only be contracted from a sole source; professional services such as consulting, legal, etc; additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired or maintained by a certain person; equipment which by reason of the training of the personnel or of an inventory of replacement parts, maintained by the local government is compatible with existing equipment; perishable goods; insurance; hardware and associated peripheral equipment and devices for computers; software for computers; supplies, materials or equipment that are available from contracts with the General Services Administration or another governmental agency in the regular course of its business; items for resale through a retail outlet operated in this state by a local government or the State of Nevada.

- Public Works Construction bids:

- Construction projects over \$100,000:

- A. Adhere to the law NRS 338.
 - B. May not divide a project into segments to avoid public bidding.
 - C. Must advertise in a newspaper of general circulation (Bonanza is fine).
 - D. Must have plans and specifications on file by the date of advertisement.
 - E. Plans and specifications must be available to all interested parties.
 - F. Place, date, and time of where plans and specifications are available must be advertised.
 - G. Date, place, and time of when and where the bids will be opened must be advertised.
 - H. Contract must be awarded to contractor who submits the best bid.
 - I. Best bid is not necessarily the lowest; but IVGID must have compelling reasons to award to a higher bidder. As a reference, refer to Case No CV01-05346, Second Judicial Court, and Washoe County (American General Development vs. Washoe Co School District.
 - J. Contractor must be licensed in Nevada in appropriate classification.
 - K. 10% bid bonds required.
 - L. IVGID Board of Trustees must award work.

- Construction Projects between \$25,000 and \$100,000:

- A. Advertising is not required.
 - B. Must maintain a list of qualified contractors.
 - C. May request bids by direct mail from the qualified contractors.
 - D. Other provisions of larger contracts apply.

- Construction Projects under \$25,000:

- A. IVGID Internal Policy applies.

- In-House Projects:

- A. IVGID may do construction with its own forces if the Board determines that the bidder isn't qualified, or that the bidder isn't responsive, or the quality of services, materials, equipment or labor does not conform to plans and specifications, or that the public interest would be served by bid rejection and using in-house construction forces.

Emergency bidding not required: If an emergency exists that may lead to impairment of the health, safety or welfare of the public if not immediately attended to, then the bidding process is not required.

2. PLACEMENT OF ORDERS

Policy Proper approval and a purchase order number should be obtained prior to the establishment of a firm order or contract to purchase.

Requisitions and purchase orders will be reviewed to ascertain that the amount of requisition is within the approved company limit. Copies of the purchase orders may be filed to allow for timely follow-up on incomplete orders.

IVGID's terms are net 30 days. However, payments will be made earlier in order to take appropriate discounts, avoid penalties, or contract agreements.

Telecommunications (phone or data lines), computer hardware and software are handled through the Information Technology Division (IT). All inquiries and orders should first be identified, researched, and approved by IT.

Procedures Establishment of Purchasing Guidelines

- 2.1 The General Manger, the Board of Trustees, and NRS determine purchasing guidelines that define approval requirements and procedures for purchase commitments. The following purchasing guidelines should be applied:
- (a) Approval limits are set for each employee over which the employee is required to obtain appropriate approval prior to the establishment of a firm order or contract.
 - (b) All purchases are to be obtained using a purchase order with few exceptions - as listed below:
 - Any cash purchase under \$500.
 - Established revolving District charge cards.
 - Small purchases at Incline Auto Parts, Spitsen Lumber and Village Ace Hardware.
 - District Procurement card purchases.
 - Payments to utility companies such as Southwest Gas, Sierra Pacific Power, and SBC.
 - Reimbursements such as petty cash or employees payments.
 - Recreation instructor payments.
 - Investment management invoices.
 - General Council payments.
 - Bond and Note payments and related payments.

Entering Into Purchase Commitments

- 2.2 Purchase commitments should be entered into to assure an adequate supply or price. All contracts should be documented in writing and the approval of the Board of Trustees should be obtained before a firm contract is signed. In order to avoid losses from inappropriate commitments, a projection of requirements for the specified goods or services should be prepared.

Preparation of Prenumbered Purchase Orders

- 2.3 Purchase order numbers are automatically assigned within the JDEdwards process. Purchase orders should be prepared and contain the following information:
- Name and address of vendor
 - Ship-to information
 - Date the order was placed
 - Date the goods are to be delivered or service performed
 - Terms of purchase
 - Items listed separately with adequate descriptions
 - Specific quantity and unit of measure
 - Unit price
 - Signature of authorized buyer

Multiple-Copies of Purchase Orders

- 2.4 Multiple-copies of purchase order forms may be used with copies being distributed as follows:
- Copy to vendor (if necessary)
 - Accounts payable department
 - Copy to originator (if necessary)

Review of Unmatched Purchase Commitments

- 2.5 On a periodic basis, a review should be performed by an Accounting Clerk of any commitments that have not been matched with receiving reports or equivalent records of goods or services received. Follow-up should be performed to determine whether or not the goods or services are yet to be received. If it is determined that the goods or services are not to be received, the purchase orders should be voided and removed from the system.

3. Cellular Telephone Use

Policy

IVGID requires certain positions within the District to use cellular telephones for business purposes. The need and business purpose for use of a cellular telephone will be stated clearly in the Job Description. Factors which support cellular telephone use include but are not limited to:

- Performing work requires the employee to be out of the office on a regular basis where availability of a land telephone is limited.

- Performing work which requires the employee to regularly serve in an off-duty, on-call status a minimum of 2-3 days a week.
- Performing work which requires the employee to stand by for emergency call back where once called, time becomes a significant response factor.
- Where the safety of the employee of participants at a District sponsored program or event requires it.
- Managerial responsibilities.

Each employee in a job requiring a cellular telephone will be offered a District provided Nextel cellular telephone. If it is to the mutual benefit of the District and the employee, the District may elect to allow the employee be provided a fixed dollar stipend for the use of the employee's personal cellular telephone as the means of communication for District business.

Procedures Establishment of service

- 3.1 At the time of hire, the employee's supervisor and/or manager will determine the requirement for a cellular telephone. The employee and supervisor/manager will agree which plan suits the needs of the District and the employee.
- 3.2 If it is determined that a District Nextel cellular telephone will be issued, a cellular phone agreement will be completed, approved and forwarded to the Information Technology Department (IT). IT will purchase all equipment and set up.
- 3.3 If it is determined that the employee will use their cellular telephone and District plan, a cellular phone agreement will be completed, approved and forwarded to the Information Technology Department (IT). A monthly stipend for the cellular telephone will be included on the payroll check for the 20th of each month.
- 3.4 See the District Cellular Telephone Policy for complete rules and regulations.

4. RECEIPT AND ACCEPTANCE

Policy Control should be established over goods and services received as a basis for determining and recording the liability for goods and services received.

The physical receipt of all purchased goods should be the responsibility of the receiving department or a designated individual at each of our departments. The receiving person should inspect goods for conformity with specifications on the purchase orders. Counting, weighing, or measuring should verify quantities. Receipt and acceptance of a

shipment should be documented with signature and date on a receiving document or packing slips and should then be routed to the accounting department.

Procedures Inspection of All Goods and Services

- 4.1 A receiving department or designated individual should inspect all goods received for the following:
- Correct delivery point
 - Verify the number of containers
 - Verify contents – compare description of goods and quantity per the purchase order
 - Inspect for damage
 - Remove packing slip, sign and date, and send to the accounting department

Proper Communication Between Departments

- 4.2 The receiving department or originating individual should contact the vendor if any order has an obvious discrepancy (physical damage, wrong items, quantity error, etc.) in an expeditious manner to reach an understanding about how to correct the delivery.

Receiving Documentation Sent to Accounting to be Filed

- 4.3 After inspection, the packing slip should be signed, dated, and sent to accounting with any noted discrepancies. The accounting division matches the packing slip with the purchase order. These documents are to be filed while waiting for the invoice.

Inspection and Approval of All Services Received

- 4.4 Services that are received should also be inspected or reviewed by the user department to determine that the work was done in accordance with the purchase order or contract. Approval by the user department should be documented on the purchase order or on the invoice and sent to the accounting department.

If the work is of a confidential or highly technical nature, a specific department (e.g. engineering) or individual (e.g. risk manager) may wish to review the documentation and approve the services received.

Storing and Controlling of Goods

- 4.5 Inventory, component parts, and other goods should be accounted for and controlled from the time of receipt through utilization. Any transfers to the appropriate user department must be noted on a warehouse order form.

Storerooms should be locked. Access to storerooms should be restricted to authorized personnel.

Recording month-end inventory

- 4.6 A journal entry should be prepared to record goods that have been received prior to the end of an accounting period but have not been matched with the related suppliers' invoices. (See 6.0 for further discussion of cut-off procedures at the end of an accounting period.

5. ESTABLISHMENT OF ACCOUNTS PAYABLE

Policy All valid accounts payable transactions should be accurately recorded as accounts payable.

Employees independent of the ordering and receiving functions should record the recording of assets or expenses and the related liability. The amounts recorded should be based on vendor invoices for the related goods or services. The vendor invoices should be in agreement with an approved purchase order. Furthermore, evidence of receipt or performance of services should be documented before the vendor invoice can be processed. Invoices and related general ledger account distribution should be reviewed before recording.

Procedures Establishment of Invoice Control

- 5.1 All vendor invoices and statements should be mailed directly to 893 Southwood Blvd. and forwarded to the accounting division. Failure to do so may result in delays in recording the invoice and cause misstatement of accounts payable and the related asset or expense accounts. Furthermore, cash discounts may be lost or penalties imposed because of untimely processing.

The ship-to address can be the main warehouse or an individual department address.

Accounts Payable Time-Line

- 5.2 All invoices must be submitted to the Accounts Payable Department by noon each Monday. If a holiday falls on a Monday then the deadline is on Tuesday by 10 AM.

Request-for-Check forms

- 5.3 A request-for-check form is only used in place of an invoice, for cash advances for trips or seminars, and for special purchase reimbursements. Proper coding and authorization must be completed.

Travel Authorizations and Reimbursable expense

- 5.4 Your supervisor and division head must approve a travel authorization form during the planning stages of a trip. The travel authorization is not a payment authorization. Payment authorizations are accomplished through the use of an expense report or a check request form.

IVGID will pay for expenses related to business only. Meal expenses will be covered at the established per diem rate of \$35 per day unless specified on the IRS per diem table (contact an accounts payable clerk for area rates). Mileage expenses will be covered at the established rate of \$.485 per mile.

Expenses will be paid via an expense report. A clearly documented business purpose must be reported on the expense report, and all individual expenditures must have a supporting receipt attached except the meal per diem. Approved expense reports and receipts must be submitted to Accounts Payable within 30 days of the first date of incurred expense. Small receipts should be attached to an 8x5 blank sheet to allow for easy verification and so those small receipts aren't lost in the process. (See additional information in IVGID's Personnel Policy Manual, section II, C-5). A copy of the travel authorization must accompany a check request or expense report.

Preparation of the Voucher Package

5.5 The voucher package should be assembled with the following documents:

- Vendor invoice
- Packing slip
- Purchase Order
- Authorization of acceptance of goods or services

Procedures Performed on Voucher Package

5.6 After the voucher package has been assembled, the following procedures should be performed:

- The nature and quantity of goods ordered and the price per the vendor invoice should be compared to the purchase order and the receiving document
- Calculations of the invoice, such as totals and extensions of quantities multiplied by unit price, should be recomputed
- The general ledger account coding should be verified
- If the invoice is over \$2,500, the voucher package should be reviewed and approved by the Accounting Supervisor or the Controller.

Processing of Freight Bills

5.7 Freight bills may be received for goods received from vendors and for goods shipped to customers.

The bill of lading should be routed from the receiving division to the accounts payable division. When the invoice for the freight is received, the invoice should be approved for payment by the original receiving division, coded, matched with the proper purchase order, and sent to the accounts payable division.

A voucher package should be assembled as stated above in item 4.5.

Guidelines for C.O.D. Purchases

5.8 Cash on delivery (C.O.D.) purchases are discouraged. When it becomes necessary for a C.O.D. purchase, a requisition and purchase order should be prepared, complete with proper coding and approval. A check request is then processed for payment. When the goods are delivered, the following procedures are appropriate:

- The goods should be inspected by the receiving division
- The bill of lading and the vendor invoice should be immediately marked "paid"
- The purchase order number should be marked on the invoice
- The documents should be sent to the accounts payable division for filing
- The account payable clerk should review the documents and compare them to the check request and check that was issued earlier. Any discrepancies should be resolved.

Recording Invoices in the Accounts Payable Computer System

5.9 After the voucher package is complete, the vendor invoice is ready for recording. The following information should be entered into the JDEdwards computer system:

- Vendor name
- Vendor invoice number
- Date of vendor invoice
- Amount of invoice
- General ledger account number
- Date invoice is to be paid
- General ledger date
- Discount, if applicable
- Voucher number (assigned automatically by system)

Upon the posting of the vendor invoice into the accounts payable system, the vendor invoice has been automatically recorded into the accounting system as a liability. Batch numbers or user names complete invoice postings.

Check Run Process

5.10 Check runs are completed weekly. Invoices are processed on Monday's and Tuesday's. Checks are printed on Wednesday's, matched, verified, and readied for disbursement Wednesday afternoons and Thursday's. Checks are ready to be picked up or mailed from the accounting office on Friday's at 9 am.

IVGID's vendor terms are Net 30 days.

Checks over \$2500 must be listed and presented to the Board of Trustees before they are released. Exceptions to holding checks for board approval are checks that pay utilities, inventory, to avoid penalties, to receive discounts, or by contract agreement. Board meetings are normally held during the second and last week of each month. Checks over \$2500 that receive board approval are mailed the day after the board meetings.

Out-of-cycle Checks

- 5.11 Out-of-cycle checks are discouraged. Planning ahead should eliminate the need for out-of-cycle checks. If a check is necessary before the next scheduled check run, approval must be obtained from the Controller and/or the General Manager along with a detailed explanation as to why the check needs to be processed early.

Returned Checks

- 5.12 Returned checks should be forwarded to Accounts Payable Clerk for processing. The Accounts Payable Clerk will research the reasons for the return to determine if the check needs to be forwarded to a new address; or if the payment was made in error, the check should be immediately voided.

If a division has a check that they have picked up from Accounts Payable that they no longer need, the check needs to be returned to Accounts Payable immediately so that it can be voided or mailed to the vendor. All checks should be returned to the Accounts Payable Clerk within four weeks of the issuance date.

Reconciliation of Accounts Payable General Ledger Amounts

- 5.13 Twice a year (December and June), the accounts payable general ledger total should be reconciled. All differences should be investigated and adjustments made as necessary. The reconciliation and the results of the investigation of differences should be reviewed and approved by the Controller. The reconciliation and adjustments should be made by someone other than the accounts payable clerk.

Review of Debit Balances in Accounts Payable

- 5.14 The accounts payable clerk should review the accounts payable detail list on JDEdward's speed release monthly for debit balances (amounts vendors owe IVGID). In reviewing debit balances, the employee should ascertain if the company will receive cash from the vendor or if an offset to another invoice is appropriate. If there is a significant dollar amount of debit balances in accounts payable, this debit balance should be removed from accounts payable and recorded in accounts receivable.

Review of Hold Balances in Accounts Payable

5.15 The accounts payable detail list on JDEdward's speed release should be reviewed weekly by the accounts payable clerk for all "hold" amounts. In reviewing the holds, the employee should ascertain if these holds should be released against other invoices or if the invoice should remain on hold. All holds should be investigated and adjustments made accordingly.

Reconciliation of Accounts Payable Records to Suppliers' Records

5.16 Accounts payable records should be periodically reconciled to suppliers' records by comparison with supplier's statements. Any differences should be analyzed. A copy should be immediately obtained of any invoice(s) that is 60 days or more past due. Once received, proper approval must be obtained, and the invoice paid as soon as possible. Also, copies should be obtained of any credit memos that have not been recorded. It is important to have our vendor records mirror that of our a/p records.

Sales and Use Tax

5.17 The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases in the state of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them.

Phone bills and Reimbursement of personal phone calls

5.18 All phone bills will be reviewed by each division for accuracy.

Any questionable charges will be researched and resolved.

6. RETURN OF GOODS TO SUPPLIERS

Policy Return of goods to suppliers should be adequately controlled, documented, and recorded.

The return of goods should be approved and documented by each area or the receiving division. Follow-up with the supplier should be made to ascertain that the supplier recognized the return of goods.

Procedures **Shipment of Goods Back to Vendor**

6.1 When each area or the receiving division has goods to return to a vendor, a log should be maintained recording the description of merchandise, vendor, quantity, and reason for rejection.

The area or receiving division should call the vendor and shipping company to arrange for return. A credit memo should be requested to be sent to the accounts payable division. Notice

should also be given to the accounts payable division or the return or if a replacement item will be sent.

7. PURCHASE CUT-OFF

Policy At the end of the accounting period, it should be ascertained that the related liabilities for goods or services received during the accounting period are also recorded in the same accounting period.

Procedures Procedures for Proper Purchasing Cut-Off at End of Accounting Period

7.1 Time delays in receiving and processing vendor invoices for goods and services can cause recording the liabilities for the related goods and services in a subsequent accounting period, unnecessary penalties, or C.O.D. requests. Therefore, it is imperative that an attempt be made to record all liabilities and that a proper purchasing cut-off is achieved. To accomplish this, the following procedures should be observed:

- (a) Closing of the accounting records should be delayed for a few days to allow receipt of vendor invoices. The preliminary and final month-end close is completed on approximately the 5th and 10th business day of each month.
- (b) Invoices that are received at the end of each month should be immediately sent to the accounts payable division for processing. Invoices are processed and recorded to the general ledger according to the invoice date unless otherwise noted by the receiving departments. Invoices received after a month end close are recorded in the current open month.

8. PROCUREMENT CARD PROGRAM

Policy The procurement card program is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an efficient and effective method for purchasing and paying for items. The procurement card has individual purchase limits and monthly total expenditure limits assigned to each cardholder.

The card is to be used for official purchases; primarily goods and services but includes official travel. The cards will be issued in the employee's name and have the Incline Village General Improvement sales tax ID number clearly indicated on the card.

Procedures Approval of cards

8.1 Individual cards will be issued to employees upon approval by their supervisors and the general manager. Approval is authorized by completion of an application, complete with signatures. Individual card limits are established at his time.

The Procurement Card Administrator within the Finance and Accounting Division is responsible for ordering new cards. The administrator will also oversee the balancing and payment of the monthly statement. One-time limit over-rides can be arranged by the Procurement Card Administrator.

Issuance of cards

8.2 Each individual cardholder must sign the cardholder agreement including the receipt section in the presence of the Procurement Card Administrator. By signing this agreement, the employee indicates that he/she understand the intent of the program, and will comply with all guidelines of the program.

Cardholder responsibilities

8.3 The cardholder must use the procurement card for legitimate business purposes only. Misuse of the card will subject the cardholder to disciplinary action in accordance with IVGID's policies and procedures relating to disciplinary action.

The cardholder must:

- Ensure the card is used for legitimate business purposes only.
- Maintain the card in a secure location at all times.
- Not allow other individuals to use their card without prior approval for each purchase.
- Adhere to the purchase limits and restrictions of the card and ensure that the total transaction amount of any single transaction does not exceed the authorized threshold.
- Obtain and reconcile all sales slips and register receipts to the cardholder statement and provide this documentation to the Procurement Card Administrator. Approval and account allocation must be provided.
- Attempt to resolve disputes of billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by faxing Bank of America the required Dispute Form. The Procurement Card Administrator can assist with this process.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent cardholder statement.
- Not accept cash in lieu of a credit to the purchasing card account for returned items.
- Immediately report a lost or stolen card to Bank of America.
- Send invoices immediately to the procurement card administrator in the Finance and Accounting division.

Monthly statement review and approval

- 8.4 The card administrator will supply each cardholder with a copy of his or her monthly statement. All charges are to be verified. A copy of each receipt properly approved and coded should be returned to the administrator within three business days. Food purchases should include the names of all persons involved.

However, if all receipts for a monthly procurement card statement have been coded and sent to the card administrator, the card administrator will send the procurement card statement and receipts directly to his/her supervisor for final approval.

Occasionally no receipt will be available. If this happens, a note should be written explaining the purchase. Also included must be proper approval and coding.

Monthly statement payment

- 8.5 The Procurement Card Administrator will pay all charges due by the due date. Payment is to be made in the form of a bank wire transfer.

Purchasing Card Maintenance and Closure

- 8.6 All contact with Bank of America for card set up, maintenance and closure will be handled by the Purchasing Card Administrator who is located in the Finance and Accounting Division.

The Procurement Card Administrator is required to close an account if a cardholder transfers to a different department, moves to a new job in which a purchasing card is not required, terminates employment, or misuses his/her card.

A request for closing a cardholder account will be submitted to Bank of America by the Procurement Card Administrator. When an account is closed, the credit card must be returned to the Procurement Card Administrator.

Sales and Use Tax

- 8.7 The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases in the state of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K and should be on the face of the credit cards. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them. Copies of these letters can be obtained from the Procurement Card Administrator.

General Ledger Posting

- 8.8 The Procurement Card Administrator will complete a spreadsheet on a monthly bases of all amounts, coding, an

descriptions of purchases. After balancing is complete, these amounts must be posted immediately to the correct financial period in our general ledger.

9. ADVERTISING

Policy There are three primary types of advertising that the district processes on a regular bases – classified ads, legal ads, and display ads.

Classified ad purchase orders will be used primarily by HR for employment advertising. Each division will work with the HR Division on all employment ads prior to ad placement.

Legal ad purchase orders will be primarily used by the General Fund and/or the Engineering Division to satisfy the district's legal requirements.

All other divisions will primarily use the display ad purchase order. Each division will work with the Marketing Division on all marketing ads prior to ad placement.

Procedure Ad preparation and placement

9.1 Each division must contact the HR Division on employment ads or the Marketing Division on advertising ads prior to ad placement.

A purchase order must be issued before the ad is placed. When an exact amount of the ad is not known, an estimate will be used. The purchase order number must appear on the tear sheets and invoices.

Each division will use its own account codes.

All ads shall be proofread by the division placing the ad and by the HR Division (for employment ads) or Marketing Division (for advertising ads) before being finalized and approved with the vendor.

At the time the division receives the ad invoice, they should immediately approve the invoice for payment by providing the purchase order number along with their signature, current date, a proper coding. The invoice should then be forwarded to the Finance and Accounting Division for payment.

10. TIPPING

Policy Tipping is a reasonable expense of the district but should be limited through the following guideline.

Procedure Limitation of food tips

10.1 Food tips should not exceed 15% of your food charges.

11. BULK PURCHASES

Policy Certain bulk purchases should be ordered through established vendors in order to take advantage of governmental or IVGID discounts.

Procedure Office Supplies

11.1 All office supplies should be purchased through Office Max which takes advantage of our governmental discount. To receive a sign-on password, please see our Management Assistant. Office supplies are ordered by each division for the supplies they need.

Janitorial Supplies

11.2 All bulk janitorial supplies should be purchased by our Buildings Division and ordered through Lake Tahoe Supply. See our buildings division if you have any questions relating to janitorial supplies.

Fuel Purchases

11.3 Fuel purchases are ordered by our Fleet Division, ski area personnel and golf area personnel through Berry Hinckley. Berry Hinckley is able to furnish us with the governmental-required bio diesel and reformulated gasoline.

Printers and copiers

11.4 All purchases are handled by the IT Division to take advantage of our State discounts. After consultation, copier orders and maintenance are handled by the individual area. IT handles the necessary paperwork. IT handles all printer ordering, installations, and paperwork. IT is responsible for verifying the compatibility between all equipment and our computer equipment and systems.

Software licenses

11.5 All software licenses are handled by the IT division. Contact the IT division for further information.



Section XI

Notes Payable and Long-Term Debt

1. FINANCIAL RESOURCE REQUIREMENTS

Policy IVGID should establish an orderly system for anticipating financial resource requirements and analyzing the most effective means of providing for those needs.

Debt (in the broadest definition of the term) is the result of borrowing funds for a specific purpose for a specific period of time. It represents a major means of providing financial resources for IVGID.

Short-term financing consists of debt that is expected to be repaid within the normal operating cycle or within one year of the balance sheet date and can take the form of a line of credit agreement with a bank or demand notes payable.

Long-term financing is primarily debt that will not be repaid within the normal operating cycle of the business or within one year. This financing is used for longer-term needs such as capital improvements or business expansion, and will take the form of installment loans, bonds, debentures, and capital leases.

Procedures Financing through the issuance of debt can entail any number of different forms and types of indebtedness. The more common forms of debt are as follows:

Notes Payable

1.1 Notes payable is primarily used to meet short-term working capital needs. Certain assets such as customer receivables, inventory, or property and equipment often collateralize this debt.

Demand notes should usually be classified as a current liability because the repayment date is not specified.

Other notes payable may have a specified repayment date. These notes should be classified a current or long-term based on the specified repayment date.

Interest expense must be accrued on all notes payable, whether they are demand notes or not. Interest must be imputed on non-interest bearing notes or notes with unrealistically low interest rates. Interest should be accrued monthly over the term of the note based upon the balance of the notes payable, the stated (or imputed) interest rate, and the interest payment dates specified on the notes.

Installment Loans

1.2 Installment loans are debt instruments used primarily to finance the acquisition of a specific asset. Most frequently, these loans are collateralized by the land, buildings or equipment acquired. The repayment terms of an installment loan usually call for periodic payments to be made over the life of the debt. These

payments include both an interest and principal portion. The lender should provide the borrower with an amortization schedule showing a breakdown between the interest and principal portion of each payment.

Based upon the amortization schedule, the principal portion of the payments due within the next year should be classified as a current liability while the remaining principal balance should be classified as long term.

Interest expense on installment loans should be accrued and paid based on the amortization schedule referred to above.

Bonds

- 1.3 Bonds are used to finance larger capital projects such as the construction of a new facility or to finance a significant business expansion. Often bonds are secured by most of the assets of the district with bondholders having priority over many of the other creditors.

Interest on bonds should be accrued monthly using the specified rate.

Amortization of bond discounts and premiums must also be recorded monthly based upon amortization schedules prepared when the bonds were issued.

Long-Term Leases

- 1.4 Long-term capital leases are another means by which the purchase of equipment can be financed. The terms of a lease agreement usually call for equal periodic payments over the life of the lease. If a lease meets the criteria classification as a capital lease, the present value of the minimum lease payments is considered to be the long-term debt while the remaining portion of the minimum lease payments is considered to be the interest related to this debt.

An amortization schedule should be prepared showing the breakdown of each payment between the principal and interest portions. As with other installment loans, the principal portion of the minimum lease payments due in the next year should be classified as a current liability while the remaining principal balance should be classified as long term.

The interest portion of capital leases should be recorded and paid based on the amortization schedule referred to above.

2. ASSUMPTION AND AUTHORIZATION OF DEBT

Policy Determination of the need to assume debt should be made by the Controller and the General Manager of IVGID, and all debt should be appropriately authorized by the Board of Trustees.

The issuance of all new debt as well as the extension of any existing debt should be authorized by the Board of Trustees. This authorization should be documented in the minutes of the Board of Trustees meetings in the form of a resolution. In some instances the creditor will require that a board resolution authorizing the debt be included in the executed debt agreements.

Procedures Board of Directors Resolution

2.1 A resolution of the board of trustees should be prepared so as to document the board's approval of the issuance of the debt.

Debt Approval and Agreement

2.2 A copy of the resolution approving the issuance of the debt should be maintained with the executed copy of the debt agreement.

Records and Collateralization of Debt

2.3 A record should be maintained of the assets collateralizing the debt, if any and should include the following information:

- The assets should be specifically identified
- The record should be updated periodically to reflect the current book value of the assets

3. SAFEKEEPING OF DEBT AGREEMENTS

Policy Physical control of debt instruments should be maintained.

The original executed debt agreements and debt instruments should be maintained in a safe place and the existence of these instruments should be verified periodically.

Procedures Original Agreements and Instruments

3.1 The original debt agreements and instruments should be obtained once they have been executed.

Physical Safety of Agreement and Instruments

3.2 These debt agreements and instruments, as well as any subsequent amendments, should be kept in a safe place such as a vault or a safety deposit box. Consideration may be given to having these agreements and instruments maintained by IVGID's legal counsel at an outside location.

4. RECORD OF DEBT

Policy All debt should be recorded in the general ledger based on the terms of the debt agreement.

The issuance of any new debt or the extension of any existing debt should be accurately recorded in the general ledger based on the terms of the debt agreement that has been reviewed and approved by the board of trustees.

Procedures Cash Received in Exchange for Debt

4.1 When cash received in exchange for certain debt is included in the standard cash receipts system, the entry to initially record this debt is prepared as part of the cash receipts process described earlier. It is, however, important to properly identify the offsetting credit and classify the debt as current or long-term based upon the repayment terms.

Cash received in exchange for debt may be received via bank wire transfer or some other infrequently used method. In these instances, it will be necessary to prepare and record a general journal entry, again classifying the debt as current or long-term. This journal entry should be prepared or reviewed by the Controller.

Property and Equipment in Exchange for Debt

4.2 Property and equipment can be received in exchange for installment loans and capital leases. Therefore, the controls over the cash receipt system cannot be relied upon to identify new debt.

A general journal entry must be prepared to properly record the issuance of this debt and the corresponding property or equipment.

For installment loans, the principal portion of the debt plus any down payment made will equal the cost of the property and equipment acquired.

For capital leases, the cost of the equipment will be the present value of the minimum lease payments plus any down payment paid.

The Controller should review the journal entry and the supporting documents to ensure the appropriateness and accuracy of the entry.

Bond Price Fluctuations

4.3 Bond prices will fluctuate when the interest rate specified on the bonds differs from the prevailing market interest rates.

A discount or premium is recorded for the difference between the face value of the bonds and the issuance price.

The discount or premium should be amortized over the term of the bonds.

5. TIMELY INTEREST EXPENSE ACCRUALS

Policy Interest expense for all debt should be accrued on a timely bases.

An interest accrual should be recorded at the end of each month for all debt on the general ledger.

Procedures Interest Accrual Using Amortization Schedule

5.1 When the amortization schedule is prepared, the interest accrual should be computed based upon the interest portion of the next payment due and the number of days from the date of the previous payment until the end of the period.

Interest Accrual without Amortization Schedule

5.2 In situations where an amortization schedule is not available, the interest accrual must be computed based upon the principal outstanding during the period, the interest rate charged or imputed by the creditor, and the period of time from the date of the last interest payment until the end of the month.

6. DEBT PAYMENTS

Policy All payments should be properly recorded in the general ledger on a timely basis.

Payment on notes payable and other long-term debt made through IVGID's standard disbursements system, through the transfer of funds by wire, or other methods should be recorded on a timely basis.

Procedures Separate Principal and Interest Components

6.1 For debt that combines both principal and interest into one payment, it is necessary to record the separate principal and interest components of each payment.

If an amortization schedule is to be provided by the creditor, it should be obtained when the debt agreements are executed or as soon thereafter as possible.

If an amortization schedule is not provided, it should be prepared based on the terms of the debt agreement.

A copy of the amortization schedule should be maintained with the original executed debt agreements. A copy should also be kept in the accounting division so that each periodic payment can be properly recorded in the general ledger.

Debt Payment through General Ledger Distribution

- 6.2 If the debt payment is made through IVGID's standard disbursement system, reliance should be placed on the general ledger account distribution process. The account distribution coding for these payments should be reviewed to ensure that the notes payable or other long-term debt and the related interest accrual are properly relieved in accordance with the applicable amortization schedule and other supporting documents.

7. BOND DISCOUNTS AND PREMIUMS

Policy Bond discounts and premiums should be amortized over the term of the bonds.

Bonds normally may be issued for a price that differs from the face or maturity value of the bonds. This difference will be either a premium if the sales price is in excess of the face value of the bonds or a discount if the sales price is less than the face value of the bonds. The difference must be amortized over the term of the bonds. The method used to compute the amortization is the interest method. The amortization of a premium will reduce the interest expense while the amortization of a discount will increase the interest expense.

Procedures Bond Amortization Schedule

- 7.1 A bond amortization schedule utilizing the interest method should be prepared to determine the periodic amortization and the adjustments to the bond carrying value.

Timely Recording of Discounts and Premiums

- 7.2 The amortization of bond discounts and premiums should be recorded monthly or, at a minimum, when interest is paid.

8. CURRENT AND LONG-TERM DEBT SUMMARY

Policy A detailed summary of current and long-term debt, accrued interest payable, and interest expense should be prepared and reconciled to the general ledger.

To ensure that all debt activity is being properly recorded on a timely basis, a detailed summary of current and long-term debt balances, accrued interest payable, and interest expense should be prepared periodically and reconciled to the general ledger. This detailed summary should be prepared from amortization schedules, statements from creditors, and internally prepared schedules of debt activity.

Procedures Debt Instrument Activity Summary

- 8.1 A summary of activity for each debt instrument should be prepared. This summary should include the balance of the debt at the beginning of the period, plus any new debt issued during the period, less any principal payments made during the period; the activity in the accrued interest payable accounts including the balance at the beginning of the period, plus any additional interest

accrued during the period, less any interest paid during the period; and a breakdown of the current and long-term portions of the balance of the debt at the end of the period.

Comparison to General Ledger

8.2 The outstanding debt, accrued interest payable, and interest expense accrued as summarized in the schedule prepared above should then be compared to the general ledger. Any discrepancies among the amount taken from the summary and the amounts recorded in the general ledger should be investigated and resolved.

Current Portion of Long-Term Debt

8.3 Finally, the current portion of the debt as summarized above should be compared to the amount recorded on the general ledger. If necessary, a journal entry should be recorded to adjust the current portion of long-term debt to agree with the summary schedule.

9. DEBT COVENANTS

Policy All debt covenants should be reviewed periodically.

In the event that there is a lack of compliance with restrictive debt covenants, a creditor could deem IVGID to be in default of the debt agreement. This in turn could give the creditor causes to demand immediate repayment of the debt. With this in mind, the debt covenants should be reviewed annually so as to determine whether all covenant restrictions have been met. If noncompliance is detected, discussions should begin immediately with the bank or other financial institution in order to avoid foreclosure or recall of the debt.

Procedures Debt Covenant Review Checklist

9.1 The debt covenant section of each debt agreement should be reviewed and a separate review checklist should be prepared for each debt agreement. This checklist should cover all covenants including those requiring the maintenance of certain financial ratios, those requiring the reporting of certain financial information to the bank on a periodic basis, and those limiting the amount of certain expenditures such as capital improvements. These checklists should be prepared in a format that will provide sufficient space for the calculation of each ratio and that can be carried forward for use in subsequent periods.

Frequency of Checklist Preparation

9.2 Annually the checklists prepared above should be completed. All covenants should be reviewed and all required financial ratios should be calculated. A notation should be made on the checklist next to each individual covenant documenting whether or not IVGID is in compliance with that covenant.

Noncompliance with Debt Covenants

9.3 If noncompliance with certain covenants is noted, communications with the bank or other creditor should be instituted. It may also be necessary to obtain a waiver of the debt covenants from the bank. If such waiver cannot be obtained, it will be necessary to classify the related debt as current.



Section XII

Accrued Liabilities

1. MONITORING OF ACCRUED LIABILITIES

Policy The Finance and Accounting Division should monitor and account for accrued liabilities.

Accrued liabilities are items for which a service or benefit has been received and for which the related liabilities are both acknowledged and reasonably determinable, but which are not yet payable, either because of the terms of the commitments or because invoices have not yet been received.

Procedures Establishing List of Expenses

1.1 The Finance and Accounting Division should establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. This list will serve as a reminder and help ensure that all expenses have been identified. Examples of such expenses are:

- Salaries and wages
- Payroll taxes
- Vacation and sick pay
- Deferred compensation
- Professional fees
- Insurance
- Interest

Preparation of Detailed Register

1.2 Once identified, each expense should be maintained in a detailed register.

When and How Accrued Liabilities Occur

1.3 The amount recorded for accrued expenses should be properly measured. Accrued liabilities come into existence with the passage of time or with the occurrence of an event.

Recording the Accrual

1.4 An accountant should prepare a journal entry to record the accrued liability and the matching expense. The preparer should sign or initial the journal entry. The entry should be reviewed and approved by the Controller.

Review of the Account Balance

1.5 At the end of each accounting period, an accountant should review the adequacy of accrued expenses. If any adjustments are deemed appropriate to the account balance, a journal entry should be made to adjust both the accrued expenses and accrued liabilities. This should be reviewed as in 1.4 above.

2. RECONCILIATIONS AND ACCURACY

Policy Detailed records of accrued liabilities should be reconciled regularly with the control account.

Reconciliations should be performed to help ensure the accuracy of the detailed records and the control account.

Procedures **Performance of Monthly Reconciliations**

2.1 A reconciliation should be performed monthly between the detailed register and the general ledger balance. The person performing the reconciliation should not be one who maintains the detailed records and the control account.

Investigation of Discrepancies

2.2 All discrepancies should be investigated on a timely basis.

Supervisory Review of the Reconciliation

2.3 The reconciliation should be reviewed and approved by the Controller.



Section XIII

Human Resources & Payroll Cycle

1. PAYROLL AND PERSONNEL/HUMAN RESOURCES

Policy A system of authorized communication between the payroll and the personnel/human resources departments should be established and maintained.

The personnel department maintains employee files in which employee pay history is documented and withholding authorizations are retained. Changes to standing payroll data, which is processed by the payroll department, are generally initiated by the personnel/human resources department.

Procedures Announcement of Vacancy

1.1 Prior to filling any vacancy for a full-time position or other position designated as management, the Department Head shall submit a job announcement to the General Manager which summarizes the duties and responsibilities of the position and the knowledge, skills, qualifications, and attributes required.

All vacancies in full-time or management positions, except Department Heads, shall be posted by the Human Resources Manager within each major IVGID work area. If the General Manager determines that sufficient candidates exist within IVGID, the General Manager may limit eligibility for the position to current IVGID employees. If there are not sufficient candidates within the IVGID work force, then recruitment shall include external advertisement.

The extent of announcement for non-management temporary, seasonal, and part-time employees shall be determined by the Department Head on a case-by-case basis under guidelines established by the General Manager.

Applications

1.2 All applications must be submitted to Human Resources at IVGID's Administration building so that they may be entered into the Applicant Tracking system and routed to the appropriate departments. Human Resources will keep job applications on file for one year.

Background Checks

1.3 IVGID may conduct the following background checks:

- A determination if applicant was a former IVGID employee
- Past employment verification
- Education verification, credit report, driving record, military record, or criminal record

Employment verification can be accomplished either by telephone or in writing. If the prior employment cannot be verified, the hiring authority should discuss the situation with their manager or

Department Head and determine whether it is reasonable to proceed with the hire.

Offer Letter

- 1.4 Offers of employment for all full-time/year-round and seasonal management positions must be approved by the Department Head, Human Resources, and the General Manager, using the District's standard offer letter format.

Offers of employment for all seasonal, part-time and temporary employees must be approved via the Personnel Action Notice.

Determination of wage ranges/hourly rates

- 1.5 Wage ranges and hourly rates are to be determined using the current year's operating budget, personnel section. If there are any concerns about position placement within the set ranges, discussion and approval should be obtained from the Department Head, Human Resources, and/or the General Manager.

Compensation and Evaluation

- 1.6 Evaluations should be conducted in a timely manner on the approved evaluation form supplied by the Human Resource Department. Evaluations are conducted annually on the employee's anniversary date.

Annual increases in salaries and rates are to be determined by the ratings on the annual evaluation. The ratings are tied to the Salary Increase Guide form prepared by the Human Resource Department.

A one-time, six-month review should be completed for all new hires. No increase in rate is to be awarded at this time. The purpose of the six-month review is to review the new employees work progress and to acknowledge accomplishments.

Vacation and Sick Pay

- 1.7 Vacation accrues from the date of hire and may be taken at the end of six months and is granted according to a set schedule determined by the Human Resource Department.

Eligible employees accrue sick leave beginning with the first day of service. Sick leave accrues at a rate of 8 hours per month. During early December of each year, IVGID will provide an opportunity to each eligible employee to "sell" back to IVGID one-half of their unused sick leave balance, up to a maximum of 48 hours. Such sale will occur at the employee's current hourly rate. Unused sick leave will be forfeited upon termination of employment.

Additional Information

- 1.8 Detailed, additional information can be found in the Personnel Policy Manual prepared and maintained by the Human Resource Department.

2. WAGES AND SALARIES

Policy Payment for wages and salaries should be made only to company employees at authorized rates of pay.

Controls should be established over standing payroll data to ensure that the payroll reflects complete and authorized standing data.

Procedures **Changes in Payroll Data**

- 2.1 All changes to standing payroll data should be authorized in writing including new hires, terminations, pay rate changes, voluntary payroll deductions, and court-ordered payroll deductions.

Authorization of Changes in Payroll Data

- 2.2 An appropriate official outside of the payroll department should authorize changes to payroll data. New hires/terminations should be authorized in writing by the appropriate operating division and the personnel division. The individual employee should authorize voluntary deductions. Pay rate changes should be authorized in writing by the personnel department or the appropriate division head. A copy of all authorization forms for changes to payroll data should be retained in each employee's personnel file.

Comparison of Payroll Data to Personnel Files

- 2.3 Human Resources personnel or an internal auditor should periodically compare payroll data to the personnel files to ensure that all changes have been made accurately and timely and that only authorized changes have been made.

Check Run Process

- 2.4 Payroll pay dates are the 5th and 20th of each month. Time worked from the 1st through the 15th is paid on the 20th of the same month, and time worked from the 16th through the last day of a month is paid on the 5th of the following month.

Out-of-cycle Checks

- 2.5 Out-of-cycle checks are discouraged. If a check is necessary before the next scheduled check run, approval must be obtained in writing from the division supervisor and HR or the Director of Finance, Accounting & IT on the standard payroll prepay request form.

3. TIMEKEEPING

Policy Payment for wages and salaries should be made in accordance with records of work performed.

Controls should be established over the transaction data to ensure that disbursements of company funds are for valid services performed.

Procedures **Maintenance of Time Records**

3.1 For employees compensated on the basis of time worked, records should be maintained on the Kronos system and approved by division supervisors.

Overtime Approval

3.2 All overtime should be approved prior to work by division supervisors.

Reconciliation of Payroll to Supporting Records

3.3 A reconciliation should be performed on transaction data that is the basis of the payroll calculation to supporting records. For commissioned employees, reported sales should be totaled and reconciled with operating sales data.

Payroll Calculations

3.4 Payroll payments should be accurately calculated. Gross pay and payroll deductions should be reviewed to determine accuracy.

4. PAYMENT TO IVGID EMPLOYEES

Policy Payment for wages and salaries should be made only to company employees.

Controls should be established to ensure that only valid company employees receive payroll payments.

Procedures **Distribution of Payroll**

4.1 Individuals who do not prepare the payroll should distribute payroll checks.

Receipt Log for Payroll Checks

4.2 The payroll coordinator should prepare receipt logs for all recreational and utility areas. The employees should sign for receipt of their payroll check. After the employees have picked up all checks, the receipt logs should be returned to the payroll technician. Any checks not picked up within 10 business days should be returned to the payroll coordinator. The payroll coordinator will then mail the remaining checks or contact the employee to determine when the check can be picked up.

Comparison of Employee Check Endorsements to Signatures on File

4.3 Periodically, endorsements on checks or signatures on the receipt log should be compared with employee signatures on file.

Reconciliation of Payroll Bank Accounts

4.4 The payroll bank account should be reconciled monthly by an employee who has no responsibilities for the preparation of the payroll or physical distribution of paychecks.

5. PAYROLL DEDUCTIONS

Policy Payroll deductions should be correctly recorded and paid to the appropriate third parties on a timely basis. Also, related payroll reports to third parties should be submitted on a timely basis.

Controls should be established to ensure that payroll deductions, both compulsory and voluntary, are adequately identifiable in the general ledger and that the payments to the third parties are timely and accurate.

Procedures Recording of Payroll Deductions

5.1 Payroll deductions should be recorded in separate general ledger control accounts.

Independent Check of Payroll Deductions

5.2 Payments of payroll deductions to third parties should be reconciled with the related payrolls by an employee outside of the payroll department.

Review of Payroll Deduction Payments to Third Parties

5.3 Payments of payroll deductions to third parties, including the employer payroll expense portion where applicable, and the related documentation should be reviewed by the Controller to ensure that payments are appropriate and made on a timely basis.

6. QUARTERLY AND YEAR-END REPORTS

Policy Quarterly and year-end reports are to be filed timely within established deadlines by the Payroll Coordinator. All reports must be verified for accuracy.

Procedure Quarterly and Year-end Reports

6.1 All reports must be accurately filed by established deadlines to avoid penalties on appropriate state or federal forms. Any discrepancies should be resolved prior to the filing of a form.



Section XIV

Budget Cycle

1. BUDGETARY CONTROLS

Policy The District staff works with the Board of Trustees to develop the annual budget. The budget is presented at several public meetings and hearings prior to adoption by the Board and submission to the State of Nevada. The budget includes operating plans and capital improvement plans, as well as five-year cash flow projections for all District funds.

The budget serves as a management tool to set appropriate rates and to measure District performance, as well as to ensure future financial stability.

The District adheres to the Local Government Budget Act incorporated within state statutes. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles for all funds.

Procedures Budget Planning

1.1 The Board of Trustees establishes the budget policy for the District. Budget planning begins each year in early November with operating and CIP workshops between management staff and the Board. The Budget Accountant establishes and maintains the budget model. The model is opened to the operating divisions for their yearly budget input.

Preliminary Summaries

1.2 Preliminary program summaries are submitted to the General Manager for review in January. Any changes in rates, personnel, and intercompany charges should be discussed and agreed upon.

Pre-Budget Hearing

1.3 A pre-budget hearing will be conducted in mid-February so that the board can give final general direction to staff for budget development. Shortly thereafter, preliminary budget development is to be completed and the budget model frozen for proof. Finance and Accounting will perform a final test and update to the five-year financial model.

Budget Presentation

1.4 The proposed operating and CIP budget will be presented to the Board of Trustees in mid-March. The Board will give its preliminary approval to staff.

Preliminary Budget sent to State of Nevada

1.5 In early April, the Board of Trustees will communicate their opinions and recommendations to each division. The divisions will make directed adjustments to the budget.

By mid-April, the Finance and Accounting Division will submit the tentative budget to the State of Nevada.

By the end of April, the Board of Trustees will give their final approval of the budget.

Final Budget sent to State of Nevada

- 1.6 A special meeting will be held by the Board for final approval by mid-May; and the final budget will be sent to the State of Nevada no later than the last day of the month.



Purchasing Procedures for IVGID

TABLE OF CONTENTS

I.	DETERMINATION OF NEEDS	4
	Objective	4
	Procedures	4
	Method to Determine Needs	4
	New Vendors	5
	Purchase Order Processing	5
	Bid Processes	6
	Purchasing Bids under NRS 332.....	6
	Public Works Construction CIP Contracts.....	7
	A. Construction Projects over \$100,000	8
	B. Construction Projects between \$25,000 and \$100,000 ..	8
	C. Construction Projects under \$25,000	9
	Emergency Bidding not required	9
	Change Orders	9
II.	PLACEMENT OF PURCHASE ORDERS	9
	Objective	9
	Procedures	10
	Establishment of Purchasing Guidelines	10
	Entering Into Purchase Commitments	11
	Preparation of Purchase Orders.....	11
	Copies of Purchase Orders	12
	Review of Unmatched Purchase Commitments.....	12
III.	RECEIPT AND ACCEPTANCE OF PURCHASES	12
	Objective	12
	Procedures	12
	Inspection of All Goods and Services	12
	Proper Communication between Departments	13
	Receiving Documentation Sent to Accounting	13
	Inspection and Approval of All Services Received	13
	Storing and Controlling of Goods	13
	Recording month-end inventory	14
IV.	ESTABLISHMENT OF ACCOUNTS PAYABLE	14
	Objective	14
	Procedures	14



Purchasing Procedures for IVGID

Establishment of Invoice Control.....	14
Accounts Payable Time-Line.....	14
Request-for-Check forms	15
Travel Authorization	15
Reimbursable Expense	15
Preparation for Payment of Invoices	16
Procedure Performed on Invoices for Payment	16
Procedures for Construction Contracts Paid by Application	16
Guidelines for C.O.D. Purchases	17
Processing Invoices for Payment.....	17
Check Run Process.....	18
Out-of-cycle Checks	18
Returned Checks.....	19
Reconciliation of Accounts Payable General Ledger Amounts	19
Review of Debt Balances in Accounts Payable	19
Review of Hold Balances in Accounts Payable.....	19
Reconciliation of Accounts Payable Record to Suppliers' Records	20
Sales and Use Tax	20
V. PROCUREMENT CARD PROGRAM	20
Objective	20
Procedures	21
Approval of cards	21
Issuance of cards	21
Cardholder responsibilities	22
Monthly statement review and approval.....	22
Monthly statement payment	23
Purchasing Card Maintenance and Closure	23
Sales and Use Tax	23
General Ledger Posting	24
VI. PURCHASE CUT-OFF	24
Objective	24
Procedures	24
Procedures for Proper Purchasing Cut-Off at End of Accounting	
Period	24
VII. RETURN OF GOODS TO VENDORS	25
Objective	25



Purchasing Procedures for IVGID

Procedure 25
 Shipment of Goods Back to Vendor 25

VIII. ADVERTISING 25
 Objective 25
 Procedure 26
 Ad preparation and placement 26

X. TIPPING 27
 Objective 27
 Procedure 27
 Limitation of food tips 27

XI. Handling instructions for Specific Goods and Service Type..... 27
 Office Supplies 27
 Janitorial Supplies 27
 Fuel Purchases 28
 IT Peripheral Equipment..... 28
 IT Licenses and Software..... 28
 Specialty Chemicals and Other Large Quantity Supplies 28



Purchasing Procedures for IVGID

I. DETERMINATION OF NEEDS

Objective

The primary objective of the IVGID Purchasing Procedure is to ensure all goods and services are procured through the use of appropriate contracts or agreements with terms to protect both IVGID and vendors. All purchasing should be in the best interest of the District, based on funds appropriated for their acquisition within the Board of Trustees approved budget. Purchases will be conducted in an open and competitive basis in order to obtain the best value for the District. Although price shall normally be a major consideration in all purchases, the District will also consider factors such as durability, timeliness, availability, vendor past performance, quality, environmental impact and operating cost.

The primary objective of the IVGID Payment Procedures is to ensure that the Accounts Payable process disburses cash effectively and efficiently. The process should maximize cash flow and contain controls that will make certain transactions are properly authorized, supported, recorded and reported.

Procedures

Methods to Determine Needs

Purchasing requirements, categorized by the type of goods or service, should be determined according to the following methods:

- Inventory replenishment needs should be determined by staff that has responsibility for the specific use or application.
- The need for services that are provided on a recurring basis by the same vendor, such as utilities, telephone, periodicals, or janitorial services, should be determined initially by authorized persons and, thereafter, continuously maintained by designated staff until the end of the fiscal year.
- Determining the need for specialized services, such as insurance, advertising, and legal and auditing services, should be the responsibility of designated individuals overseeing these services for the entire District.



Purchasing Procedures for IVGID

- Responsible individuals within each venue of IVGID should determine routine operating and maintenance goods and services.

Purchasing can be in the form of a purchase order, procurement card or a direct pay invoice. All 3 forms require someone to take responsibility for price, quantity, receipt and approval of the coding for the purchase. All Approval Authority thresholds will be measured by the total value of the transaction at the time of placing the order. Serial purchases to avoid this measure will not be tolerated.

New Vendors

When it is necessary to establish a new vendor, the following information needs to be furnished to the Accounts Payable Technician prior to placing an order:

- Vendor Name – DBA, if applicable
- Vendor contact name
- Physical/Mailing Address
- Vendor telephone number
- Vendor e-mail address

The Accounts Payable Technician will then request the vendor completion of a W-9 form and remit address form. The vendor will also be supplied with the District's NV tax-exemption certificate and a signed W-9 for the District.

Purchase Order Processing

The requestor should obtain a purchase order through the accounting system to identify a purchase commitment has been made against a specific budget line item.

Purchase Orders must be obtained before ordering the services or materials over \$5,000, when no other spending authority has been established. The Purchase Order is numbered automatically by the system and is available to the requestor prior to approval. Copies of the document can be obtained through the Accounting Department.

Purchase Orders are required for any items purchased to process through the Sweetwater Warehouse Inventory. This process allows identification of unit price, quantity and other information in support of the perpetual inventory.



Purchasing Procedures for IVGID

Bid Processes

There are 2 types of bidding processes to consider for local governments:

1. **Purchasing Bids:** Adhere to the laws detailed in NRS 332 Purchasing: Local Government.
 - A. If bid/contract is over \$25,000 but less than \$50,000 then 1) requests must be submitted to 2 or more persons capable of performing the contract or providing equipment, supplies or goods; and 2) Records of all requests for bids received must be kept for at least 7 years after the date of execution of contract.
 - B. Must advertise all contracts for which the estimated amount required to perform the contract exceeds \$50,000 annually. Publication of notice to bid must be 1) published at least once and not less than 7 days before the opening of bids in a newspaper having general circulation in Washoe County 2) be posted on the IVGID internet site every day for not less than 7 days before the opening of bids.
 - 1) Maintain a record of all requests for bids and all bids received for at least 7 years after the date of execution of the contract.
 - 2) The notice must state the nature, character or object of the contract; if plans and specifications are to constitute part of the contract, where the plans and specifications may be viewed. The time and place where bids will be received and opened must also be included in the notice.
 - 3) On-line bidding is allowable – see Statue on requirements (NRS 332.047).
 - 4) Exceptions to requirements for competitive bidding (NRS 332.115) include: items which may only be contracted from a sole source; professional services such as consulting, legal, etc.; additions to and repairs and maintenance of equipment which may be more efficiently added to, repaired or maintained by a certain person; equipment which by reason of the training of the personnel or of an inventory of replacement parts, maintained by the local government is compatible with existing equipment; perishable goods; insurance; hardware and associated peripheral equipment and devices for computers; software for computers; supplies, materials or equipment that are available from contracts with the General Services Administration or another



Purchasing Procedures for IVGID

governmental agency in the regular course of its business; items for resale through a retail outlet operated in this state by a local government or the State of Nevada.

- 5) Procedures to follow for failure to receive responsive bids are defined in NRS 332.148.
- 6) Contract requirements for "Performance Contracts for Operating Cost-Savings Measures" are defined in NRS 332.330-332.440.
- 7) May "join" or use the contracts of local governments located within or outside of State with the authorization of the contracting vendor. This option also applies to contracts of the State of Nevada or another state. (NRS 332.195)
- 8) IVGID Board of Trustees must approve contracts awarded under the bid.

2. **Public Works Construction (CIP) Contracts:** Adhere to the laws detailed in NRS 338. May not divide a project/CIP into segments to avoid public bidding.

1. For all IVGID CIP project budgets exceeding \$100,000 the Engineering Department should be consulted during the planning, design and construction phases of the project.
2. Progress Checklist sheets must be completed.
3. A quarterly report detailing items in NRS 338.1444, Item 3, must be generated on contracts over \$25,000.
4. Projects funded with Federal dollars might result in additional requirements for contracts as specified in the executed grant agreement.
5. Constructability Review is required on projects over \$10,000,000 for projects with new plans and specs per NRS 338.1435.
6. Contracts involving Construction Managers at Risk or Design Build teams have further requirements as detailed in NRS 338.169 and 338.1711 respectively.
7. Public Works projects which involve "Design, Construction, Renovation and Demolition of Public Works" have further requirements as detailed in NRS 338.177 thru 338.200.
8. Projects for "Energy and Environmental Design Requirements" are detailed in NRS 338.1905 thru 338.1908.



Purchasing Procedures for IVGID

A. Construction Projects over \$100,000:

1. Must advertise in a newspaper of general circulation no less than 21 days before bids are to be submitted in Washoe County. (North Lake Tahoe Bonanza is fine).
2. Must have plans and specifications on file by the date of advertisement.
3. Plans and specifications must be available to all interested parties.
4. Place, date, and time of where plans and specifications are available must be advertised.
5. Date, place, and time of when and where the bids will be opened must be advertised.
6. Contract will be subject to Nevada Prevailing Wage requirements through the Labor Commissioner's office.
7. Contract must be awarded to contractor who submits the best responsible and responsive bid.
8. Best bid is not necessarily the lowest; but IVGID must have compelling reasons to award to a higher bidder. As a reference, refer to Case No CV01-05346, Second Judicial Court, and Washoe County (American General Development vs. Washoe Co School District).
9. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.
10. Contractor must be in good standing with Nevada Labor Commissioner's office.
11. 10% bid bond or cashier check in 10% of bid amount is required.
12. Nevada Preference applies on projects exceeding \$250,000 as detailed in NRS 338.
13. IVGID Board of Trustees must award contract for the work.

B. Construction Projects between \$25,000 and \$100,000:

1. Advertising is not required.
2. Must maintain a list of qualified contractors.
3. Solicit bids from at least three properly licensed contractors.
4. May request bids by direct mail, fax or e-mail from the qualified contractors.
5. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.



Purchasing Procedures for IVGID

6. IVGID Board of Trustees must award work.

C. Construction Projects under \$25,000:

1. Advertising is not required.
2. Solicit quotes from at least three properly licensed Contractors.
3. May request quotes by direct mail, fax or e-mail from the qualified Contractors.
4. At least two quotes need to be received in order to evaluate the contract pricing received, but contract should be assigned to the most responsive and responsible Contractor, which may not be based solely on pricing.
5. Contractor must be licensed in Nevada with the appropriate classification and monetary limit.

3. Emergency Bidding not required: If an emergency exists that may lead to impairment of the health, safety or welfare of the public if not immediately attended to, then the bidding process is not required. Emergency will be validated by General Manager, Public Works Director or the Director of Finance. Contracts awarded under emergency conditions must be reported to the Board of Trustees at their next scheduled meeting.

4. Change Orders: Staff is encouraged to request contingency amounts relative to contracts and projects, if they are seeking Board approval. The General Manager or designee can approve additional amounts as a result of change orders, above amounts authorized by the Board of Trustees. The stated limit of this authority is \$50,000 unless said change order increases a contract or project to go above the advertising requirements of NRS 332 and/or 338. Under such circumstances staff is advised to stop and seek legal counsel advice before proceeding with a change order.

II. PLACEMENT OF PURCHASE ORDERS

Objective

Proper approval and a numbered purchase order should be obtained concurrent with the establishment of a firm order or contract to purchase. Purchase orders serve to identify the commitment of amounts to be spent against a budgeted total. They avoid spending the same dollar twice.



Purchasing Procedures for IVGID

IVGID's terms are net 30 days. However, payments will be made earlier in order to take appropriate discounts, avoid penalties, or meet contract agreements such as deposits to place an order, when approved in advance by the Controller.

Communications (phone or data lines), computer hardware and software are handled through the Information Technology Division (IT). All purchase orders that will be charged to the computer equipment object code will be approved by IT.

All purchases that will be charged to the small power equipment object code will be approved by the Fleet Superintendent. The Fleet Superintendent needs to be aware of items that will be maintained, including an interval schedule and need for a parts supplier.

Procedures

Establishment of Purchasing Guidelines

The General Manager, the Board of Trustees Policies, and NRS determine purchasing guidelines that provide the background for approval requirements and procedures for District purchasing. The following purchasing guidelines should be applied:

1. Approval Authority limits are set by a Manager or Supervisor for their venue. Generally increments can be considered at \$1,000, \$2,500, \$5,000 and \$10,000. No stand alone level can exceed the amount requiring General Manager approval; which is currently \$50,000 (as set by NRS 332).
2. All purchases over \$5,000 in a single transaction must use a purchase order, with following exceptions:
 - Established merchant charge cards (i.e. Costco, Raley's or Home Depot).
 - Purchases on account (i.e. Tahoe Supply, Incline Auto Parts, Spitsen Lumber, RadioShack, and Village Ace Hardware).
 - District Procurement card purchases.
 - Payments to utility companies such as Southwest Gas, NV Energy, Waste Management, Independent Sanitation and AT&T.
 - Reimbursements such as petty cash, refunds or employees payments.
 - Recreation instructor payments.
 - General Counsel payments.
 - Bond and Note payments and related debt service payments.



Purchasing Procedures for IVGID

- Employee benefit/payroll related payments
- As directed by Director of Finance to meet business needs, such as those vendors where the Board of Trustees has granted annual or seasonal spending authority

Entering Into Purchase Commitments

Purchase commitments should be entered into to assure an adequate supply or price. All contracts or serial purchase commitments greater than \$50,000 require the approval of the Board of Trustees. The General Manager will be notifying the Board of Trustees for all items over \$25,000. The Board Officers, General Manager or designee should sign all contracts. A designee will be considered based on Approval Authority levels. A projection of requirements for the specified goods or services should be a part of the operating budget. If an item is not budgeted, the supervisor responsible for that venue's budget should review the purchase with the Director of Finance before any commitment is made.

Preparation of Purchase Orders

Purchase order numbers are automatically assigned within the accounting system. Purchase orders should be prepared and contain the following information:

- Name and address of vendor
- Department
- Purchaser
- Ship-to information
- Date the purchase order was opened
- Terms of payment , if other than 30 days net
- Description of the purchase
- Items listed separately with adequate descriptions
 - Specific quantity and unit of measure
 - Unit price (including freight, if being added to inventory cost)
- Accounting code(s) to charge it to the correct activity
- Project codes, if applicable



Purchasing Procedures for IVGID

Copies of Purchase Orders

Contact Accounting for copies of a Purchase Order.

Review of Unmatched Purchase Commitments

On a quarterly basis, a review should be performed by Accounting staff of any commitments that have not been matched with receiving reports or equivalent records of goods or services received. Follow-up should be performed to determine whether or not the goods will be received. If it is determined that the goods or services are not to be received, the purchase orders should be closed and removed from the system.

III. RECEIPT AND ACCEPTANCE OF PURCHASES

Objective

Control should be established over goods and services received as a basis for determining and recognizing approval for payment for goods and services received.

The physical receipt of all purchased goods should be the responsibility of the designated individual authorizing the order. The receiving person should inspect goods for conformity with specifications on the purchase orders or other documents evidencing the order as placed. Counting, weighing, or measuring should be used to verify quantities. Receipt and acceptance of a shipment should be documented with signature and date on a receiving document or packing slips and should then be routed to the Accounting Department.

Procedures

Inspection of All Goods and Services

A designated individual should inspect all goods received for the following:

- Correct delivery point
- Verify the number of containers or quantity
- Verify contents – compare description of goods and quantity per the purchase order
- Inspect for damage or improper functionality
- Remove packing slip, sign and date, and send to the Accounting Department
- Verify cost, if listed on the packing slip



Purchasing Procedures for IVGID

Proper Communication between Venues and Vendors

The originating individual for the purchase should contact the vendor if any order has an obvious discrepancy (physical damage, wrong items, quantity error, etc.), in order to reach an understanding about how to correct the deficiency in an expeditious manner.

Receiving Documentation Sent to Accounting

After inspection, the packing slip should be signed, dated, and sent to Accounting with any noted discrepancies. The Accounting Department matches the packing slip with the vendor invoice. These documents will be scanned and matched with the invoice or purchase order or a direct pay invoice when received.

Inspection and Approval of All Services Received

Services that are received should also be inspected or reviewed by the venue to determine that the work was done in accordance with the purchase order or contract or other definitions of the scope of work. Approval by the venue should be documented generally by e-mail when the invoice has been presented by the Accounting Department.

If the work is of a confidential or highly technical nature, a specific department (e.g. engineering) or individual (e.g. human resources) may wish to review the documentation and approve the services received.

Storing and Controlling of Goods

Inventory, component parts, and other goods should be accounted for and controlled from the time of receipt through utilization. Any charges for usage to the appropriate venue must be noted each month.

Storerooms should be controlled. Access to storerooms should be restricted to authorized personnel. A process should be maintained for all inventory issued from storerooms.



Purchasing Procedures for IVGID

Recording period-end inventory

A venue should identify goods that have been received prior to the end of an accounting period, but have not been matched with the related suppliers' invoices. (See discussion of cut-off procedures at the end of an accounting period.)

IV. ESTABLISHMENT OF ACCOUNTS PAYABLE PROCESS

Objective

All authorized accounts payable transactions should be accurately recorded in the period they occur. Payment of an obligation may lag for processing reasons.

The Accounting Department, which is independent of the ordering and receiving functions, should record assets or expenses and the related liability. The amounts recorded should be based on vendor invoices for the related goods or services. When appropriate, because of the transaction amount, the vendor invoices should be in agreement with an approved purchase order. Furthermore, evidence of receipt of goods or performance of services should be documented before the vendor invoice can be processed for payment. Invoices and related general ledger account coding should be reviewed before posting.

Procedures

Establishment of Invoice Control

All vendor invoices and statements should be mailed directly to: 893 Southwood Boulevard and forwarded to the Accounting Department. Failure to do so may result in delays in recording the invoice and cause misstatement of accounts payable and the related asset or expense accounts. Furthermore, cash discounts may be lost or penalties imposed because of untimely processing.

The ship-to address can be the main warehouse or an individual venue address.

Accounts Payable Time-Line

All invoices must be submitted to the Accounts Payable Department each week. The Accounting Department processes a check run each week. This process assures efficient and timely recording of transactions and payments to vendors.



Purchasing Procedures for IVGID

Request-for-Check forms

A request-for-check form is only used in place of an invoice, for cash advances for trips or seminars, and for special purchase reimbursements. Proper coding and authorization must be completed, before any check request will be processed. The form includes the opportunity to record what, why and when the payment is necessary to be processed out of cycle of the weekly run. It is available on the Intranet.

Travel Authorizations

The venue supervisor must approve a travel authorization form during the planning stages of a trip. The travel authorization for an overnight trip must include a counter signature of the District General Manager or Director of Finance and be filed with the Accounting Office. The travel authorization is not a payment authorization. Payment authorizations for travel are accomplished through the use of an expense report or a check request form.

Reimbursable Expense

IVGID will pay for expenses related to District business only. Meal expenses should be covered at the established per diem rate as specified on the IRS per diem table (contact Accounts Payable for area rates or refer to the table on the intranet). Mileage expenses will be covered at the established IRS rate per mile. If all that is to be reimbursed is mileage, submit the mileage reimbursement form (available on the intranet).

All other travel expense must be reported and reconciled using an Expense Report. A clearly documented business purpose must be reported on the expense report, and all individual expenditures must have a supporting receipt attached (except the meal per diem). Approved expense reports and receipts must be submitted to Accounts Payable within 7 days following the trip. Small receipts should be attached to a blank sheet of paper to allow for easy verification and storage. (See additional information in IVGID's Personnel Policy Manual). A travel authorization form will be used to verify a request for an advance or reimbursement. Anyone receiving an advance for anything more than the per diem, must submit an expense report to reconcile amounts advanced versus actual expenses.



Purchasing Procedures for IVGID

Preparation for Payment of Invoices

Processing for payment requires:

- Vendor invoice
- Acknowledgement of receipt
- Correlation to Purchase Order (if required)
- E-mail approval of scanned invoice
- Each Capital Improvement Project (CIP) item should be processed separately
- One invoice can be used to support multiple CIP numbers

Procedures Performed on Invoices for Payment

- The nature and quantity of goods ordered and the price per the vendor invoice should be compared to the purchase order and/or the receiving document
- Calculations of the invoice, such as totals and extensions of quantities multiplied by unit price, should be recomputed
- The general ledger account coding should be verified

Each venue that incurs freight as a part of acquiring supplies or inventory should adopt a classification and apply it consistently in the budget and in actual transactions. These amounts can be separately expensed as incurred or made part of the laid in cost of the inventory. If added to inventory, freight must be marked up in the retail price, as if it were a base cost.

Procedures for Construction Contracts Paid by Application

The Accounting Department will maintain a running reconciliation of the total authorized contract including change orders, less payments and retained amounts. This reconciliation will be compared to actual payment applications and the control sheet maintained by Engineering to administer the contract. As retention is reduced or reaches the final payment, Accounting will process invoices to release retentions or split previously entered retentions to have the open balance reconcile to the most recent Application Retention.



Purchasing Procedures for IVGID

Guidelines for C.O.D. Purchases

Cash on delivery (C.O.D.) purchases are discouraged. Use of a procurement card should be used whenever possible to avoid C.O.D. purchases. When it becomes necessary for a C.O.D. purchase, a check request should be prepared with proper coding and approval. C.O.D. purchases must be approved in advance by either the Controller or the Director of Finance. When the goods are delivered, the following procedures are appropriate:

- The goods should be inspected by the receiving division
- The bill of lading and the vendor invoice should be immediately marked "paid"
- The documents should be sent to Accounts Payable for scanning
- Accounts Payable should review the documents and compare them to the check request and check that was issued earlier. Any discrepancies should be immediately resolved.

Processing Invoices for Payment

The vendor invoice is ready for payment when the information has been entered into the Accounting system:

- Vendor name and ID number
- Vendor invoice number
- Date of vendor invoice
- Amount of invoice
- General ledger posting date
- Date invoice is to be included in the check run
- Description of transaction
- General ledger account coding and if CIP, project codes
- Discount, if applicable (entered as separate invoice)
- Credits, if applicable (entered separately, noting original invoice)
- Proposed for approval
- Processing is subject to completion of approval

With the posting of the vendor invoice into the accounts payable system, the vendor invoice has been automatically recorded into the accounting system as an asset, expense and a liability.



Purchasing Procedures for IVGID

Check Run Process

Check runs are completed weekly. Invoices are processed throughout the week in advance of each check run. Invoices must be received by Tuesday 9 a.m. to be included in the check run. Checks are then printed, matched, verified, and readied for disbursement. Checks are ready to be picked up or mailed from the accounting office. Any items turned in after a run are entered as soon as possible for the next scheduled processing. IVGID's vendor terms are Net 30 days. Exceptions for distribution must be approved by the Controller.

After the accounts payable checks are printed, a positive pay file is uploaded to the District's business banking account. This upload includes data on the check run including the check number, check date, amount and payee. Positive pay is a way to reduce the risk of fraudulent activity in the District's checking account. It allows the bank to identify unauthorized transactions before the final payment processing. As checks are posted, the banking system verifies them against the uploaded information provided. If the information doesn't match, the checks are held pending review and approval.

Each check run processing will generate a listing of checks issued. This listing will be posted to the District's web site. To enhance accuracy of this listing, there is a second accounting staff person who verifies the list is both complete for each period and considers all checks prepared for issuance regardless of when they are released.

An electronic payment may be initiated in lieu of a check based upon the most efficient and effective method for disbursement. Payments made electronically must be approved by either the Controller or the Director of Finance. These payments will not be listed on the web site.

Out-of-cycle Checks

Out-of-cycle checks are discouraged. Planning ahead should eliminate the need for out-of-cycle checks. If a check is necessary before the next scheduled check run, approval must be obtained from the Controller, Director of Finance and/or the General Manager along with a detailed explanation as to why the check needs to be processed.



Purchasing Procedures for IVGID

Returned Checks

Returned checks should be hand delivered to Accounts Payable for processing. Accounts Payable will research the reasons for the return to determine if the check needs to be forwarded to a new address; or if the payment was made in error, the check should be immediately voided.

If a venue has a check that they have picked up from Accounts Payable for distribution and they no longer intend to issue it, the check should be returned to Accounts Payable immediately so that it can be voided or mailed to the vendor. All checks should be returned to Accounts Payable within two weeks of the issuance date if it is not distributed.

Reconciliation of Accounts Payable General Ledger Amounts

Monthly, the accounts payable and general ledger total should be reconciled. All differences should be investigated and adjustments made as necessary. The reconciliation and the results of the investigation of differences should be reviewed and approved by the Controller. The reconciliation and adjustments should be made by someone other than accounts payable staff.

Review of Debit Balances in Accounts Payable

The Accounts Payable and Administrative Technicians should review the aged accounts payable detail listing at least once a month for debit balances (amounts vendors owe IVGID). In reviewing debit balances, they should ascertain if the District will receive a refund or credit from the vendor or if an offset to another invoice is appropriate. If there is a significant dollar amount of debit balances in accounts payable, this debit balance should be removed from accounts payable and recorded in accounts receivable. The Controller will review and approve adjustments to clear vendor debit balances.

Review of Hold Balances in Accounts Payable

The unpaid accounts payable should be reviewed weekly by the accounts payable staff for all amounts. Invoices with a "hold" status mean the invoice is on hold until the next time invoices are scheduled for payment by running the cash requirement report. In reviewing the holds, the employee should ascertain if these invoices should be



Purchasing Procedures for IVGID

released against other invoices or if the invoice should remain on hold. All holds should be investigated and adjustments made accordingly.

Reconciliation of Accounts Payable Records to Suppliers' Records

Accounts payable records should be reconciled monthly by making a comparison with vendor statements. Any differences should be analyzed and explained. A copy should be immediately obtained of any invoice(s) that is past due. Once received, proper approval must be obtained, and the invoice paid as soon as possible. Also, copies should be obtained of any credit memos that have not been recorded. No payments to vendors will be made from a statement. The District will pay only original invoices.

Sales and Use Tax

The Nevada Revised Statutes have granted IVGID Nevada sales/use tax-exempt status. Therefore, purchases delivered within the State of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K. If a vendor requests further verification of the District's exempt status, a copy of the letter from the State of Nevada, Department of Taxation is available on the Intranet.

V. PROCUREMENT CARD PROGRAM

Objective

The procurement card program is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an efficient and effective method for purchasing and paying for items. The procurement card has single purchase limits and monthly total credit limits assigned to each cardholder.

The card is to be used for official purchases; primarily goods and services but includes official travel. The cards will be issued in the employee's name and have the Incline Village General Improvement District's sales tax ID number clearly indicated on the card.

The procurement card program is intended for infrequent or one time vendor transactions. Any exception requires the approval of the Controller. There are several vendors who only provide online services and therefore require this form of payment.



Purchasing Procedures for IVGID

Venues buying from these vendors are expected to monitor that use of procurement card remains viable over the longer term as opposed to establishing a charge privilege.

Procedures

Approval of cards

Individual cards will be issued to employees upon approval by their supervisors, the General Manager or Director of Finance. The General Manager or Director of Finance will sign off after all other approvals are obtained. Approval is authorized by completion of an application form, complete with signatures or approvers and the card holder.

The following summarizes the key information needed on the application form:

- Name of employee
- Short e-mail address
- Credit limit and single purchase limit
- Designated purchasing group, which indicates who is approver for charges
- Default account coding

Individual card limits are established at this time, including both a single purchase limit and accumulated total credit limit. The Procurement Card Administrator within Accounting is responsible for ordering new cards. The administrator will also oversee the balancing and payment of the monthly statement. One-time limit over-rides can be arranged by the Procurement Card Administrator with supervisor approval and approval by the Controller or Director of Finance Director or the General Manager.

Issuance of cards

Each individual cardholder must sign the cardholder agreement including the receipt section in the presence of the Procurement Card Administrator. By signing this agreement, the employee indicates that he/she understand the intent of the program, and will comply with all guidelines of the program.



Purchasing Procedures for IVGID

Cardholder responsibilities

The cardholder must use the procurement card for legitimate business purposes only. Misuse of the card will subject the cardholder to disciplinary action in accordance with IVGID's policies and procedures. The cardholder must:

- Ensure the card is used for legitimate business purposes only.
- Maintain the card in a secure location at all times.
- Not allow other individuals to use their card without prior approval.
- Adhere to the purchase limits and restrictions of the card and ensure that the total transaction amount of any single transaction does not exceed the authorized threshold.
- Obtain and reconcile all charge slips to the Works program listing and provide this documentation to the Procurement Card Administrator. Detailed itemized receipts are required for meals. Approval, comments and account allocation must be provided electronically in the Works program
- Attempt to resolve disputes of billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by completing the required Bank of America online Dispute Form. The Procurement Card Administrator can assist with this process.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent cardholder statement.
- Not accept cash in lieu of a credit to the purchasing card account for returned items.
- Immediately report a lost or stolen card to the Procurement Card Administrator.
- Immediately report fraud to the Procurement Card Administrator who will contact the Bank of America Fraud Department
- Cardholder must provide comments in the Works program to explain each charge.
- Approve the account coding as a part of the sign off process (note each card holder has a default code that may or not apply to each transaction).
- Send invoices immediately to the procurement card administrator in the Accounting office.

Monthly statement review and approval

All charges are to be verified online through the Bank of America Works system. The card administrator can supply each cardholder with a copy of his or her monthly



Purchasing Procedures for IVGID

statement upon request. A copy of each receipt properly approved and coded should be returned to the administrator within three business days of the transaction's occurrence. Food purchases should include the names of all persons involved.

Occasionally no receipt will be available. If this happens, a note should be written explaining the purchase, including proper approval and coding.

Monthly statement payment

The Procurement Card Administrator will pay all charges. The monthly cut off for monthly statements usually is the 27th of the month. Payment is made in the form of a bank wire transfer or by a similar electronic payment method.

Purchasing Card Maintenance and Closure

All contact with Bank of America for card set up, maintenance and closure will be handled by the Purchasing Card Administrator who is located in the Accounting office.

The Procurement Card Administrator is required to close an account if a cardholder transfers to a different department, moves to a new job in which a purchasing card is not required, terminates employment, or misuses his/her card.

A request for closing a cardholder account will be submitted to Bank of America by the Procurement Card Administrator. When an account is closed, the credit card must be returned to the Procurement Card Administrator.

Sales and Use Tax

The Nevada Revised Statutes have granted IVGID sales/use tax-exempt status. Therefore, purchases delivered in the State of Nevada are exempt from sales/use tax.

Our tax ID # is 88-760004-K and should be on the face of the credit cards. If a vendor requests further verification of the Districts exempt status, a copy of the letter from the State of Nevada, Department of Taxation can be faxed or mailed to them. Copies of these letters can be obtained from the Procurement Card Administrator or on the Intranet.



Purchasing Procedures for IVGID

General Ledger Posting

The Procurement Card Administrator will complete a spreadsheet on a monthly basis of all amounts, coding, and descriptions of purchases. After balancing is complete, these amounts must be posted immediately to the correct financial period in our general ledger.

VI. PURCHASE CUT-OFF

Objective

In order to meet both the completeness, occurrence and rights and obligations assertions for financial reporting, all the related liabilities and expenses for goods or services received during the accounting period should be posted to that same accounting period.

Procedures

Procedures for Proper Purchasing Cut-Off at End of Accounting Period

It is imperative all assets, expenses and liabilities are recorded in the period in which they occur. Time delays in receiving and processing vendor invoices for goods and services can cause recording delays. The liabilities for these delayed goods and services in a subsequent accounting period are considered a misstatement. They are unnecessary and should be avoided. The following assures that a timely and a proper purchasing cut-off is achieved. The following procedures should be observed:

1. Closing of the accounting records will be delayed for a few days following the month end to allow for receipt and processing of vendor invoices. The Service and Supply Close and Final month-end close is completed on an announced schedule to inform necessary parties of the need to process information in a timely manner.
2. Invoices that are received at the end of each month should be immediately sent to accounts payable for processing. Invoices are processed and recorded to the general ledger according to the invoice date unless otherwise noted by the venue along with a valid reason for using a different date. Any invoices received after the Final month-end close are recorded in the current open month.



Purchasing Procedures for IVGID

3. Additional time will be planned to accommodate the year end close prior to the audit process getting started.

VII. RETURN OF GOODS TO VENDORS

Objective

Return of goods to suppliers should be adequately controlled, documented, and recorded.

The return of goods should be approved and documented by each venue or the receiving division. Follow-up with the supplier should be made to ascertain that the supplier recognized the return of goods. Returns should be monitored until the credit or a replacement product has been received.

Procedure

Shipment of Goods Back to Vendor

When each venue has goods to return to a vendor, a record should be maintained recording the description of merchandise, vendor, quantity, reason for rejection, and date returned. If vendor approval is required before a return can be sent, that authorization should also be recorded.

The venue should call the vendor and shipping company to arrange for return. A credit memo should be requested to be sent to accounts payable. Notice should also be given to accounts payable for the return or if a replacement item will be sent. The resulting credit memo will be handled in the same manner as the original invoice, including the accounting code, signature and approval for processing.

VIII. ADVERTISING

Objective

There are three primary types of advertising that the District processes on a regular basis – classified ads, legal ads, and display ads.

Classified advertising will be used primarily by HR for employment situations. Each division will work with the HR Division on all employment advertisings prior to placement.



Purchasing Procedures for IVGID

Legal advertising will be primarily used by the General Fund and/or the Engineering Division to satisfy the District's legal requirements. General Fund advertising is done on the authority of the Clerk for the Board. Engineering is done by the Contracts Administrator.

All other venues will primarily use advertising to present their products or services in a variety of print or electronic forms. Any use of the District's web site for the carousel or News and Events section should be done by contacting the District's Web Coordinator to determine if there is a capacity to place the message in house. All other forms of media placement will be under the review or approval of the District's Marketing Manager.

Any venue placing advertising for an amount exceeding that line item in the budget, should discuss the transactions in advance with the Director of Finance or the General Manager.

Any advertising placed for payment by trade instead of cash, must follow all documentation and reporting requirements, in addition to recording how trade was issued in exchange for the media placements. Trade advertising should also be reviewed at each season end for analysis of the degree of usage and effectiveness. Once this is determined, consider the need to receive a W-9 for any individual with over \$600 in value. This will provide the proper information for 1099 reporting at year end.

Procedure

Ad preparation and placement

Each venue must contact the HR Division on employment advertising. The Marketing Manager should be advised of all media placements for products or services. A purchase order must be issued before the advertising is placed when the amount exceeds \$5,000 for a single item. When an exact amount of the ad is not known, an estimate will be used. The purchase order number should appear on the tear sheets and invoices.

Each venue has separate object codes for regular advertising and those placed in trade.



Purchasing Procedures for IVGID

All advertisements shall be proofread by the venue placing the media before being finalized and approved for processing by the vendor. Each should retain proof of this advance review and approval. Any media content that has the potential to conflict with the IVGID marketing brand must be cleared in advance by the Marketing Manager.

At the time the venue receives the advertising invoice, they should immediately approve it for payment by providing the purchase order number along with their signature, current date, a proper coding. The invoice should then be forwarded to Accounting for payment.

X. TIPPING

Objective

Tipping is a reasonable expense of the District but should be limited through the following guideline.

Procedure

Limitation of food tips

Food tips should not exceed 20% of your food charges. Discretion is advised to consider the level of service matches the tip.

XI. Handling instructions for Specific Goods and Service Types

Office Supplies

All office supplies should be purchased through Office Max which takes advantage of our governmental discount. To receive a sign-on and password, please contact the Accounts Payable Technician to assist getting a venue account with Office Max. Office supplies are ordered by each venue based on their need. The minimum order value should be considered to receive free shipping.

Janitorial Supplies

All janitorial supplies should be purchased by our Buildings Maintenance staff and ordered through the approved vendor. The District has "joined" several buying groups to obtain a variety of products. No items inventoried at the Sweetwater Warehouse may be purchased independently without review by Building Maintenance staff.



Purchasing Procedures for IVGID

Fuel Purchases

Fuel purchases are ordered by our Fleet personnel and golf personnel. The District has “joined” a buyer group that receives quotes regularly from a pool of suppliers. This process pre-qualifies the product and the prices.

IT Peripheral Equipment

This category includes printers, scanners, monitors, laptops, tablets, computers, security equipment, telephones, audio, cameras, televisions, fax machines, and copiers. All purchases are handled by IT to take advantage of our State discounts. Copier orders and maintenance are handled by IT. IT handles all printer orders, installations, and paperwork. IT is responsible for verifying the compatibility between all communications equipment and our computer equipment and systems. This assures proper licensing and support.

IT Licenses and Contracts

All technology related items are handled by IT including computer licenses, software licenses, radio licenses and maintenance contracts. Contact the IT department for further information on licensing or maintenance. Many of our products can be purchased under government pricing agreements.

Specialty Chemicals and large quantity supplies

Opportunities to “join” other local government purchasing contracts will be explored to reduce costs or get other favorable terms.



PERSONNEL POLICIES

1. GENERAL PROVISIONS

<u>#</u>	<u>Title</u>	<u>Page #</u>
1.1	Purpose	1-1
1.2	Scope	1-1
1.3	Administration	1-1
1.4	Administrative Directive	1-2
1.5	Change of Address	1-2
1.6	Personnel Files	1-2
	1.6.1 Maintenance of Personnel Files	1-2
	1.6.2 Employee Access	1-3
	1.6.3 Negative Information.....	1-3
	1.6.4 Employee Information Submitted	1-4
	1.6.5 Verification of Employment	1-4
1.7	Confidential Information	1-4
	1.7.1 Identification of Confidential Information	1-4
	1.7.2 Access to Confidential Information.....	1-7
	1.7.3 Responsibilities.....	1-8
	1.7.4 Disposal of Confidential Information.....	1-8
1.8	Legal Process Serving	1-9
	1.8.1 Lawsuit	1-9
	1.8.2 Summons	1-9
	1.8.3 Service of Criminal Process	1-10
	1.8.4 Process Serving regarding District Business.....	1-10
	1.8.5 Process Serving regarding a District Employee	1-10
	1.8.6 Garnishment	1-10
1.9	Related Forms	1-11
2. EMPLOYEE RELATIONS		
2.1	General	2-1
2.2	Fair Employment Practices	2-1
	2.2.1 Policy.....	2-1
	2.2.2 Scope	2-3
	2.2.3 Equal Employment Opportunity Officer Designated	2-3



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
2.3	Unlawful Harassment	2-4
	2.3.1 Definition.....	2-4
	2.3.2 Prohibited Conduct	2-4
2.4	Dealing with Allegations of Discrimination and/or Unlawful Harassment ..	2-5
	2.4.1 Process.....	2-5
	2.4.2 Employee Responsibilities	2-5
	2.4.3 Supervisor/Manager Responsibilities	2-6
	2.4.4 Reporting Requirements	2-7
	2.4.5 Investigation.....	2-7
	2.4.6 Training.....	2-8
	2.4.7 Prohibition Against Retaliation	2-8
2.5	Employee Bullying	2-9
	2.5.1 Definition.....	2-9
	2.5.2 Purpose	2-9
	2.5.3 Prohibited Conduct	2-9
	2.5.4 Dealing with Allegations of Bullying.....	2-10
	2.5.5 Prohibition Against Retaliation	2-11
2.5A	Disciplinary Actions Taken Under Ordinance 7 for Misconduct	2-12
	2.5A.1 Statement of Purpose	2-12
	2.5A.2 Behavior that affects the ability of our residents and guests to enjoy IVGID's Recreational Facilities	2-12
	a. Physically Abusive Behavior.....	2-12
	b. Verbal Attacks	2-13
	c. Chronic Rule Breaking.....	2-14
	d. Damaging IVGID real property and chattel	2-15
	e. Profanity	2-15
	f. Abuse of Recreational Privileges.....	2-16
	g. National Ski Area Association (NSAA) "Your Skier Responsibility Code"	2-16
	2.5A.3 Behavior directed towards IVGID's Staff	2-17
	a. Physically Abusive Behavior.....	2-17
	b. Verbal Attacks	2-18
	2.5A.4 Matters left to the discretion of the Recreational Venue Manager	2-19
	2.5A.5 Criminal Behavior.....	2-20
	2.5A.6 Definitions.....	2-20
2.6	Employment Disabilities	2-21
	2.6.1 Purpose of Policy	2-21
	2.6.2 Policy	2-21
	2.6.3 Determination of Disability	2-22
	2.6.4 Disability-Related Inquiries.....	2-22

TOC-2

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
2.6.5	Confidentiality of Medical Records	2-23
2.6.6	Accommodation	2-23
	1. Accommodation for Applicants	2-23
	2. Accommodation for Employees	2-24
2.6.7	Requirements of Other Laws	2-24
2.6.8	Glossary of ADA-Related Terms	2-25
2.7	Drug-Free and Alcohol-Free Workplace	2-28
2.7.1	Purpose	2-28
2.7.2	Policy	2-28
2.7.3	Employee Responsibilities	2-31
2.7.4	Supervisor Responsibilities	2-33
2.7.5	Department Head Responsibilities	2-33
2.7.6	Risk Management Responsibilities	2-34
2.7.7	Employee Education	2-35
2.7.8	Employee Assistance and Voluntary Referral	2-35
2.7.9	Reasonable Suspicion Testing	2-36
2.7.10	Post-Accident Testing	2-39
2.7.11	Consequence of Refusal to Submit to Testing/Adulterated Specimen	2-40
2.7.12	Testing Guidelines	2-41
2.7.13	Option for Drug Retest (For Commercial Drivers License (CDL) Program only)	2-42
2.7.14	Searches	2-42
2.7.15	Discipline Related to Abuse	2-43
2.7.16	Confidentiality	2-45
2.7.17	Glossary of Drug-Free and Alcohol-Free Workplace Related Terms ...	2-45
2.8	Prohibition of Workplace Violence.....	2-47
2.8.1	Policy	2-47
2.8.2	Scope	2-47
2.8.3	Implementation of Policy	2-47
2.8.4	Violations	2-50
2.8.5	Temporary Restraining Orders.....	2-50
2.9	Employment of Relatives (Nepotism).....	2-52
2.10	Code of Conduct and Ethical Standards.....	2-52
2.11	Political Activity.....	2-56
2.11.1	Running for, or Holding, Political Office.....	2-57
2.12	Distribution, Solicitation and Vending	2-58
2.13	Work Stoppage Prohibited.....	2-58

TOC-3

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
2.14	Use of District Property and Premises	2-58
2.15	Telephone Policy	2-59
	2.15.1 Personal Telephone Calls.....	2-59
	2.15.2 Cellular Telephone.....	2-60
2.16	Information Technology	2-62
	2.16.1 Policy.....	2-62
	2.16.2 Privacy.....	2-62
	2.16.3 Use.....	2-62
	2.16.4 Prohibited Use.....	2-63
	2.16.5 Temporary Access.....	2-64
	2.16.6 Violation of Policy.....	2-65
2.17	Social Media	2-65
	2.17.1 Policy.....	2-65
	2.17.2 Definition.....	2-67
	2.17.3 District Business Use.....	2-67
	2.17.4 Personal Use.....	2-67
	2.17.5 Monitoring.....	2-68
	2.17.6 Violation of Policy.....	2-69
2.18	Outside Employment/Outside Business Interest	2-69
	2.18.1 Policy.....	2-69
	2.18.2 Conflicting Employment.....	2-69
	2.18.3 Procedure.....	2-70
2.19	Use of Tobacco	2-71
2.20	Dress and Grooming	2-71
	2.20.1 Policy.....	2-71
	2.20.2 Enforcement.....	2-72
2.21	Domestic Partners	2-72
	2.21.1. Coverage.....	2-72
	2.21.2 Certificate of Domestic Partnership.....	2-73
2.22	Employee Dating/Marriage & Supervisory/Managerial Dating	2-73
	2.22.1 Policy.....	2-73
	2.22.2 Scope.....	2-73
	2.22.3 Supervisor/Manager Responsibilities.....	2-75
2.23	Children in the Workplace	2-75

TOC-4

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
2.24	Related Forms.....	2-76
3.	EMPLOYMENT	
3.1	Scope	3-1
3.2	Job Announcements	3-1
3.3	Applications	3-2
3.4	Applications Filing Periods	3-2
3.5	Disqualification of Applicants	3-3
3.6	Selection Process	3-4
	3.6.1 Interviewing Applicants	3-4
	3.6.2 Selection Decision	3-5
	3.6.3 Interview Expense.....	3-6
3.7	Reference Checks	3-6
	3.7.1 Acquiring References.....	3-6
	3.7.2 Providing References.....	3-8
3.8	Offers of Employment	3-10
	3.8.1 Job Offer Letters	3-10
	3.8.2 Notifications	3-10
	3.8.3 Conditional Offers	3-11
3.9	Probationary Period	3-11
3.10	Transfers	3-11
3.11	Promotions	3-12
3.12	Reassignment	3-12
3.13	Bridging of Service	3-12
3.14	Employment of Minors	3-13
3.15	District Orientation	3-13

TOC-5

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
3.16	License/Occupational Certification	3-14
	3.16.1 Purpose	3-14
	3.16.2 Employee Responsibilities	3-15
3.17	Fingerprinting	3-16
3.18	Volunteer Program	3-16
	3.18.1 Purpose	3-16
	3.18.2 Scope	3-17
	3.18.3 Planning	3-17
	3.18.4 Recruiting, Screening, Interviewing, and Selecting Volunteers	3-18
	3.18.5 Managing Volunteers	3-19
3.19	Related Forms	3-20
4.	COMPENSATION	
4.1	General	4-1
4.2	Pay Periods and Paydays	4-1
4.3	Work Week Defined	4-1
4.4	Work Time	4-1
	4.4.1 Attendance	4-1
	4.4.2 Work Schedules	4-2
	4.4.3 Rest Periods	4-2
	4.4.4 Lactation Breaks	4-2
	1. General Requirements	4-3
	2. Time and Location of Breaks	4-3
	3. Coverage and Compensation	4-4
	4. FLSA Prohibitions on Retaliation	4-4
	4.4.5 Meal Periods	4-5
	4.4.6 Work Assignments	4-5
4.5	Time Reporting	4-5
	4.5.1. Purpose	4-5
	4.5.2 Hours Worked	4-6
	4.5.3 Position Designations – Exempt, Non-Exempt or Recreational-Exempt	4-6
	4.5.4 Responsibility for Exempt, Non-Exempt, or Recreational-Exempt Designation	4-7
	4.5.5 Responsibility for Time Reporting	4-7
4.6	Overtime	4-7

TOC-6

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
4.6.1	Non-Exempt Employees	4-7
4.6.2	Exempt Employees	4-8
4.6.3	Recreational-Exempt Employees	4-11
4.6.4	Safe Harbor	4-11
4.7	Rates of Pay	4-12
4.7.1	Compensation Plan.....	4-12
4.7.2	Starting Salaries	4-12
4.7.3	Promotional Increases	4-13
4.7.4	Y-Rating.....	4-13
4.8	Salary Increases	4-13
4.9	Work Out-of-Class	4-14
4.10	Call-in Pay	4-14
4.11	Work Hour Reduction	4-14
4.12	Discretionary Bonus	4-14
4.12.1	General Requirements for both Bonus Plans	4-15
4.12.2	Economic Difference Bonus.....	4-15
4.12.3	You Make a Difference Bonus	4-16
4.13	Related Forms	4-16
5.	LEAVE PLANS	
5.1	Holidays	5-1
5.1.1	Holidays Designated	5-1
5.1.2	Holiday Pay.....	5-1
5.1.3	Weekend Holidays	5-2
5.1.4	Banked Holidays	5-2
5.1.5	Work on Holidays.....	5-3
5.1.6	Seasonal Managers	5-3
5.2	Vacation	5-3
5.2.1	Vacation Accrual	5-3
5.2.2	Maximum Accrual	5-4
5.2.3	Use of Vacation	5-4
5.2.4	Vacation Pay at Termination	5-4
5.3	Sick Leave	5-5
5.3.1	Sick Leave Accrual	5-5

TOC-7

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
5.3.2	Use of Sick Leave	5-5
5.3.3	Abuse of Sick Leave	5-6
5.3.4	Illness During Vacation	5-6
5.3.5	Placing an Employee on Sick Leave	5-6
5.3.6	Return to Work.....	5-7
5.3.7	Sick Leave Sell-Back	5-7
5.3.8	Sick Leave at Retirement.....	5-7
5.3.9	Sick Leave Procedures	5-8
	1. Leave Approval	5-8
	2. Notification	5-8
	3. Doctor's Certification	5-8
5.4	Donation of Time	5-9
5.5	Leave of Absence Without Pay	5-10
	5.5.1 Policy	5-10
	5.5.2 Procedure	5-10
	1. Approval – Less Than 30 Days	5-10
	2. Approval – More Than 30 Days	5-10
	3. Employees on Unpaid Leave	5-10
	4. Failure to Return	5-11
	5. Insurance	5-11
	6. Medical Leaves	5-11
	7. Benefit Accrual.....	5-11
5.6	Court Leave	5-12
	5.6.1 When Granted	5-12
	5.6.2 Compensation.....	5-12
	5.6.3 Subpoena for Court Appearance	5-13
5.7	Bereavement Leave	5-13
5.8	Emergency Conditions/Inclement Weather	5-13
	5.8.1 Emergency Road Conditions	5-13
	5.8.2 Inclement Weather.....	5-14
5.9	Military Leave	5-14
	5.9.1 Policy	5-14
	5.9.2 Notice and Notification	5-15
	5.9.3 Salary and Benefits.....	5-15
	1. Compensation.....	5-15
	2. Health Insurance	5-16
	3. Seniority	5-16
	4. Retirement	5-17

TOC-8

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
5.	Death or Disability	5-17
6.	Other Leave	5-17
5.9.4	Reemployment.....	5-17
5.9.5	Discharge	5-18
5.10	Voting Time Off	5-19
5.11	School Activities Leave	5-19
5.12	Family and Medical Leave (FMLA)	5-19
5.12.1	Policy	5-19
1.	Eligibility	5-20
2.	Compensation During Leave	5-20
3.	Intermittent or Reduced Schedule Leave.....	5-21
5.12.2	Duration of and Reasons for Leave	5-21
5.12.3	Military Caregiver Leave	5-24
5.12.4	Notice of Leave	5-27
5.12.5	Certification of Leave	5-27
1.	Serious health condition	5-27
2.	Exigency leave	5-28
3.	Caregiver leave	5-28
4.	Incomplete or Insufficient Certification (cure period)	5-29
5.	Clarification or Authentication of certification	5-29
6.	Second and Third opinions	5-29
7.	Recertification	5-30
8.	Annual Medical Certification	5-30
5.12.6	Designation Notice.....	5-31
5.12.7	Benefits Coverage During Leave	5-31
1.	Outside Employment.....	5-32
2.	Periodic Reporting.....	5-32
3.	Change in Duration of Leave and/or Return Prior to Expiration	5-32
4.	Request an Extension of Leave.....	5-33
5.12.8	Return from Leave	5-33
5.12.9	Failure to Return from Leave	5-34
5.13	Related Forms	5-34
6.	BENEFITS	
6.1	General	6-1
6.2	Health Insurance Coverage	6-1
6.2.1	Eligibility	6-1

TOC-9

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
6.2.2	Benefits	6-2
6.2.3	Plan Changes	6-2
6.2.4	Privacy Practices	6-2
6.3	Life Insurance Coverage	6-2
6.3.1	Eligibility	6-2
6.3.2	Policy	6-2
6.3.3	Coverage	6-3
6.3.4	Plan Changes	6-3
6.3.5	Supplemental Voluntary Life Insurance	6-3
6.4	Disability Coverage	6-3
6.4.1	Short Term Disability	6-3
6.4.2	Long Term Disability	6-3
6.4.3	Plan Changes	6-4
6.5	Retirement	6-4
6.6	Deferred Compensation	6-4
6.7	Training and Continuing Education	6-5
6.7.1	Seminars/Outside Training	6-5
6.7.2	Educational Assistance	6-5
6.8	Benefits for Part-time Positions	6-6
6.8.1	Eligibility	6-6
6.8.2	Benefits	6-7
6.9	Employee Assistance Program	6-7
6.10	Recreation Privileges	6-8
6.11	Workers' Compensation	6-8
6.12	Related Forms	6-10
7.	TRAVEL EXPENSES	
7.1	Policy	7-1
7.2	Allowances	7-1
7.2.1	Mileage	7-1
7.2.2	Lodging	7-2
7.2.3	Meals	7-2

TOC-10

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
7.2.4	Other Expenses	7-2
7.2.5	Unallowable Expenses	7-2
7.3	Processing	7-3
7.3.1	Travel Authorization Forms	7-3
7.3.2	Expense Reports	7-3
7.3.3	Advances	7-3
7.4	Related Forms	7-4
8.	PROCUREMENT CARDS	
8.1	Policy	8-1
8.2	Scope	8-1
8.3	Authority of Issuance	8-1
8.4	Termination of Employment with the District	8-2
8.5	Benefit of the District	8-2
8.6	Verification of Transactions	8-2
8.7	Revocation of a Procurement Card	8-2
8.8	Splitting of Charges	8-2
8.9	Gratuity	8-3
8.10	Receipts	8-3
8.11	Accounting Processing and Reconciliation	8-3
8.12	Cardholder's Responsibility	8-4
8.13	Related Forms	8-5
9.	PERFORMANCE MANAGEMENT	
9.1	Statement	9-1
9.1.1	Purpose	9-1
9.1.2	Ongoing Communication Regarding Performance	9-2
9.1.3	Frequency of Performance Evaluations	9-2

TOC-11

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
9.1.4	Written Record	9-3
9.1.5	Personnel Actions Resulting from Performance Evaluations	9-3
9.1.6	Employee Involvement	9-4
9.2	Procedure	9-4
9.2.1	Steps in the Performance Evaluation Process for year round employees	9-4
9.2.2	Performance Evaluation Process for seasonal employees	9-5
9.3	Related Forms	9-5
10.	EMPLOYEE SEPARATION	
10.1	Resignation	10-1
10.1.1	Notice	10-1
10.1.2	Return of District Property	10-1
10.1.3	Job Abandonment.....	10-1
10.1.4	Final Paycheck	10-1
10.2	Layoffs	10-2
10.2.1	Alternatives to Layoff (for year round employees)	10-2
10.2.2	Order of Layoffs	10-2
10.3	Discharge	10-3
10.4	Exit Interviews	10-3
10.5	Related Forms	10-3
11.	RULES FOR CONDUCT AND BEHAVIOR	
11.1	Statement	11-1
11.2	Unacceptable Activities and/or Behaviors	11-1
11.3	Related Forms	11-4
12.	DISCIPLINARY ACTIONS AND APPEALS	
12.1	Progressive Discipline	12-1
12.2	Types of Disciplinary Action	12-2
1.	Verbal Warning	12-2
2.	Written Warning	12-2

TOC-12

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
3.	Suspension	12-2
4.	Salary Reduction	12-3
5.	Demotion	12-3
6.	Discharge	12-3
12.3	Due Process	12-3
12.4	Discharge	12-4
12.5	Administrative Leave During Disciplinary Proceedings	12-5
12.6	Discharge of Employees in Seasonal, Part-time, On-Call and Temporary positions	12-6
12.7	Related Forms	12-6
13.	CONCERN/DISPUTE RESOLUTION	
13.1	Concern/Dispute	13-1
13.2	No Retaliation	13-1
13.3	Time Limits	13-1
13.4	Concern/Dispute Resolution Process	13-2
	13.4.1 Discussion with Immediate Supervisor (Step 1.)	13-2
	13.4.2 Formal Written Notice of Concern/Dispute (Step 2.)	13-2
	13.4.3 General Manager Review (Step 3.)	13-4
13.5	Other	13-4
13.6	Related Forms	13-4
14.	HEALTH AND SAFETY	
14.1	Responsibilities	14-1
	1. Director of Finance, Accounting & Risk Management	14-1
	2. Department Head	14-2
	3. Supervisor	14-2
	4. Employee	14-2
14.2	Related Forms	14-3
15.	DEFINITION OF TERMS	15-1

TOC-13

Adopted September 30, 2009; Effective November 1, 2009
 Adopted and Effective February 10, 2010
 Adopted June 13, 2012; Effective July 1, 2012
 Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

<u>#</u>	<u>Title</u>	<u>Page #</u>
	Appendix A: Consanguinity and Affinity Chart	APPENDIX A-1
	Appendix B: Notice of Privacy Practices.....	APPENDIX B-1

TOC-14

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

1. GENERAL PROVISIONS

1.1. Purpose

These policies are adopted by the Board of Trustees to carry out Incline Village General Improvement District's (District) level one policy statement to adopt uniform personnel policies that will enable each employee to make his/her fullest contribution to the programs and services of the District. There will be no practice statements or categories associated with these personnel policies due to their high level of importance.

1.2. Scope

In cases where the application of these policies would conflict with a collective bargaining agreement that is in effect between a recognized employee organization and the District, the provisions of the collective bargaining agreement will govern. In all other cases, these policies will govern. Nothing in these policies is intended to supersede applicable state or federal laws or administrative regulations related to personnel matters. These policies apply to all employees unless otherwise stated.

1.3. Administration

The District reserves the right to change these personnel policies at any time, upon approval by the Board of Trustees, excluding any Federal or State regulations that need to meet compliance. Nothing contained in these policies is intended to confer any property right in continued employment or imply a contract of employment.

All employees of the District are expected to read and familiarize themselves with the contents of these policies. A hard copy of the approved policies is available in every department of the District as well as being available on the District's Intranet.

All changes, revisions, additions, and deletions of these policies will



PERSONNEL POLICIES

be approved by the Board of Trustees and communicated to employees through their Department Head.

Whenever feasible, the District will inform employees of proposed revisions to the adopted policies prior to requesting Board approval of the proposed changes.

1.4. **Administrative Directive**

The Director of Human Resources, through the General Manager, will have the authority and the duty to develop and communicate administrative directives, interpretive memoranda, and other administrative procedures to execute these policies, and to implement the District's personnel program on a consistent basis. Department Heads, through the General Manager, may implement, revise or rescind departmental policies and procedures specific for an individual department, where necessary for the proper administration of the department that are consistent with these policies.

1.5. **Change of Address**

It is the responsibility of each employee to keep the District informed, in writing or by email, of current address, telephone number, emergency contact, change of name, and any other information relating to employment status.

1.6. **Personnel Files**

1.6.1. Maintenance of Personnel Files

The District maintains a master personnel file for each employee. An employee's supervisor or manager may elect to maintain copies of documents and agrees to return department files to human resources when the employee terminates. If copies of documents are maintained, they must be kept in a secure, locked cabinet and kept confidential. The

1-2

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Human Resources master file may contain the following but not limited to: employment application, resume, offer letter, job description, list of property issued; employment history within the District; performance evaluations, all disciplinary actions including performance improvement plans, verbal warnings, written reprimands, suspensions, notice of termination or elimination, and last chance agreements. At the time of hire, each new employee will complete all government-required documentation, including documentation required for the legal right to work in the United States, an I-9 form, all District- required documentation, and when applicable, documentation for benefit plan enrollments, including eligibility of spouse, domestic partners and dependents, and beneficiary designations. Employees are required to notify Human Resources of any changes in eligibility of spouse, domestic partners and dependents for covered benefits and changes in beneficiary designations. Where required, the employee is responsible for providing a copy of his/her driver's license or other required license or certificate, including proof of fingerprinting. Additionally, an employee must notify his/her supervisor or manager of any suspension, restriction, or revocation of his/her driver's license, permit, or other license or certification required for the performance of his/her assigned job.

1.6.2. Employee Access

An employee may view the contents of his/her personnel file upon request. All inspections must be conducted in the presence of a Human Resources employee. An employee may request copies of any or all documents in his/her file, but may not remove any documents from the file.

1.6.3. Negative Information

The District will not put negative or derogatory material in an employee's personnel file unless the employee has had a reasonable opportunity to review the material beforehand. The

1-3

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

District will require the employee to sign such material to indicate they have reviewed it. If the employee refuses to sign such material, the District may place it in the employee's personnel file with a dated notation that the employee refused to sign such material after having been given an opportunity to do so. Whenever possible, another supervisor or manager should be used as a witness to the employee's refusal, and should co-sign the entry along with the originating supervisor.

1.6.4. Employee Information Submitted

Statements by an employee, submitted in rebuttal to adverse material placed in his/her personnel file, will be included in the employee's personnel file. The District may place other information submitted by the employee in the personnel file if the District finds that such information is relevant to the employee's work history with the District.

1.6.5. Verification of Employment

Upon a request for verification of employment, the District will provide only dates of employment, base salary, and job titles. The District will not give out an employee's address or telephone number without proper authority; i.e., a written release signed by the employee, a court order, or a subpoena. (See *Section 3.7.2, Providing References*)

1.7. Confidential Information

1.7.1. Identification of Confidential Information

The following types of personal information and employment records concerning current employees, former employees, and applicants for employment that the District maintains are confidential:

1. All information related to an employment application

1-4

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

including, but not limited to, letters of reference, résumés, or his/her status as an applicant for employment.

2. All information that the District received or compiled concerning the qualifications of an applicant or an employee including, but not limited to, reports by employers, law enforcement officials, or other individuals concerning the hiring, promotion, performance, conduct, or background of applicants or employees.
3. Ratings, rankings, scoring sheets, or remarks by members of an interview team or individual interviewers concerning an applicant or results from any testing or employment screening process.
4. Materials used in employment examinations including answers, rating guides, score sheets, etc., on any written exam or rating criteria for interviews.
5. Information in an employee's file or record of employment which relates to his/her:
 - a. Performance;
 - b. Conduct, including any proposed or imposed disciplinary action taken including performance improvement plans, verbal warnings, written reprimands, suspensions, notice of termination or elimination and last chance agreements;
 - c. Race, ethnic identity or affiliation, ancestry, age, gender, marital status, number and names of dependents, military/veteran status, genetic information, gender identity or expressions, living arrangements, domestic partnership, membership in any organization, political affiliations, sexual

1-5

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

- orientation, national origin, disability, date of birth, or social security number;
- d. Past or present home address, telephone number, post office box, or relatives; and
 - e. All information concerning the voluntary or involuntary termination of an employee, other than the dates of actual employment.
6. The name of an employee's/former employee's designated beneficiary.
7. All medical information concerning an employee or applicant including, but not limited to:
- a. Pre-employment and post-employment medical and psychological examinations;
 - b. Disability and documentation relating to reasonable accommodation requested or granted;
 - c. Drug testing;
 - d. Pregnancy, doctor's certification and other communication; and
 - e. Any other medical information that an employee or applicant has voluntarily provided or the District has requested.
8. All confidential medical information will be kept in files segregated from other personnel and employment records. Access to such files will be strictly limited to those with a demonstrable need-to-know. This would include:



PERSONNEL POLICIES

- a. Supervisors and managers, regarding necessary restrictions and accommodations in the employee's duties;
 - b. First-aid and safety personnel;
 - c. Government officials investigating compliance with the Americans with Disabilities Act (ADA), as amended, on request;
 - d. State Workers' Compensation office officials; and
 - e. Insurance company employees when the company requires a medical examination to provide health or life insurance (29 C.F.R. §1630.14(c) (1)).
9. All information contained in a confidential investigative file. The investigative files may include but not limited to complaint forms, investigatory reports of alleged policy and/or legal violations including unlawful harassment, discrimination, and related matters, and other District Policy violations and witness statements and interview notes. The District will keep all confidential investigative documentation in files separate from other personnel and employment records with access limited to only those with a demonstrable business need-to-know. When and if it becomes the basis for disciplinary action, it will be part of the file to which the employee has access.

1.7.2. Access to Confidential Information

Confidential information is maintained by Human Resources and may be kept in a secure locked cabinet, secure locked storage space, with restricted access, and/or on-line on a secure server, with password protection when not being used.



PERSONNEL POLICIES

Access to confidential records is restricted to the following, depending on the information requested:

1. The employee;
2. The employee's manager/supervisor, with a business need-to-know, or as needed for a reasonable accommodation, and Director of Human Resources, or designee;
3. Persons authorized pursuant to any state or federal law or court order;
4. Counsel retained by or on behalf of the District; and
5. Any other parties with whom the District has a contractual relationship in order to enable the District to respond accurately and fully to any lawsuit, complaint, grievance, or other statutory appeal filed by or on behalf of an employee or former employee against the District.
6. The former employee within 60 days of separation.
7. An employee's representative with signed release.

1.7.3. Responsibilities

Supervisors and managers are responsible for confidential information entrusted to or routed through them, including books, reports and other confidential material in their care.

Employees should refrain from discussing items from internal meetings, work incidents or other confidential information, with the public or other employees not directly involved with the information. Confidential information will be shared with those on a business need-to-know basis.



PERSONNEL POLICIES

1.7.4. Disposal of Confidential Information

The District will, in accordance with good personnel practices and the District's Retention Schedule, properly dispose of **any** records containing employee or applicant personal or financial information that is not required by law to be retained. An electronic record will be destroyed in accordance with the applicable schedule in a manner that ensures the information cannot be retrieved or reconstructed, including, without limitation, overwriting, degaussing and the physical destruction of the storage media.

The District will determine whether to dispose the confidential information by utilizing an internal process i.e. shredding or by procuring the services of a qualified document destruction contractor.

1.8. Legal Process Serving

The legal process allows for a variety of forms of process to be served upon the District. Following are some the types of legal process and identifies the responsible District representative.

1.8.1. Lawsuit

A lawsuit is any legal action initiated against the District by a third party. The General Manager must be notified immediately and be provided a copy of the lawsuit. District General Counsel must also receive a copy of the lawsuit.

1.8.2. Summons

A summons accompanies legal documents (for example a subpoena or formal complaint) and commands the receiver to make the appropriate response. Upon receipt of a summons for personnel or payroll records, contact should be made with the Director of Human Resources. All other summons for



PERSONNEL POLICIES

records contact should be made with the General Manager.

1.8.3. Service of Criminal Process

In the event of service of criminal process (arrest warrant) upon an employee, the Director of Human Resources or Director of Finance, Accounting & Risk Management should be notified to:

1. Verify the serving officers' credentials;
2. Verify the validity of the arrest warrant; and
3. Arrange for the discreet escort of the employee.

1.8.4. Process Serving regarding District Business

A subpoena being served regarding District business will be accepted by the Clerk to the Board of Trustees, the General Manager, and/or the Director of Finance, Accounting & Risk Management. District General Counsel must also receive a copy of the subpoena.

1.8.5. Process Serving regarding a District Employee

Should a process server attempt to serve a District employee on the job, the server should be informed that the District does not allow its employees to be served while at work. If the process server creates a disturbance or refuses to leave without serving the employee, the Director of Finance, Accounting & Risk Management or Director of Human Resources should be contacted.

1.8.6. Garnishment

A garnishment is an attachment of wages to satisfy a debt between a District employee and a third party. Garnishment



PERSONNEL POLICIES

actions will be processed by Payroll, which also has the responsibility to inform the employee of the action.

All information pertaining to a garnishment will be maintained in a locked cabinet in Payroll until satisfied. Closed garnishments will then be placed in a separate employee's confidential file held in Payroll.

1.9. Related Forms

- Address/Emergency Contact form

1-11

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

2. EMPLOYEE RELATIONS

2.1 General

It is the policy of the District to provide its employees with a work environment that is free of encumbrances that might interfere with the ability of each employee to perform their respective jobs. Foremost in this basic tenet is the District's intention to deal with each employee fairly and consistently in all employment-related situations.

To accomplish this objective, the District has established and will utilize an open door practice designed to ensure all views and concerns are heard, so that differences of opinion or other views relating to work situations can be dealt with in a timely manner. In all situations, the District will consider its commitment to diversity and equal employment opportunity.

The District insists that each of its employees behave in a manner consistent with its tenet of consistent treatments and its belief in respect for the individual. All business relationships should be above reproach and built on a foundation of trust to minimize bias and maximize consistent and legal business transactions.

These policies apply to all employees unless otherwise stated.

2.2. Fair Employment Practices

2.2.1 *Policy*

It is the policy of the District to provide equal employment opportunity for all applicants and employees. The District does not sanction or tolerate discrimination in any form on the basis of race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, veteran status, or any other classification protected by applicable discrimination laws. The District recognizes the

2-1

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

fundamental rights of applicants and employees to be assessed on the basis of their qualifications and abilities. Recognition of seniority and current employment with the District may also be considered.

The District will:

1. Recruit, hire, train, and promote in all job classifications without regard to race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, veteran status, or genetic information as well as to ensure that all compensation, benefits, transfers, layoffs, return from layoffs, District-sponsored training and education, social, and recreation programs will be administered in conformance with the District's policy.
2. Comply with all applicable laws prohibiting discrimination in employment including Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Equal Employment Opportunity Act of 1972, the Immigration Reform and Control Act of 1986, the Americans with Disabilities Act, as amended, the Genetic Information Nondiscrimination Act of 2008, the applicable Nevada Revised Statutes (NRS) on Equal Employment Opportunity (NRS 613), and any other applicable federal, state, and local statutory provisions.
3. Provide reasonable accommodation wherever the need for such is known by the District, and/or the applicant or employee indicates a need for such reasonable accommodation, provided that the individual is otherwise qualified to perform the essential functions of the assigned job and the employee's performance of the assigned job duties does not pose a threat to the safety of himself/herself or others.

2-2

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

4. Hold all managers and supervisors responsible for ensuring that personnel policies, guidelines, practices, procedures, and activities are in compliance with federal and state fair employment practices, statutes, rules, and regulations.

2.2.2 Scope

This policy applies to all persons involved in the operation of the District and prohibits harassment or discrimination by any employee, including supervisors and coworkers, customers or clients of the District, and any vendor or other service provider with whom the District has a business relationship. The District will not tolerate instances of harassment or discrimination, whether or not such behavior meets the threshold of unlawful conduct. While single incidents of alleged harassment or discrimination may not be sufficiently severe or pervasive to rise to the level of being a violation of the law, the behavior is unacceptable and the District does not allow such conduct and may impose appropriate disciplinary action against any employee engaging in such behavior, up to and including termination.

2.2.3 Equal Employment Opportunity Officer Designated

The primary responsibilities for ensuring fair employment practices for the District are promoted and adhered to are assigned to the District's designated Equal Employment Opportunity (EEO) Officer. The District's designated EEO Officer will also serve as the Americans with Disabilities (ADA), as amended, Coordinator, and as such, also has responsibility for coordinating the District's compliance with federal and state disability laws. The Director of Human Resources is the District's EEO Officer.



PERSONNEL POLICIES

2.3. Unlawful Harassment

2.3.1 *Definition*

Unlawful harassment is considered a form of discrimination and is defined as any conduct directed toward another because of that person's race, color, religion, age, gender, sexual orientation, national origin, ancestry, disability, or veteran status, or any other basis that is inappropriate or offensive as determined by using a reasonable person standard. The "reasonable person" standard considers conduct in question offensive.

2.3.2 *Prohibited Conduct*

The District will not tolerate any form of unlawful harassment, including any behavior on the part of employees, volunteers, clients, customers, vendors, etc., that impairs an employee's ability to perform his/her duties. Examples of unlawful harassment include, but are not limited to:

1. Verbal conduct such as derogatory comments, slurs, epithets, or unwanted sexual advances, invitations, pressure for dates or sexually degrading or suggestive words or comments made in person, in writing, via telephone or via electronic means.
2. Visual conduct such as derogatory posters, notices, email, photographs, cartoons, drawings, gestures, leering, or displaying sexually suggestive objects or pictures.
3. Physical conduct such as unwanted touching, impeding or blocking normal movement, or interfering with work or movement.
4. Threats or demands, either direct or veiled, to submit to



PERSONNEL POLICIES

sexual requests in order to keep a job or avoid some job-related loss, and offers of job benefits in return for sexual favors.

5. Retaliation for opposing, reporting, or threatening to report harassment, assisting another employee in filing an unlawful harassment complaint, or for participating in a harassment investigation, proceeding, or hearing.

2.4 Dealing with Allegations of Discrimination and/or Unlawful Harassment

2.4.1 *Process*

Employees or applicants who believe they are being discriminated against or subjected to any form of unlawful harassment by another (e.g. employee, customer, vendor, contractor, etc.) because of their race, color, religion, age, gender (including pregnancy), marital status, sexual orientation, national origin, ancestry, disability, and/or veteran status, as well as those who believe they have witnessed another employee being subjected to discrimination and/or harassing behavior, have an affirmative duty to bring the situation to the attention of the District. Upon hire, employees will be provided a copy of the summarized policy, as well as the opportunity to discuss the policy during the new hire orientation process. In addition, a copy of this policy will be made available to applicants upon request.

2.4.2 *Employee Responsibilities*

Employees who believe they personally are being or have been subjected to discriminatory action and/or are the target of any form of unlawful harassment, or have witnessed any other employee being subjected to discrimination or harassment, should:

1. Identify the offensive behavior to the alleged harasser

2-5

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

and request that the harasser cease the conduct.

Note: An employee is **NOT** required to talk directly to the harasser or to his/her supervisor. It is **critical**, however, that the employee contact one of the individuals listed in 2. or 3. below if s/he believes s/he is being harassed or has witnessed what the employee believes to be harassment directed to or committed by another employee(s).

2. If the employee feels uncomfortable in speaking directly to the alleged harasser or if the employee requested the harassing behavior to cease, but the request did not produce the results desired, the employee should report the conduct as soon as possible to a supervisor or manager or to the District's designated EEO Officer, the Director of Human Resources.
3. Employees who believe the EEO Officer has engaged in discriminatory or harassing conduct should bring such concerns to the attention of the General Manager. The General Manager will designate an objective person to conduct an investigation of such allegations. Employees may also report the conduct to the Chair of the Board of Trustees or the District's General Counsel.
4. Applicants are encouraged to contact a representative from Human Resources Department or the Director of Human Resources.

2.4.3 Supervisor/Manager Responsibilities

Regardless of whether the employee involved is in the supervisor's or manager's department and regardless of how s/he became aware of the alleged discriminatory and/or harassing conduct, all supervisors and managers **must** immediately report all allegations or complaints of discrimination or unlawful harassment or observations of such

2-6

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

conduct to a Department Head, or the Director of Human Resources. A supervisor's/manager's failure to immediately report such activities, complaints, or allegations will result in discipline, up to and including termination.

2.4.4 Reporting Requirements

A Department Head is required to report this information to his/her immediate supervisor, the General Manager or the Director of Human Resources, and may not conduct a formal investigation, release findings, or administer discipline prior to this disclosure and without specific authorization to do so.

2.4.5 Investigation

Upon being made aware of allegations or complaints of discriminatory conduct and/or unlawful harassment, the District will ensure that such allegations or complaints are promptly investigated. The District treats all allegations or complaints of discrimination or unlawful harassment seriously and requires all employees to be candid and truthful during the investigation process.

The District will make efforts to ensure that all investigations are kept as confidential as reasonably possible. Due to the sensitive nature of investigations involving unlawful harassment, employees will be strongly encouraged to refrain from discussing the subject content with others, particularly while the investigation is in progress. Employees may be required, upon request to provide information to regulatory agencies and/or the employee's legal counsel. The District will release information obtained only to those individuals with a need to know for the administration of the complaint, or as required by law.

The employee who made the initial allegation or complaint, as well as the individual, against whom the allegation or complaint was made, will be made aware of the final



PERSONNEL POLICIES

determination by the District.

If evidence arises that an employee in the investigation made intentionally false statements, that employee will be disciplined, up to and including termination.

If it is determined that discrimination and/or unlawful harassment has occurred, the District will take disciplinary action against the perpetrator commensurate with the severity of the offense. Such disciplinary action may include, but is not limited to, a verbal and/or written reprimand, counseling, transfer, suspension without pay, and/or termination. The District will also initiate action to deter any future incidents of discrimination or harassment from occurring.

With regard to disability-related complaints, the EEO Officer (when appropriate, working with the complainant) will propose a resolution to the complaint based upon the findings of such investigation. Such resolution will include reasonable accommodation when the District determines that such a reasonable accommodation can be provided by the District.

2.4.6 Training

The District will provide periodic training to all employees on the prevention of discrimination and unlawful harassment. All new employees will be provided a copy of the summarized policy upon hire and the contents will be discussed during the new hire orientation process.

2.4.7 Prohibition Against Retaliation

Retaliation is adverse treatment which occurs because of opposition to unlawful workplace discrimination and/or harassment. The District will not tolerate any retaliation by management or by any other employee against an employee who exercises his/her rights under this policy. Any employee who believes s/he has been retaliated or discriminated against



PERSONNEL POLICIES

in any manner whatsoever as a result of having filed a complaint, assisted another employee in filing a complaint, or participated in an investigative process should immediately notify the Director of Human Resources. The District will promptly investigate and deal appropriately with any allegation of retaliation.

2.5 Employee Bullying

2.5.1 *Definition*

The District defines bullying as repeated mistreatment of one or more persons by one or more perpetrators that takes one of the following forms but not limited to:

1. Verbal abuse;
2. Offensive conduct/behaviors (including nonverbal, physical, and cyber bullying) which are threatening, humiliating, or intimidating; or
3. Workplace interferences, such as sabotage, which prevents work from getting done.

2.5.2 *Purpose*

The purpose of this policy is to communicate to all employees, including supervisors and managers, that the District will not tolerate bullying behavior. Employees found in violation of this policy may be subject to disciplinary action.

2.5.3 *Prohibited Conduct*

The District considers the following types of behavior examples of bullying:

1. *Verbal Bullying*: Slandering, ridiculing or maligning an employee or his/her family; persistent name calling

2-9

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

which is hurtful, insulting, or humiliating; yelling, screaming, shouting, and cursing, chronic teasing; belittling opinions or constant criticism.

2. *Physical Bullying*: Pushing, shoving, kicking, poking, tripping, assault threat or implied threat of physical assault, damage to an employee's work area or property.
3. *Nonverbal Bullying*: Nonverbal threatening gestures or glances which convey threatening messages; threatening actions; socially or physically excluding or disregarding a person in a work-related activity.
4. *Cyber Bullying*: Repeatedly tormenting, threatening, harassing, humiliating, embarrassing, or otherwise targeting an employee using email, instant messaging, text messaging, or any other type of digital technology.
5. *Workplace Interference*: Making unreasonable work demands, sabotaging which prevents work from getting done; making false accusations of wrongdoing; deliberately tampering with a person's work area or property; assigning menial tasks outside of a person's normal job duties.

2.5.4 Dealing with Allegations of Bullying

1. *Process*

Employees who believe they are being bullied by another (e.g. employee, customer, vendor, contractor, etc.), as well as those who believe they have witnessed another employee being subjected to bullying behavior, have an affirmative duty to bring the situation to the attention of the District by informing his/her supervisor, manager or Department Head.

2-10

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

2. *Supervisor/Manager Responsibilities*

A supervisor/manager is required to address the inappropriate behavior and report this information to his/her Department Head, or the Director of Human Resources as soon as possible.

3. *Investigation*

Upon being made aware of allegations or complaints of bullying, the District will ensure that such allegations or complaints are investigated where deemed necessary.

The District will make efforts to ensure that all investigations are kept as confidential as reasonably possible. The District will release information obtained only to those individuals necessarily involved in the investigation and the administration of the complaint, or as required by law.

The employee who raised initial concern, as well as the individual against whom the concern or allegation was made, will be made aware of the final determination.

If it is determined that bullying has occurred, the District will take appropriate action.

2.5.5 Prohibition Against Retaliation

The District will not tolerate any retaliation by management or by any other employee against an employee who exercises his/her rights under this policy. Any employee who believes s/he has been retaliated or discriminated against in any manner whatsoever as a result of having filed a complaint, assisted another employee in filing a complaint, or participated in an investigative process should immediately notify the Director of Human Resources. The District will promptly investigate and deal appropriately with any allegation of

2-11

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

retaliation.

2.5A Disciplinary Actions Taken Under Ordinance 7 for Misconduct

2.5A.1 Statement of Purpose

The purpose of this policy is to provide IVGID's professional staff with direction from the IVGID Board on what it considers to be appropriate penalties under Ordinance 7 for misconduct by those using IVGID's recreational facilities. In promulgating this policy and adopting Ordinance 7, the Board's overriding goal is to guarantee a pleasant user experience for all of our customers. This policy and Ordinance 7 should be used only in the extreme situations laid out below in Section III, to penalize behavior that does not result in the actual decrease in enjoyment of use by other customers.

While this policy has been prepared primarily for IVGID's recreational facilities, it is also applicable to its Public Works and Administrative facilities as well such that should an abuse occur that is defined below, at Public Works, and the customer and/or guest is a recreational pass holder, their privileges may be suspended in accordance with this policy.

2.5A.2 Behavior that affects the ability of our residents and guests to enjoy IVGID's Recreational Facilities

a. Physically Abusive Behavior

1. IVGID will not tolerate physically abusive behavior directed towards its recreational customers and guests by other recreational customers and/or guests. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a

2-12

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

minimum of three (3) months and a maximum of three (3) years;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of three (3) years with no maximum suspension.

Physical abusive behavior determination is left to the sole discretion of IVGID.

- 2. Likewise, IVGID will not tolerate any behavior that is intended to communicate a threat of physical abusive behavior directed towards its customers and guests by other recreational customers and/or guests. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of one (1) year;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with no maximum suspension.

Threatening of physical abuse determination is left to the sole discretion of IVGID.

- b. Verbal Attacks. A Verbal Attack (see Definitions below) directed at a customer or guest shall result in a suspension of



PERSONNEL POLICIES

recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of three (3) months;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with a maximum suspension of one (1) year;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) year with a maximum suspension of three (3) years.

- c. Chronic Rule Breaking. IVGID has adopted rules that govern the use of its recreational facilities. When users violate those rules it often impacts the ability of other users to enjoy IVGID's facilities. Therefore, chronic violation of IVGID's facilities' rules may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of one (1) month;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of three (3) months

2-14

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

with a maximum suspension of one (1) year.

- d. Damaging IVGID real property and chattel. IVGID takes great pride in its recreational assets. IVGID acknowledges, however, that one consequence of sports is that recreational assets are often damaged in the ordinary course of their use. Chronically damaging AND/OR intentionally damaging IVGID's recreational assets, however, may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of six (6) months; reimbursement of said damage maybe expected.

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) years.

- e. Profanity. The use of profanity (see Definitions below) demonstrates poor manners. And, although it is not in IVGID's purview to legislate manners, chronic profane language and/or gestures may negatively impact IVGID's customers' enjoyment. Therefore, chronic profane language and/or gestures made in the vicinity of IVGID's residents and/or guests who take offense at such language/gestures may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or*

2-15

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

all recreational venues i.e. golf, ski, parks, etc.) for a minimum of two (2) weeks and a maximum of one (1) month;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of two (2) months;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) months.

- F. Abuse of Recreational Privileges. IVGID provides access to its recreational venues via the rules established in IVGID Ordinance 7. Chronic abuse of and/or failure to abide by the rules in Ordinance 7 may result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of two (2) weeks and a maximum of six (6) months;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month with a maximum suspension of three (3) years.

- G. The National Ski Area Association (NSAA) "Your Skier Responsibility Code". Because of the dangers involved in the sport of snow skiing and/or snowboarding, Diamond Peak (as



PERSONNEL POLICIES

well as most ski resorts in the United States) has adopted the "Your Skier Responsibility Code". Diamond Peak's Your Responsibility Code imposes additional responsibilities on skiers/ snowboarder at Diamond Peak, and establishes penalties for when those responsibilities are not met. The IVGID Board of Trustees expressly approves the Diamond Peak "Your Skier Responsibility Code".

2.5A.3 Behavior directed towards IVGID's Staff

The IVGID Board of Trustees strongly recommends that every member of IVGID's staff, who is customer-facing, receive customer service training on how to deal with irate and verbally abusive customers. This training will provide, in great detail via role playing, how to handle the aforementioned situations/customers. It is incumbent upon each member of the IVGID Staff to make their very best efforts to neutralize this behavior to the very best of their ability as this is the intent of the aforementioned training.

In the event that the behavior continues, IVGID Staff has been trained to remove themselves from the situation, elevate the situation to the next level of supervision, and document their experience, in writing, in as much detail as possible. Only in the following rare cases should staff consider applying the punitive measures established by Ordinance 7 and this Policy for behavior that affects staff but not IVGID's customers' enjoyment of IVGID's facilities:

a. Physically Abusive Behavior

1. IVGID will not tolerate physically abusive behavior directed towards its staff. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or

2-17

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

all recreational venues i.e. golf, ski, parks, etc.) for a minimum of three (3) months and a maximum of three (3) years;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of three (3) years with no maximum suspension.

2. Likewise, IVGID will not tolerate any behavior that is intended to communicate a threat of physical abusive directed towards its staff. Any such behavior shall result in a suspension of recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) as follows:*

First time a penalty is imposed: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of one (1) month and a maximum of one (1) year;

Second time a penalty is imposed and thereafter: Suspension of all recreational privileges (maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.) for a minimum of six (6) months with no maximum suspension.

- b. Verbal Attacks. The IVGID Board expects its staff to be trained with appropriate ways to address and mitigate situations where a customer, resident or guest verbally abuses a staff member. And, while the Board anticipates that customer service training will also address how to deal with verbal attacks made against staff members, providing good customer service need not extend to IVGID's staff continually tolerating verbal attacks. Therefore, chronic verbal attacks directed at an IVGID staff member may result in a suspension of recreational



PERSONNEL POLICIES

privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) as follows:

First time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) month and a maximum of three (3) months;

Second time a penalty is imposed: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of six (6) months with a maximum suspension of one (1) year;

Thereafter: Suspension of all recreational privileges (*maybe venue specific and/or all recreational venues i.e. golf, ski, parks, etc.*) for a minimum of one (1) year with a maximum suspension of three (3) years.

2.5A.4. Matters left to the discretion of the Recreational Venue Manager

The IVGID Board of Trustees acknowledges the distinction between misconduct that may result in the suspension of recreational privileges for a specific period of time, and misconduct that leads to removing a customer from a recreational venue. The Board of Trustees leaves it in the discretion of each individual recreational venue manager to develop reasonable policies and procedures for asking a customer to promptly (i) discontinue their use of the venue and (ii) leave the premises for the remainder of the day, (iii) penalty to be determined by management.



Policy # 2.5A Disciplinary Actions Behavior Incident Report

Date: _____

Customer Name & Address : _____

Employee Name and location of incident: _____

The observed behavior below on _____ is considered unacceptable:
date

- Physically Abusive Behavior
- Verbal Attack
- Chronic Rule Breaking
- Damaging IVGID real property and chattel
- Profanity
- Abuse of Recreational Privileges
- Disobeying the "Your Skier Responsibility Code"
- Other: _____

Details: _____

Use additional pages as necessary to complete information.

Reported to supervisor:	_____	_____
	Date	Signature of Employee
	_____	_____
	Date	Supervisor/Manager/Director



PERSONNEL POLICIES

2.5A.5. Criminal Behavior

With respect to potential criminal activities of our residents and guests that do not fall clear under this Policy, the Board of Trustees acknowledges that County, State and Federal laws should dictate all appropriate penalties.

2.5A.6 Definitions

For purposes of this Policy, the following terms shall have the following definitions:

- a. **“Chronic”**: Repeated on numerous occasions. For purposes of this Policy, IVGID shall take the following steps to determine the existence of “Chronic” misconduct:
 1. IVGID staff has sent the bad actor a written notice setting forth the inappropriate behavior and the consequences of continued misconduct, AND
 2. The misconduct has continued after such written notice, AND
 3. The Senior Manager of the recreational venue where the misconduct has most recently taken place holds a sit-down meeting with the bad actor to review in person the inappropriate behavior and details the consequences of continuing such inappropriate behavior¹, AND
 4. The subsequent continuation of that misconduct may be considered to be “Chronic”.
- b. **“Profanity”**: Words and gestures that a reasonable person would find outrages his or her moral or physical senses.
- c. **“Verbal Abuse”**: A negative defining statement told to the

¹ For purposes of determining “Chronic” misconduct, if the senior manager who is tasked with hold a “sit-down” meeting with a bad actor is, after good faith attempts, unable to carry out such meeting because the bad actor refuses or is unable to attend, then sending a second letter to the bad actor setting forth the misconduct and the consequences of continued misconduct shall suffice.



PERSONNEL POLICIES

person or about the person or by withholding any response thus defining the target as non-existent. Verbal Abuse includes but is not limited to withholding, bullying, defaming, defining, trivializing, harassing, diverting, interrogating, accusing, blaming, blocking, countering, lying, berating, taunting, put downs, abuse disguised as a joke, discounting, threatening, name-calling, yelling and raging.

- d. **“Verbal Attack”**: Is to ridicule vehemently with pure language and gestures. A Verbal Attack is an extreme form of verbal abuse. It most often includes yelling or raging. A Verbal Attack need not include Profanity, but profanity alone, even if directed at a person, does not constitute a Verbal Attack.

2.6 **Employment Disabilities**

2.6.1 *Purpose*

The District recognizes that the preceding sections of its personnel policy relating to fair employment practices encompass its commitment to fair and equitable treatment of all employees and applicants, including those with disabilities. The District also recognizes that there are specific issues relating to individuals with disabilities that must be individually addressed. The District acknowledges its responsibility to ensure that individuals in the workplace can efficiently and safely perform the essential functions of their jobs without posing a direct threat to themselves and others.

2.6.2 *Policy*

It is the District’s policy to comply proactively with the applicable employment provisions of disability laws, including the ADA, as amended. The District does not tolerate discrimination against any qualified individual with a disability in regard to any terms, conditions, or privileges of employment and prohibits any type of harassment or discrimination based on the physical or mental disability, history of disability, or

2-21

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

perceived disability of an individual holding or seeking employment with the District.

The District is committed to provide reasonable accommodation wherever the need for such is known to the District or whenever the employee or applicant indicates a need for reasonable accommodation, provided that the individual is otherwise qualified to perform the essential functions of the assigned job and the employee's performance of the assigned job duties does not pose an obvious threat to the safety of him/herself or others.

2.6.3 Determination of Disability

In determining whether an employee or an applicant has a disability under the law, the employee/applicant must have a physical or mental impairment that substantially limits one or more life activity, have a record of such impairment, or is regarded as having such impairment. Major life activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, concentrating, thinking, communicating, and working. A major life activity also includes the operation of a major bodily function, including but not limited to, neurological, brain, respiratory, circulatory, endocrine, and reproductive functions.

2.6.4 Disability-Related Inquiries

The District will adhere to the provisions of applicable laws regarding an employer's limitations on making disability-related inquiries or requiring medical examinations at each of the three stages of the employment process: pre-offer, post-offer/pre-employment, and employment.

The District's restrictions regarding disability-related inquiries and medical examinations apply to **all** employees/applicants, whether or not they have disabilities. A disability-related

2-22

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

question to an applicant may be a violation of law, even though the applicant may not have a disability.

The District may require the employee to provide a fitness-for-duty certification from an appropriate medical provider whenever the District has reason to believe the employee may be unable to perform the essential functions of his/her job.

2.6.5 Confidentiality of Medical Records

The District will treat any medical information obtained from a disability-related inquiry or medical exam, as well as any medical information voluntarily disclosed by an employee, as a confidential medical record. Confidential medical records also include medical information from voluntary health or wellness programs. The District will share such information only with appropriate supervisors, managers, first aid and safety personnel, and officials investigating compliance claims on a need-to-know basis. Such information may be disclosed to appropriate District personnel or outside consultants and attorneys in relation to any employment issue between the employee and the District, if the medical records are relevant to any such dispute. Any medical information will **not** be kept in the employee's personnel file. Such medical information will be kept in a separate secure confidential file as described in Section 1.7.1, subparagraph 8.

2.6.6 Accommodation

1. Accommodation for Applicants

Whenever an applicant requests accommodation in applying for, testing, or interviewing for a position with the District, the ADA Coordinator will determine whether the applicant's condition constitutes a disability under the disability laws. The District's ADA Coordinator will then determine whether the request for accommodation for a covered disability is reasonable or if another type

2-23

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

of accommodation can be provided. In making that determination of reasonableness, the ADA Coordinator will consider whether granting such requests might impose an undue hardship on the District.

2. *Accommodation for Employees*

When the District has some objective reason to believe an employee may need some type of accommodation to perform his/her essential job functions, the District will initiate an interactive process with the employee to find out what accommodation the employee might need. Also, whenever an employee approaches his/her supervisor, the District's ADA Coordinator, or any other manager within the District requesting some type of accommodation, the District will initiate the interactive process. Whenever a manager or supervisor becomes aware that an employee has requested or may require some type of accommodation, the manager/supervisor should promptly notify the ADA Coordinator. Upon learning of the employee's request for accommodation, the ADA Coordinator will arrange to meet with the supervisor and the employee to discuss his/her accommodation request, the need for any reasonable documentation of the disability and the associated functional limitations, and the impact of the proposed accommodation on the District. Review of an employee's particular situation by an outside medical review officer will assist the District in determining appropriate accommodation.

2.6.7 Requirements of Other Laws

The District may make disability-related inquiries and require medical exams that are required or necessitated by applicable laws or regulations; e.g., federal safety regulations, Occupational Safety and Health Administration (OSHA) requirements, etc.

2-24

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

2.6.8 Glossary of ADA-Related Terms

1. An “**essential function**” is a fundamental job duty of the position held or desired. A function is essential if the job exists to perform that function, a limited number of other employees are available to perform the function, or the function requires special skill or expertise. Determinations as to essential functions must be made on a case-by-case basis and are normally determined based on such factors as:
 - a. The written job description prepared before advertising or interviewing applicants for the job;
 - b. In the District's judgment, the amount of time spent performing the function;
 - c. Input as to the actual work experience of past employees in the job or current employees in similar jobs; and
 - d. The nature of the work operation and the consequences of not having the function performed.

Marginal functions associated with any job should not be considered essential functions. Punctuality and regular work hours may not be an essential function of some jobs. For example, if the job functions can be performed without the presence of a supervisor, adhering to established work hours may not be an essential function. Therefore, reasonable accommodations to the contrary may be necessary.

2. A “**disability-related inquiry**” is a question (or series of questions) likely to elicit information about a disability.

2-25

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Generally, disability-related inquiries are not allowed during the hiring process. Examples of disability-related inquiries include:

- a. Asking whether the employee/applicant currently has or has ever had a disability, how s/he became disabled, or inquiring about the nature or severity of an employee's/applicant's disability;
- b. Asking an employee/applicant a broad question about his/her impairments that are likely to elicit information about a disability;
- c. Asking an employee/applicant whether s/he is currently taking any prescription drugs or medication; and
- d. Asking about an employee's/applicant's genetic information.

Other examples of prohibited disability-related questions include, but are not limited to, asking about an employee's/applicant's prior workers' compensation history, and asking an employee's/applicant's coworkers, family member, doctor, or other person about the employee's/applicant's disability.

Questions that are not likely to elicit information about a disability are not prohibited under the ADA. These types of inquiries include asking employees/applicants about their general well-being, whether they can perform the essential job functions and whether they currently use illegal drugs. The District may also ask an employee, but not a job applicant, about non-disability-related impairments such as how s/he broke his/her arm.

2-26

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

3. A “**medical examination**” is a procedure or test usually given by a health care professional or in a medical setting that seeks information about an individual’s physical or mental impairments or health. Medical examinations include, but are not limited to:
- a. Vision tests conducted and analyzed by an ophthalmologist or optometrist;
 - b. Blood pressure screening and cholesterol testing; nerve conduction tests;
 - c. Range-of-motion tests that measure muscle strength and motor function;
 - d. Audiological or other hearing tests
 - e. Pulmonary function tests;
 - f. Psychological tests designed to identify a mental disorder or impairment; and
 - g. Diagnostic procedures such as x-rays, CAT scans, and MRI’s.

Procedures and tests that employers may require that are generally not considered medical examinations include:

- a. Blood and urine tests to determine the **current** illegal use of drugs;
- b. Physical agility and physical fitness tests; and
- c. Tests that evaluate an employee’s/applicant’s ability to read labels or distinguish objects as part

2-27

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

of a demonstration of the ability to perform actual job functions.

4. Under the ADA, an “**employee**” is an individual employed by an employer. Generally, an individual is an employee if the employer controls the means and manner of his/her work performance. Where more than one entity controls the means and manner of how an individual’s work is done, the individual may be an employee of each entity.

2.7 Drug-Free and Alcohol-Free Workplace

2.7.1. Purpose

The District has the responsibility to its employees and the public to insure safe working conditions for its employees and a productive work force unimpaired by chemical substance abuse. The District also has a responsibility, pursuant to the Drug Free Workplace Act of 1988, to create a drug-free workplace.

The District recognizes that substance abuse in our nation and our community exacts staggering costs in both human and economic terms. Substance abuse can be reasonably expected to produce impaired job performance, lost productivity, absenteeism, accidents, wasted materials, lowered morale, rising health care costs, and diminished interpersonal relationship skills. This drug and alcohol free workplace policy applies to volunteers as well as employees.

2.7.2 Policy

1. The District is committed to:
 - a. Maintaining a safe, drug-free and alcohol-free workplace for all employees;

2-28

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

- b. Assisting employees who recognize they have a problem with drugs and/or alcohol and assist with providing appropriate treatment;
 - c. Periodically providing employees with information about the dangers of workplace drug and/or alcohol abuse; and
 - d. When appropriate, taking disciplinary action for failure to comply with this policy.
2. The District strictly prohibits the following behavior:
- a. The use, sale, attempted sale, manufacture, attempted manufacture, purchase, possession or cultivation, distribution and/or dispensing of illegal drugs by an employee at any time and in any amount while on duty or on District property. This prohibition includes the use or possession of prescription medicines for which the individual does not have a valid prescription and the inappropriate use of prescribed medicines for which the employee has a valid prescription. In addition, the District prohibits employees from possessing open containers of alcoholic beverages while on duty and from working with a blood-alcohol level of .02 or more at any time.
 - b. Bringing alcohol, illegal drugs, and other substances which may impair the safety or welfare of employees or the public onto the premises controlled by the District or placing them in vehicles or equipment operated on behalf of the District.
3. Reporting Requirements
- a. A supervisor who receives information and/or is a

2-29

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

witness to any use of drugs or alcohol by an employee which violates the District's policies or the law, is required to immediately report this information to his/her Department Head, the Director of Human Resources or the Director of Accounting, Finance & Risk Management. The information reported should include:

- I. The person(s) involved, including all witnesses;
 - II. Any information gathered, such as actual observation of drug/alcohol use, the presence of paraphernalia, observation of any unusual physical signs or behaviors;
 - III. A written record of specific conversations held with the accused and any witnesses; and
 - IV. All pertinent facts, including date(s), time(s), and location(s).
- b. A Department Head is required to report this information to the General Manager, the Director of Human Resources or the Director of Finance, Accounting & Risk Management, and may not conduct a formal investigation, release findings, or administer discipline prior to this disclosure and without specific authorization to do so.
- c. An employee who witnesses or obtains information regarding illegal drug/alcohol use by the incident to that individual's supervisor/manager.
4. Specimen collection, drug testing procedures, sample collection, and alcohol testing procedures will comply

2-30

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

with all applicable provisions of federal and state law.

5. A positive test result for alcohol or drugs will be grounds for disciplinary action, up to and including termination.
6. Employees in safety-sensitive positions as defined in 49 CFR Part 382, et seq., are subject to the Federal Department of Transportation (DOT) (49 CFR Part 40) and the Federal Motor Carrier Safety Regulations (FMCSR), as prescribed by the Federal Motor Carrier Safety Administration (FMCSA) (49 CFR Parts 382, 383, 387, 390-397, and 399), as stated in Section F of the District's Operations and Safety Manual, as well as the District's Drug-Free and Alcohol-Free Workplace Policy.

2.7.3 Employee Responsibilities

Each employee is responsible for reviewing and complying with the District's Drug-Free and Alcohol-Free Workplace Policy.

1. Each employee is responsible for meeting standards for work performance and safe on-the-job conduct.
2. Employees are not to report to work under the influence of alcohol, illegal drugs, or misused prescription or over-the-counter drugs.
3. Employees who suspect they may have a substance abuse problem are encouraged to seek counseling and rehabilitation from a substance abuse professional or other treatment provider. An Employee Assistance Program (EAP) is available for all employees; see Section 6.9. For employees with benefits, the District's medical insurance coverage may provide for payment of some or all of the treatment costs.

2-31

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

4. It is the employee's responsibility and obligation to determine, by consulting a physician if necessary, whether or not a legal drug s/he is taking may or will affect his/her ability to safely and efficiently perform his/her job duties. An employee whose impairment may affect job performance must contact his/her supervisor and attempt to find an appropriate alternative assignment. If none is available, the employee may take sick leave or be placed on a medical leave of absence (if available and the employee otherwise qualifies) or take other steps consistent with the advice of a physician. If an employee reports to work under the influence of prescription medication and, as a result, endangers him/herself or others, the employee may be disciplined, up to and including termination.
5. Each employee must report the facts and circumstances of any criminal drug or alcohol conviction to their supervisor. If an employee's duties involve driving a vehicle, the employee must report to his/her supervisor a conviction for driving under the influence (DUI), and/or revocation or suspension of the driver's license pending adjudication. Notification to the District must occur before resuming work duties or no later than five (5) days after the conviction or revocation/suspension. Failure to notify the District will result in disciplinary action, up to and including termination. The supervisor will immediately notify the District's Director of Finance, Accounting & Risk Management or Director of Human Resources.
6. Employees must act as responsible representatives of the District and as law-abiding citizens. It is every employee's responsibility to report violations of this policy to his/her immediate supervisor or to Human Resources. Such reporting is critical in preventing serious injuries or damage to other employees, the

2-32

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

public and/or District's property.

7. Employees who are required to submit to a drug/alcohol testing must complete and sign the consent form, if available.

2.7.4 Supervisor Responsibilities

Supervisors are responsible for:

1. Determining if reasonable suspicion exists to warrant drug and/or alcohol testing and documenting, in writing, the specific facts, symptoms, or observations that are the basis for the reasonable suspicion.
2. Submitting the documentation to the Department Head or designee.
3. Complying with the appropriate provisions outlined in this policy that apply to supervisory personnel.

2.7.5 Department Head Responsibilities

The Department Head or his/her designee is responsible for:

1. Authorizing and coordinating the drug and/or alcohol testing of employees.
2. Requesting completion of the consent form.
3. Notifying employees of positive test results and their right to a retest of the same sample.
4. Implementing disciplinary action against employees who fail to comply with provisions outlined in this policy.
5. Notifying the District's Director of Finance,

2-33

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Accounting & Risk Management of an employee's conviction of a federal or state criminal drug and/or alcohol statute violation.

6. Ensuring that the drug and/or alcohol test forms and results are kept confidential and only provided to employees with a business need for the information.

2.7.6 Risk Management Responsibilities

Risk Management will be responsible for:

1. Providing communication and training on this policy to include a training program to assist supervisors/managers and Department Heads to recognize the conduct and behavior that gives rise to a reasonable suspicion of drug and/or alcohol use by employees and how to effectively intervene.
2. Receiving and maintaining employee drug and alcohol testing records and files from all sources and assuring that they are kept confidential.
3. Making drug and/or alcohol testing and notice forms available at the designated collection site(s).
4. Notifying appropriate Department Heads of positive results of drug and alcohol tests.
5. Administering the contract with a third party to provide drug and alcohol testing services.
6. Overseeing the administration of the District's Drug-Free and Alcohol-Free Workplace Policy.

2-34

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

2.7.7 Employee Education

The District maintains information relating to the hazards of and treatment for drug- and alcohol-related problems. Proactive training and information will be sponsored by the District periodically. Any employee may voluntarily seek advice, information, and assistance. Medical confidentiality will be maintained consistent with this policy.

2.7.8 Employee Assistance and Voluntary Referral

1. The District strongly encourages employees who suspect they have substance abuse problems to voluntarily refer themselves to a treatment program. A voluntary referral is defined as being one that occurs prior to any positive test for illegal drugs or alcohol under this policy and prior to any other violation of this policy, including a criminal conviction of that individual for a drug- or alcohol-related offense. A decision to participate in the (EAP) will not be a protection or defense from discipline.
2. Any employee who voluntarily requests assistance in dealing with a personal drug and/or alcohol problem may do so through a private treatment program for drug and alcohol problems. An employee who is being treated for substance abuse in a recognized rehabilitation program may, if the ADA, as amended applies, be entitled to reasonable accommodation so long as the employee is conforming to the requirements of the program and is abstaining from the use of controlled substances and/or alcohol.
3. The employee must agree to release treatment information to the District to permit the monitoring of the employee's ongoing compliance with the treatment recommendation. Any related leave will be considered to be medical leave under the provisions of the Family

2-35

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

and Medical Leave Act (FMLA) if the employee is eligible. Employees requiring in-patient treatment are requested to notify the Director of Finance, Accounting & Risk Management or Director of Human Resources in advance of the treatment admission. After such accommodation, the discontinuation of any involvement with alcohol and/or drugs is an essential requisite for continued employment. Upon completion of a substance abuse program, employees must take and pass a return-to-work test and sign a return-to-work agreement that will include a commitment to follow recommendations given by the treatment provider and other conditions as the District deems appropriate.

4. The cost of the drug or alcohol rehabilitation or treatment program will be borne by the employee and/or the employee's insurance provider. All information regarding an employee's participation in treatment will be held in strict confidence. Only information that is deemed business necessity will be shared by the District's management. Employees are limited to treatment for substance abuse one time only under this policy.

2.7.9 Reasonable Suspicion Testing

1. When a supervisor/manager or Department Head has reasonable suspicion that an employee may be under the influence of alcohol and/or drugs, the employee in question will be directed by the Department Head or designee or the District's Director of Finance, Accounting & Risk Management to submit to drug and/or alcohol testing by a third party that the District has contracted with to provide drug and alcohol testing services. The employee may be suspended with pay pending results of the test.
2. The supervisor/manager will be responsible to

2-36

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

determine if reasonable suspicion exists to warrant drug and/or alcohol testing and will be required to document, in writing, the specific facts, symptoms, or observations which form the basis for such reasonable suspicion. When possible, the documentation will be forwarded to the Department Head or designee to authorize the drug and/or alcohol test of an employee.

3. Circumstances which constitute a basis for determining reasonable suspicion may include, but are not limited to:
 - a. Information provided either by reliable and credible sources or independently corroborated.
 - b. The first line supervisor or another supervisor/manager receives information from a reliable and credible source as determined by the Department Head that an employee is violating the District's policy.
 - c. The first line supervisor or another supervisor/manager directly observes an employee using drugs or alcohol while an employee is on duty.
 - d. Drug or alcohol paraphernalia, possibly used in connection with illicit drugs or alcohol, found on the employee's person or at or near the employee's work area.
 - e. Evidence that the employee has tampered with a previous drug and/or alcohol test.
4. The following behaviors will also contribute toward reasonable suspicion and, collectively or independently, on a case-by-case basis may provide a sufficient reason for requesting a drug and/or alcohol test:

2-37

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

- a. *A pattern of abnormal or erratic behavior.*
This includes, but is not limited to, a single, unexplainable incident of serious abnormal behavior or a pattern of behavior which is radically different from what is normally displayed by the employee or grossly differing from acceptable behavior in the workplace.
- b. *Presence of physical symptoms of drug and/or alcohol use.*
The supervisor observes physical symptoms that could include, but are not limited to, glassy or bloodshot eyes, slurred speech, poor motor coordination, or slow or poor reflex responses different from what is usually displayed by the employee or generally associated with common ailments such as colds, sinus problems, hay fever, and diabetes.
- c. *Violent or threatening behavior.*
First Incident: If an employee engages in unprovoked, unexplained, aggressive, violent, and/or threatening behavior against any person, the Department Head may request that the employee submit to drug and/or alcohol testing.

Second Incident: Whether or not an employee has previously received formal counseling or disciplinary action for unprovoked, unexplained, aggressive, violent, or threatening behavior, upon a second or subsequent episode of similar behavior/conduct, the Department Head will request that the employee undergo drug and/or alcohol testing.
- d. *Absenteeism and/or tardiness.*
If an employee has previously received disciplinary action for absenteeism and/or

2-38

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

tardiness, a continued poor record that warrants a second or subsequent disciplinary action may, in combination with other relevant behaviors, result in drug and/or alcohol testing.

5. An employee who is required to submit to reasonable suspicion testing will be provided transportation by the District to the location of the test. After the employee submits to the test or if the employee refuses to be tested, the District will provide transportation for the employee to his/her home.

2.7.10 Post-Accident Testing

1. Each employee involved in an OSHA-recordable accident may be tested for drugs and/or alcohol as soon as possible after the accident, but after any necessary emergency medical attention has been provided. OSHA-recordable accidents are those accidents that result in but are not limited to:
 - a. Medical treatment other than first-aid treatment;
 - b. Work restrictions;
 - c. Days away from work;
 - d. Loss of consciousness; or
 - e. Transfer to another job.

Additionally, any accident in which there is property damage estimated to be valued at or in excess of two thousand five hundred (\$2,500) may trigger a post-accident test. The manager will make the discretionary decision if the test will be administered. An employee who is required to submit to post-accident testing will be provided transportation by the District

2-39

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

to the location of the test.

2. In the event an employee is so seriously injured that s/he cannot provide a blood, breath, or urine specimen at the time of the accident, the employee must provide necessary authorization, as soon as the employee's physical condition allows, to enable the District to obtain hospital records or other documents that indicate whether there were drugs or alcohol in the employee's system when the accident occurred.
3. In the event federal, state, or local officials conducted drug and/or alcohol testing following an accident, the employee will be required to sign a release allowing the District to obtain the test results from such officials.
4. An employee who is subject to a post-accident test must remain readily available for testing. An employee who leaves the scene before the test is administered or who does not make him/herself readily available may be deemed to have refused to be tested, and such refusal will be treated as a positive test. Further, the employee, subject to a post-accident test, must refrain from consuming alcohol for eight (8) hours following the accident or until the employee submits to an alcohol test, whichever comes first.
5. For safety reasons, an employee required to submit to post-accident testing may be placed on leave of absence with or without pay pending receipt of the post-accident testing results and any related investigation.

2.7.11 Consequence of Refusal to Submit to Testing/ Adulterated Specimen

1. An employee who refuses to submit to testing for drugs and/or alcohol will be subject to disciplinary action, up to and including termination. An employee

2-40

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

who consents to a drug or alcohol test but fails to appear timely at the collection site, or who fails to give his/her urine sample after reasonable opportunity to do so, will be treated as a refusal to submit to a drug or alcohol test.

2. Submission of an altered or adulterated specimen or substitution of a specimen by a specimen donor will be considered a refusal to comply with this policy and subject the employee to disciplinary action, up to and including termination.

2.7.12 Testing Guidelines

1. The District, through a contracted third party that provides drug and alcohol testing services, will test for the following types of substances:
 - a. Marijuana
 - b. Cocaine, including crack
 - c. Opiates, including heroin and codeine
 - d. Amphetamines, including methamphetamines
 - e. Phencyclidine (PCP)
 - f. Alcohol
 - g. Other drugs may be added to this list.
2. Where applicable, the District will follow federal testing procedures for drugs and alcohol set forth by the Federal Department of Transportation (DOT) 49 CFR Part 40 and the Federal Motor Carrier Safety Regulations (FMCSR). These regulations may be

2-41

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

amended from time to time.

2.7.13 Option for Drug Retest (For Commercial Drivers License (CDL) Program only)

1. No later than seventy-two (72) hours after receipt of a positive drug test, an employee who tests positive may request a confirmatory retest of the same sample at his/her expense at a certified laboratory of his/her choice.
2. Upon request, the outside medical review officer will authorize the laboratory holding the employee's sample to release to a second laboratory, approved by the Department of Health and Human Services, a sufficient quantity of the sample to conduct a second testing analysis.
3. The employee will be required to authorize the laboratory to provide the District with a copy of its test results. The accuracy of the test results will be verified by the laboratory conducting the analysis.

2.7.14 Searches

1. If the District suspects that an employee or on-site contractor is in possession of illegal drugs, alcohol, or contraband in violation of this policy, the District may request the individual to submit to a search of his/her person, personal effects, vehicles, lockers, desks, work area, baggage, and employee quarters. By entering into or being present at a job site while on District time or representing the District in any way, an individual is deemed to have consented to such searches. If an individual is asked to submit to a search and refuses, that individual will be considered insubordinate and will be escorted off the job site and disciplined, as appropriate.

2-42

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

2. Searches will be conducted by management personnel and may or may not be conducted in the presence of the person whose property or work area is searched. Any suspected contraband will be confiscated and may be turned over to law enforcement as appropriate. Any person whose property is confiscated will be given a receipt for that property by the District's representative conducting the search.

2.7.15 Discipline Related to Abuse

1. Employees in violation of the provisions of this policy will be subject to disciplinary action, up to and including termination.
2. An employee may be found to have violated this policy on the basis of any appropriate evidence including, but not limited to:
 - a. Direct observation of illegal use of drugs, prohibited use of alcohol, or possession of illegal drugs or alcohol or related contraband;
 - b. Evidence obtained from a motor vehicle citation, an arrest, or a criminal conviction for use or possession of illegal drugs or for the use, or being under the influence, of alcohol on the job;
 - c. A verified positive test result; or
 - d. An employee's voluntary admission.
3. Prior to determining its course of action, the District may direct an employee who has tested positive to submit to an evaluation by a substance abuse professional. The evaluation will attempt to determine the extent of the

2-43

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

employee's use of or dependence on the abused substance(s) and, if necessary, recommend an appropriate program of treatment.

4. If an evaluation is conducted which results in a recommendation for treatment, continued employment may, but is not required, to be allowed if the recommended treatment is immediately begun and successfully completed. The treatment program may include, but is not limited to, rehabilitation, counseling, and after-care to prevent future substance use/abuse problems. The treatment program will **not** be at the District's expense; however, employees may use benefits provided by applicable insurance coverage, if covered. Failure by the employee to enroll in the recommended treatment program, to consistently comply with the program's requirements, to complete it successfully, and/or to complete any continuing care program will be grounds for immediate termination from employment. Employees are limited to substance abuse treatment one time only under this policy.

5. If the District agrees to continue employment, an employee who violates this policy and undergoes rehabilitation for drugs or alcohol will, as a condition of returning to work, be required to agree to follow-up testing as established by the District's Director of Finance, Accounting & Risk Management or designee. The extent and duration of the follow-up testing will depend upon the safety and security nature of the employee's position and the nature and extent of the employee's substance abuse problem. The District's Director of Finance, Accounting & Risk Management or designee will review the conditions of continued employment with the employee prior to the employee returning to work. Any such condition for continued employment will be given to the employee in writing.

2-44

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

Any employee subject to return-to-work testing that has a confirmed positive drug or alcohol test will be in violation of this policy and subject to termination.

6. Disciplinary action will also be taken for any job performance or behavior that would otherwise be cause for disciplinary action.

2.7.16 Confidentiality

All medical and rehabilitation records are confidential medical records and may not be disclosed without the prior written consent of the employee, authorizing court order, or otherwise as permitted by state and federal law. Positive test results may only be disclosed to the employee; the appropriate medical and substance abuse treatment providers; the District's General Counsel; a District representative necessary to respond to an alleged violation of this policy; individuals within the District who have a business need-to-know of drug and/or alcohol testing results; and a court of law or administrative tribunal in any adverse personnel action.

2.7.17 Glossary of Drug-Free and Alcohol-Free Workplace Related Terms

Alcohol: The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol.

Alcohol Use: The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol.

Applicant: A person, including a current employee, applying for any position with the District.

Contraband: Any item such as illegal drugs, drug



PERSONNEL POLICIES

paraphernalia, or other related items whose possession is prohibited by this policy.

Conviction: A finding of guilt, including a plea of no contest or imposition of sentence or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug or alcohol statutes.

Department Head/Department Manager: An employee or position designated by the General Manager to be in charge of a District department.

Drug Test: A urinalysis (urine) test that includes specimen collection and testing by a Department of Health and Human Services (DHHS) certified laboratory. Both a screening test and a confirmation test must be used to establish a positive test result.

District Premises: All District property and facilities, the surrounding grounds and parking lots, leased space, District-motor driven equipment/vehicles, offices, desks, cabinets, closets, etc.

Illegal Drugs: Any controlled substance or drug, the sale, possession, cultivation, transfer, use, purchase, or distribution of which is illegal. Illegal drugs include prescription drugs not legally obtained and/or prescription drugs not being used in the manner, combination, or quantity prescribed, or by the individual for whom prescribed.

Legal Drugs: Prescription drugs and over-the-counter drugs that have been legally obtained and are being used in the manner, combination, and quantity for which they were prescribed or manufactured.

Positive Drug or Alcohol Test: Any detectable level of drugs or its metabolite (in excess of trace amounts attributable to secondary exposure) in an employee's urine or blood. With

2-46

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

respect to alcohol, a blood alcohol concentration of 0.02 or higher constitutes a positive test.

Substance Abuse Professional: A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with the knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol-related disorders.

Supervisor: An employee who has been authorized to select, train, schedule, and evaluate the work of other employees, and to make decisions or effectively recommend actions related to the hiring, evaluation, and discipline of assigned employees. This person may also serve as the Department Head.

2.8 Prohibition of Workplace Violence

2.8.1 *Policy*

The District is committed to providing for the safety and security of all employees, customers, visitors, and property.

2.8.2 *Scope*

This policy applies to all employees, including regular, part-time temporary, seasonal, and elected officials, as well as contract and temporary and volunteer workers and anyone else on the District's property.

2.8.3 *Implementation of Policy*

1. The District will not tolerate any form of workplace violence including acts or threats of physical violence, intimidation, harassment, hostile behavior, and/or

2-47

Adopted September 30, 2009; Effective November 1, 2009

Adopted and Effective February 10, 2010

Adopted June 13, 2012; Effective July 1, 2012

Adopted March 12, 2014; Effective April 1, 2014



PERSONNEL POLICIES

coercion, which involve or affect the District or which occur on property owned or controlled by the District or during the course of the District's business. Examples of workplace violence include, but are not limited to, the following:

- a. All threats (including direct, conditional, or veiled) or acts of violence occurring on premises owned or controlled by the District, regardless of the relationship between the District and the parties involved in the incident.
 - b. All threats of any type or acts of violence occurring off the District's premises involving someone who is acting in the capacity of a representative of the District.
 - c. All threats of any type or acts of violence occurring off the District's premises involving an employee of the District, if the threats or acts affect the legitimate interests of the District.
 - d. Any acts or threats resulting in a criminal conviction of an employee or agent of the District or of an individual performing service for the District on a contract or temporary basis which adversely affect the legitimate interests and goals of the District.
2. Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:
- a. Hitting, shoving, or otherwise physically assaulting an individual;
 - b. Direct, conditional, or veiled threats of harm directed to an individual or his/her family, friends,

2-48

Adopted September 30, 2009; Effective November 1, 2009
Adopted and Effective February 10, 2010
Adopted June 13, 2012; Effective July 1, 2012
Adopted March 12, 2014; Effective April 1, 2014