

CLAIMS PROCESSING PROCEDURE POLICY
Revised 6/15/06

1. PURPOSE

The purpose of this policy is to establish an orderly procedure that specifies how claims are to be processed. It provides for the Elected Officials and the Department Heads to authorize his/her department's expenditures, the Controller's Office to review the claim and to submit the claim for action to the Statutory Finance Committee in a timely manner.

2. POLICY

2.1 The following is the general claims procedure established for those claims, which, under statute, require the approval of the Tuscola County Statutory Finance Committee:

- 2.1.1 Each Elected Official and/or appointed Department Head shall receive the original invoice for a claim against his or her respective department. Upon receipt of the invoice, the Department Head/Elected Official shall review said invoice and on this invoice shall indicate the appropriate fund, activity and account number to which this expenditure is to be charged and sign his/her name authorizing said expenditure. The original invoice, proof of delivery, and such information as deemed appropriate, shall be submitted to the Controller's Office – Accounting Division no later than four working days prior to the meeting of the Statutory Finance Committee.
- 2.1.2 The Controller's Office – Accounting Division, is charged with the specific responsibility of reviewing the invoice (claim) for payment. This audit shall consist, at a minimum, of the following: verifying all calculations; reviewing for appropriate account number charged, checking conformity to purchasing policies established by the Board; checking for attached proper receipts on employee reimbursements and verifying signature of authorized Department Head/Elected Official or designee.
- 2.1.3 Upon completing the review, the Controller's Office – Accounting Division, shall cause to be prepared a "Report of Committee of Claims," and submit along with supporting documents sent to Statutory Finance Committee. Incomplete voucher claims shall

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be returned to the submitting department along with a note explaining what information is deficient. Approved audit listings shall be submitted to the Controller's Office – Accounting Division at least four (4) working days prior to the Statutory Finance meeting in which said claims are to be reviewed and recommended for payment.

2.2 The Statutory Finance Committee shall receive the "Report of Committee on Claims." The report shall include only those claims that have been submitted to the Controller's Office – Accounting Division. This claims listing, at a minimum, shall include the payee's name, (vendor) dollar amount of the claim, and fund/activity to be charged.

2.2.1 After review by the Statutory Finance Committee the vouchers will be approved for payment and be made available to the Board of Commissioners. The original documents shall be retained in the Controller's Office – Accounting Division.

2.2.2 The Controller's Office – Accounting Division shall authorize creation of a check register for payment of the claims that were approved by the Statutory Finance Committee as authorized by the Board of Commissioners. The original check register shall be retained and filed by the Controller's Office – Accounting Division. One copy of the check register and treasurer's report shall be sent to the Clerk. One copy of the check register shall be sent to the County Treasurer.

2.3 After the checks are printed, the checks shall be forwarded to the County Clerk's Office for signing and then to the Treasurer's Office for second signature and mailing as determined by the County Treasurer. The vouchers and supporting documentation shall be retained and filed by the Controller's Office – Accounting Division.

2.4 The County Controller is hereby granted the authority to authorize payment without additional action by the Board of Commissioners under the following circumstances for items within the budget:

2.4.1 Implementation of any and all provisions of collective bargaining agreements, and other compensation plans adopted by the Board of Commissioners.

2.4.2 All other payments as directed by Board motion.

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- 2.4.3 Payment of premiums on insurance policies including, but not limited to health insurance, life insurance, dental insurance, unemployment insurance and others.

Payments provided for within the provisions of any and all contracts authorized by and approved by the Board of Commissioners.

Postage to the extent provided in departmental budgets.

Jury, witness, and attorney fees by order of the Circuit Court, District Court, and Probate Court.

Any and all utility bills, including, but not limited to electrical, heating, natural gas, telephone, water and sewage.

Registration fees to the extent provided in departmental budgets.

Payments for institution care, foster care, counseling/therapy, independent living and state ward charge backs as related to the Family Court Budget.

Soldiers Relief, Veterans Trust, library penal fines, delinquent tax, revolving funds, and reimbursements and refunds.

Drain orders as submitted by the Drain Commissioner.

- 2.5 The Board Chairperson, Vice Chairperson, and Finance Committee Chairperson shall have authority to approve payment of claims in advance of the regular claims review process to avoid interest penalties, deadlines, or other just causes.

The Board Chairperson has authority to approve checks to be processed for budgeted vehicle purchases or leases upon vehicle delivery and after vehicle purchases or leases have been authorized by the Board of Commissioners.

The above claims shall be reported to the Statutory Finance Committee twice a month or at least on a monthly basis and are to be filed by the Controller's Office – Accounting Division as approved claims pursuant to this policy.

Trust and Agency accounts (non-general fund) maintained by the county on behalf of other boards/agencies, may be paid/transferred by the

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County Controller with authorization by the governing board/agency without County Board approval.

3. PROHIBITIVE

The following is a list of prohibitive expenditures. This list is based on the January 7, 2002 Michigan Department of Treasury guidelines of prohibitive expenditures:

- A. Gifts to officials and employees or retirement recognition events
- B. Office refreshments, kitchen supplies, (donuts and other food) unless part of an extended hours specific training event
- C. Flowers/donations to the sick or departed and funeral expenses
- D. Contributions/donations to churches, veterans, community and non-profit organizations
- E. Private road construction or maintenance
- F. Alcoholic beverages
- G. Entertainment (ie: movies, plays)
- H. Personalized items (ie: brief cases and similar items). (Said items shall remain the property of Tuscola County).
- I. Christmas, birthday or other cards.

This is not intended to be a complete list and may be updated from time to time. If your purchase is in question, an inquiry should be made with the statutory Finance Committee before said purchase is made. Contributions or appropriations which are not specifically authorized regardless of the worthiness of the cause are included in the list of prohibitive expenditures.