



Financial Policy Manual
Edited and approved at ELT Meeting - 10-11-2017
Dues Section added and approved at ELT Meeting – 6-12-2023

The Texas Association of City and County Health Officials (TACCHO) strives to have the best possible internal controls and financial systems. These financial policies are periodically reviewed by members of the ELT and staff and are approved by the Executive Leadership Team (ELT) to guide the work of staff and outsourced financial management.

I. Finance Subcommittee

The President of TACCHO will annually appoint a Finance Subcommittee who works under the ELT Vice - President to ensure the appropriate preparation of an annual budget, appropriate handling and distribution of funds, and the appropriate preparation and presentation of regular financial statements. The Finance Subcommittee directs, reviews, and presents the annual audit to the ELT.

II. Approval of plans and commitments before they are implemented

The ELT will authorize the annual budget, and any amendments or revisions, based on TACCHO's fiscal year, to direct how funds are spent.

III. Accurate, timely financial reports and information returns

The Finance Subcommittee oversees that TACCHO provides accurate, timely financial reports and information returns. The Finance Subcommittee will regularly review financial statements, including a balance sheet and a comparison of actual financial activity to the approved budget. The Executive Director will maintain a calendar of report deadlines and will advise the ELT to ensure that all financial reports and information returns have been filed as required.

IV. Banking institutions and accounts

In order to minimize risk and maximize benefit, TACCHO utilizes only federally insured local banking and savings institutions. The amount on deposit with any one institution may not in the usual course of business exceed the FDIC insured limit of \$250,000. The Finance Subcommittee will review the banking relationship annually.

V. Compliance with other government regulations



TACCHO complies with all government regulations pertaining to grants and contracts. When new funds are awarded from a public entity, TACCHO Vice - President and/or staff financial manager shall review all documentation to ensure that TACCHO is in compliance with all regulations. Professional accounting and/or legal advice should be incorporated as necessary.

VI. Deposits

All income intended for TACCHO will be properly received, deposited, recorded, reconciled, and kept under strict security. Any cash or checks received must be fully deposited within three business days.

VII. Grants, gifts, and pledges

All grants, gifts, and bequests are received and properly recorded. Compliance with terms of any related restrictions is monitored by the Executive Director and Vice - President of TACCHO. Thank you letters to donors are in compliance with IRS regulations.

VIII. Donated goods and services

Pledges are recorded at the time they are made. Donated materials are recorded in an "In-kind ledger" with annotations about source, materials and estimated values for goods and services. Estimates are recorded at fair market value. Services, including but not limited to, volunteer hours (direct service, event, ELT and administrative) and professional services (dentists, doctors, legal, etc.) shall be computed at rates commensurate to the tasks performed. Annually, TACCHO's ELT reviews the in-kind ledger. In-kind contributions are factored into TACCHO'S annual budget and audit.

IX. Fixed assets

Expenditures for land, building and equipment are recorded at cost. Donated assets and capitalized donated leases are recorded at their estimated fair market values at the date of donation. Depreciation expenses are calculated using the straight-line method and the following estimated useful lives:

- Buildings and improvements 10-35 years
- Furniture and equipment 3-10 years
- Vehicles 3-5 years



Maintenance and repairs, which materially add to the value of the property or appreciably prolong its life, are recorded as an increase to the appropriate asset account. TACCHO capitalizes all fixed assets with a cost greater than or equal to \$1,000 and a useful life of at least three years, unless otherwise stipulated by a grant. When an asset is purchased through a grant, the grant's capitalization rules apply. TACCHO will conduct a regular inventory of fixed assets and maintain a central list of fixed assets which includes date of purchase, registration numbers, warranty information, original cost, and estimated life.

X. Petty cash

As of the date of this policy, TACCHO does not approve the use of a petty cash fund.

XI. Credit and debit card use

TACCHO may maintain credit and/or debit card accounts to facilitate efficient operations. Cards will only be issued in the name of specific employees with specific credit/debit limits as appropriate and will be adequately safeguarded at all times. All transactions will be only for proper purposes and will be properly recorded. Only those transactions that are included in the authorized budget can be made.

XII. Procurement and purchasing

TACCHO will always seek to maximize value and cost-effectiveness in all procurement and purchasing. Purchases exceeding \$5,000 shall require at least three competitive bids.

XIII. Disbursements

Financial transactions which have a value that exceeds 5% of the annual operating budget shall require majority approval of the ELT. Financial transactions which have a value less than 5% of the annual operating budget may be approved by the Executive Committee. (per bylaw changes 8-10-17)

Funds will be disbursed only upon proper authorization of management and only for valid business purposes of purchases included in the current approved budget. All disbursements will be initiated only from properly authorized documentation and will be properly recorded within the same business day as the check is written. No check may be made out to Cash. The ELT shall designate the ELT President, the ELT Vice -



President, Secretary, Immediate Past President, the Executive Director, and any other ELT member or staff member deemed appropriate as authorized signers of checks on behalf of TACCHO. Any check for an amount over \$2,500 must carry two signatures unless otherwise specifically authorized in advance by the ELT (such as for payroll or office rent). No check signer may sign a blank check.

Funding provided by TACCHO for any social event must have advance approval by the ELT.

XIV. Payroll

Payroll disbursements will be made only to bona fide employees and only upon proper authorization. Changes to each payroll will be properly documented. TACCHO will ensure that payroll disbursements are properly recorded and that related disbursements (such as payroll tax deposits and retirement funds) are made timely. Payroll checks will not be released prior to payday, and employee advances are not permitted.

XV. Reconciliation of banking/security statements

All banking/security statements will be reconciled by a party who is not otherwise involved in the preparation of checks, the depositing of funds, or is an authorized signer of checks. This designated individual shall review and initial each statement on a timely basis. An appropriately qualified finance staff person will reconcile each bank account monthly prior to the issuance of financial statements.

To fulfill the obligation in paragraph XV, TACCHO may contract with a third party to handle reconciliation to ensure proper financial distancing.

XVI. Contracts

TACCHO may use a private consultant only if there is a substantial need for the consulting services and if TACCHO cannot adequately perform the services with its own personnel. TACCHO shall select a consultant on the basis of demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for services. The following procedures regarding contracts and procurement comply with federal requirements and to be used for purchases or contracts over \$5,000.

Awarding contracts:



No employee, officer or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. Any violations of such standards by officers, employers or agents of TACCHO shall be subject to disciplinary action as outlined in the Personnel Policies.

Employees are prohibited from accepting gifts, money, or gratuities from persons receiving benefits or services from TACCHO. Any gifts of whatever value received at TACCHO will be considered gifts to the TACCHO. Money and gratuities received from public appearances as representatives of TACCHO will be deposited in the unrestricted account.

Contract administration

The Executive Director will ensure that a system for contract administration is maintained to comply with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Receipts shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, inclusive, and free competition. TACCHO shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft grant applications, or contract specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurement.

Awards shall be made to the bidder whose bid or offer is responsive to the solicitation and is most advantageous to the recipient after considering all factors. TACCHO shall clearly set forth all requirements that the bidder shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in TACCHO's interest to do so.



Cost and price analysis

Cost or price analysis shall be made and documented in connection with every procurement action before a contract is awarded. Price analysis may be accomplished in various ways including comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Procurement records:

Procurement records and files for purchases in excess of \$5,000 shall include the following: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

Errors in process:

In the event that procurement procedures have not been adequately followed, the Executive Director or ELT President may request to reopen the procurement activity.

XVII. Segregation of duties

All disbursements are initiated from properly authorized documentation. The ELT President or Vice - President approves payments and signs check, or outsources necessary portions of this process to an appropriate third party accounting firm. All checks over \$2,500 (with the exception of payroll and office rental checks) must carry two signatures. Signatories may not sign a check payable to themselves. TACCHO may contract with an outside accounting firm to prepare the bank reconciliation, and review canceled checks. The TACCHO Executive Director, President, and Vice President will be allowed access to information for financial monitoring, but will not conduct primary reconciliation activities.



XVIII. Dues

1. Eligibility for membership

Membership is open to any local health department, district or other subdivision as described in Chapter 121 of the Texas Health & Safety Code, and other Associations or agencies as approved by the ELT. The Association further describes its members in the following manner:

- (a) All members are equal in their rights as members, though some members may choose to seek election to the Executive Leadership Team, a Committee, Sub-Committee or workgroup, while others may not;
- (b) Members of the Association are further identified by the size of the jurisdiction they represent, further identified as Small, Medium, Large and Extra-Large.

2. Enrollment of Members

The ELT shall adopt a membership application form. The application form shall require each applicant to provide the organization name, address, telephone number, and name and title of the individual representing the organization. There shall be a space for the Secretary to sign certifying that the Secretary believes the applicant to be eligible for membership. The applicant becomes a member upon the Secretary signature of the application form. The Secretary shall keep an up-to-date membership list.

3. Dues

Dues of the Association are assessed by size of the jurisdiction the member represents.

4. Assessment of Dues

The Executive Leadership Team (ELT) is vested with the management of the business and affairs of this Association, subject to the Texas Business Organizations Code, the Certificate of Formation, and the bylaws. The Finance Committee (FC) is to advise the Executive Leadership Team on fiscal matters. Such matters may include at the discretion of the President: annual budget; policy and procedure; audits; fiscal monitoring and fiscal best practices.



5. Due Date of Dues

The fiscal year for the Association will be October 1 through September 30. Dues are expected on October 1 for the upcoming fiscal year. A grace period of 90 days is allowed up to December.

6. Late Dues

Dues are considered late after December 31. TACCHO will contact LHDs to remind them of the due date and identify any issues with payment. If an LHD has difficulty in paying dues by the due date, the ELT may consider circumstances of the LHD and extend the due date. As a matter of policy, any Members who has not paid the annual dues by March 1 will no longer be entitled to the services provided by TACCHO, subject to action by the ELT.

7. Current Dues Schedule

Dues are defined by the following Jurisdictional Population levels:

| | |
|---|---------------------------------|
| Up to 9,999 population | \$ 500 |
| 10,000 to 49,999 population | \$1,000 |
| 50,000 to 249,999 | \$2,500 |
| 250,000 to 999,999 | \$4,000 |
| 1 million + | \$5,500 |
| Prospective LHD/PHD – Newly Forming LHD/PHD in the development process* | Jurisdictional population level |

(Full dues amount is required no matter when application is submitted, unless otherwise approved by Executive Leadership Team)

These policies reflect best practice management of funds at the time in which they were written, and may be altered only by the ELT with a majority vote. These policies must be reviewed annually, and updated when significant changes to best practice or a change in law occurs.

____Katherine Wells_____
President, TACCHO

____6-12-23_____
Date

____Matt Richardson_____
Vice-President, TACCHO

____6-12-23_____
Date



____Jennifer Smith_____
Executive Director, TACCHO

____6-12-23_____
Date