

**PARK COUNTY, COLORADO
BOARD OF COUNTY COMMISSIONERS
Resolution No. 2025- 004**

A RESOLUTION TO REVISE THE FINANCIAL POLICIES

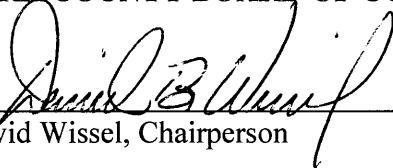
WHEREAS, on September 3, 2011, the Park County Board of County Commissioners (“BOCC”) adopted the Financial Policies;

WHEREAS, the County BOCC finds it necessary to revise said policies to assure the financial policies are maintained by the County at the current standards.

NOW THEREFORE, BE IT RESOLVED THAT the Financial Policies, and incorporated herein by reference, are hereby revised and shall become effective February 18, 2025.

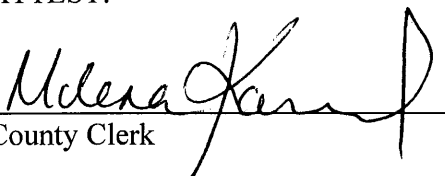
Moved, seconded, and approved this 18th day of February, 2025.

PARK COUNTY BOARD OF COUNTY COMMISSIONERS



David Wissel, Chairperson

ATTEST:



County Clerk



PARK COUNTY, COLORADO Financial Policies

Revised by Resolution 2025-_____
Effective Date: February 18, 2024, 2025
(Original Adoption: September 3, 2011)

This policy will be reviewed annually with next review date January 2026)

PURPOSE:

A long-range plan that estimates revenue and expenditure activity in the County as impacted by regional and national economies is necessary to support the Commissioners and community in decisions they make regarding County services. This planning must recognize the effects of economic cycles on the demand for services and the County's revenues. Financial planning should be designed to ensure the delivery of needed services as defined by policy. The financial planning and subsequent budgeting shall be based on the following policies:

1. Financial Planning Policies

Park County Government requires a capital improvement budget be submitted to the Board of County Commissioners concurrent with the fiscal year budget. The County's financial planning will be designed to ensure the delivery of needed services as defined by the County's Master Plan, Strategic Plan and any other plans that may be adopted from time to time. This planning will recognize the effects of economic cycles on the demand for services and the County's revenues. The financial planning and subsequent budgeting for all funds shall incorporate the following practices:

- a. Long Range Capital Improvement Plans – The evaluation and monitoring of the impacts of regional and national economics on the County's local economy is necessary to support the Commissioners and the citizens in decisions they make regarding County services. Annually, the County will prepare a long-range capital improvement plan for each

operating fund. This will include capital, equipment, major renovation or maintenance projects. The following long range capital improvement plan section of this policy provides detailed procedures for preparing these plans.

- b. Revenue Estimates – Revenue estimates shall be prepared on a conservative basis to minimize the possibility that economic fluctuations could negatively affect ongoing service programs during the budget year.
- c. Contingencies – Expenditure estimates will include any reasonable foreseeable contingencies.
- d. Proven Methods – The County will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the County.
- e. Reserves – The plans will include reserves for operations, debt service coverage and asset replacement, in addition to any reserves required by Commissioner resolution.
- f. The County should carefully monitor state and federal legislation and court decisions and its impact on Park County.
- g. The budget document will be provided on the County website for review by any member of the public.

LONG RANGE CAPITAL IMPROVEMENT PLANS

The purpose of long-range capital improvement plans is to allow the Commissioners and citizens an opportunity to evaluate the impact of the financial needs of requested programs on the regional economy and to coordinate funding needs with all funds. In order to engage in strategic financial and management planning, the County will closely evaluate and monitor both regional and national economic changes. To meet these needs, it shall be County policy to prepare and re-evaluate the capital improvement plan on a yearly basis.

Definitions:

Capital improvements shall be as defined by State Statutes. Capital improvements shall generally consist of, without limitation to, major projects undertaken by Park County Government that are not recurring on a yearly basis and will fit within one or more of the following categories:

1. All projects requiring debt obligation or borrowing
2. Any acquisition or lease of land
3. Purchase of major equipment or vehicles valued in excess of \$5,000 with a life expectancy of two years or more
4. Construction of new buildings or facilities including engineering, design and other pre-construction costs with an estimated value of \$5,000 or more
5. Major building improvements that are not routine expense and substantially enhance the value of the structure
6. Major equipment or furnishings required to equip new buildings or other projects
7. Major studies requiring the employment of outside professional consultants costing in excess of \$5,000

8. Replacement of existing facilities with a life expectancy of more than five years

Policies:

The planning, funding and maintenance of all capital projects shall be based on the following policies:

- The County will maintain a strong bond rating that is consistent with other County goals.
- As part of the annual Capital Expenditures Fund budget, the County will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding. All capital projects will identify the maintenance requirements in terms of staffing, supplies and services.
- County staff will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the Commissioners for approval; this will include capital construction as well as ongoing maintenance.
- The County will identify the ongoing costs and benefits that may be associated with each capital project to determine its effect on other County policies and the county as a whole.

Content:

The capital program will contain a concise summary of proposed capital improvements, equipment and associated maintenance and/or operating costs. The plan must disclose revenue and expenditure assumptions, identify required project staffing levels and have appropriate supporting information as to its necessity and impact.

Responsibilities and Reporting:

Department heads and the Finance Department will share responsibility for the preparation of the five-year financial plans for capital

improvements. The County Manager and Budget & Finance Department Head will review and approve detailed worksheets used to generate the long range plans. The Finance Department will assist in developing appropriate systems to monitor and update the long range plans.

County staff will continually update the long range plans when any significant change is anticipated. The long range plans will be submitted to the Commissioners for approval concurrent with the proposed annual budget.

2. Budget Policies

County staff is responsible for preparing, monitoring and reporting on the County's annual budget. This function is fulfilled in compliance with State budget law and direction of the Commissioners.

General Budgeting Policies:

- The County's fiscal year is January 1 through December 31 and the County legally appropriates its budget on an annual basis.
- The County will present a balanced budget to the Commissioners; the County will pay for all current expenditures with current revenues and present and administer a balanced budget.
- Staff will identify programs to increase efficiency in order to provide long- term cost savings to the County.
- County staff will view investments in people and resources as long term to encourage productivity for today and the future.
- County staff will explore ways to share staff, training resources and equipment and supplies in order to utilize current resources in a more efficient manner.
- Any proposals to add new or increase existing services will be presented with

revenue alternatives to fund or subsidize such new service levels.

- The budget will provide adequate maintenance and orderly replacement of capital equipment.
- Park County recognizes that employees are the most valuable asset of the organization and commits to fund this resource appropriately including adequate funding for retirement systems, benefit packages and training.

Each year the Staff will prepare the annual budget using Commissioner direction and goals as set forth in the County's Master Plan and other plans as they become adopted.

Budget Preparation Policies:

- The Budget & Finance Department Head shall be responsible for preparing a budget schedule in order to present the Recommended Budget to the Commissioners at a regular meeting on or before October 15 as required by State Budget Law.
- The County Manager and Budget & Finance Department Head shall review details of each department/fund proposed budget for efficiency and compliance with Commissioner direction.
- Departments will provide a comparison showing the last two years actual expenditures, project year end numbers and the next year request. Any capital expense requests will be documented separately.
- The Commissioners shall approve all expenditures from each department and fund.
- The budget document shall be prepared based on guidelines identified by the Government Finance Officers Association (GFOA), beginning with an introduction to the budget and followed by more detailed information presented by fund and department.
- The budget process shall encourage full participation of the public and ensure

opportunities for public hearings and citizen participation.

- To provide citizens additional opportunities for input regarding the proposed budget, open public hearings shall be held at regularly scheduled Commissioner meetings and work sessions.
- The County shall adopt the budget in accordance with State requirements and certify the mill levy by the required date.
- The County shall maintain an accounting system to monitor the budget throughout the year. This system shall provide reports and inquiry access to be used by Staff.
- The Finance Department will prepare monthly reports for Commissioners which will include information comparing actual to budgeted expenditures.
- County staff may present requests to amend the approved budget throughout the year. If the request is an expansion of a current line item or requires the addition of a new budget line item, which in either case exceeds \$10,000, approval by the Finance Department and then the Board of County Commissioners. If approved by the BOCC, the Finance Department will prepare a budget amendment resolution officially amending the budget quarterly.
- The County will budget grant-funded expenditures only after the grant award letter has been received. County overhead costs (indirect costs) will be included all grant proposals, where permitted. All grants will be reviewed by the Budget & Finance Department Head for long-term impacts to the County.

3. Accounting, Auditing and Financial Reporting Policies

The County will maintain a system for financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means to ensure that overall County goals and objectives are

met and to instill confidence in the County's partners and investors that the County is well-managed and fiscally sound.

Accounting and Auditing Policies:

- The County will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations and generally accepted accounting principles (GAAP).
- Annually, an independent firm of certified public accountants will perform a financial and compliance audit of the County's financial statements. Their opinions will be included in the County's Comprehensive Annual Financial Report (CAFR) and the Report on Compliance with the Single Audit Act of 1984.
- The County will maintain an internal control structure consisting of the following three elements:
 1. Control Environment – an overall attitude and awareness of actions as they influence the County.
 2. Accounting System – an effective accounting system which will result in identification and recording of all valid transactions, description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes, recording of the transaction in the correct time period and proper presentation of all transactions and related disclosures in the financial statements.
 3. Control Procedures – proper authorization of transactions and activities, adequate segregation of duties, adequate documentation and records, adequate safeguards regarding access and use of assets and records, and independent checks on performance. These procedures will be reviewed and updated by the Budget & Finance Department annually.

An Accounting and Fiscal Internal Controls Plan for programs conducted through the Human Services Fund will specify authorizations and procedural guidance for internal controls over assets, liabilities, revenues and expenditures, separation of duties; cash handling; and subrecipient/sub-contractor review. The Accounting and Fiscal Internal Controls Plan will be on file at the Human Services Department.

- The County will minimize the number of funds, departments, programs and account codes; funds will be categorized by standard GAAP functional classifications; and development of new funds, departments, programs and accounts shall be approved by the Finance Department then the BOCC if the change exceeds \$10,000.

Reporting Policies:

The Finance Department will provide various reports on a monthly basis to the Board of County Commissioners, Elected Officials and Department Directors in order to provide direction and guidance on the County's financial condition. These reports shall contain information to allow users to compare actual financial results to budget.

Purchasing Policies:

Park County Government recognizes the need to use outside sources for providing professional services, constructing capital projects, procuring supplies and equipment and providing services for day-to-day operations and maintenance. The County will follow the below listed policies in making purchasing decisions.

- The County encourages use of County issued purchasing cards whenever

possible. See the County's purchasing card policy attached.

- The County has separately issued purchasing policies.
- The County shall take advantage of payment discounts whenever possible.
- Invoices shall be mailed directly to the individual department for account coding, department head approval, and assurance of adequate budget.
- No check will be prepared without an invoice signed by the department head, proper account coding and adequate budget unless specifically identified in these policies.
- No payment will be made from a statement, unless there is a verifiable and sufficient reason that an invoice is not produced by vendor. An invoice must be submitted.
- The check register is approved by the Budget & Finance Department Head prior to check printing.
- The Finance Department will provide vouchers with invoices to the County Commissioners on a weekly basis. These vouchers require two signatures to be approved by the County Commissioners.

Revenue Policies:

The County will consider its revenues as a group rather than in isolation. The County is sensitive to the balance between the need for services and the County's ability to raise fees, charges and taxes to support County services. Revenues and rates in the annual budget and the long-range plans will be based on the following policies:

- Charges for services that benefit specific users should recover full costs, although competing County policies may dictate a subsidy for a portion of the costs of such services.
- Charges for service will be reviewed annually for all departments and adjusted, as needed for increased costs of providing those services.

- The County shall strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.
- The County will use as efficiently as possible the resources that it already collects.
- The County will collect as efficiently as possible the resources to which it is already entitled by minimizing receivables and following an aggressive collection policy.
- The County will seek new resources consistent with the policies in this document and other County goals.
- As part of the annual budget process, major revenue generating proposals will contain an evaluation of the impact on the community. Such evaluation shall be based on prior year circumstances and include all local taxation and fees, not merely the specific service fee or tax proposal.
- The County will estimate its annual revenues by objective and analytical processes.
- Department directors will be responsible for reporting any revenue or expenditure that varies from budget by 10% of total revenue or expenditures. This will be monitored throughout the year and reported as soon as the 10% variance is met. This should be reported to the Budget & Finance Department Head.
- The County will maintain compliance with legal revenue restrictions as identified by voters.

4. Financial Operating Policies

The County will contain its expenditures to current revenues, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible and constantly review County services for appropriateness and effectiveness. When the other Financial Policies fail to address a specific issue,

financial operating policies will be reviewed for direction.

- Current revenues will exceed current expenditures; each County fund budget must identify ongoing resources that at least match expected ongoing annual requirements.
- County staff will maintain a system of financial monitoring and control, the major components being a fiscal impact analysis of each significant action of the County, preparation of financial status reports on the revenues and expenditures to date and budgetary control systems which identify actual to budget variances.
- The County will maintain cash reserves in order to avoid borrowing for general operating purposes, for unforeseen events and emergencies.
- The County will maintain accurate inventories of capital assets, their condition, life span and cost. An item is considered a capital asset if the cost is \$5,000 or more and it has a life of greater than one year.
- Inventory items (fuel, auto parts, medical supplies, etc.) will be expensed at the time of purchase.
- The staff will develop, maintain and constantly seek to improve cash-management systems which ensure the accurate and timely accounting, investment and security of all cash assets. Disbursement, collection and deposit of all funds will be scheduled to insure an efficient cash flow and to maximize investments.
- The County shall review its services and programs periodically in order to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.
- The County Commissioners are the only persons authorized to sign contracts, IGAs and other financial documents on behalf of the County, unless otherwise provided by BOCC resolution. The delegation of authority to sign for goods and services is

also specified in the Purchasing Policies and Procedures. The County will not be obligated for contracts signed by any other persons without proper authorization to do so.

- All computer equipment must be approved by the Information Systems Director prior to purchase.
- The County will deposit all funds received within one week or less.

5. Reserve Policies

Park County Government recognizes the potential for revenue shortfalls and the need for stability in operations during times of economic downturns or emergency situations. For those reasons, the County has resolved to maintain the following reserves, based upon operating expenditures of the 3 operating funds - General, Road & Bridge and 20% Human Services (80% is state and federal grant funded):

Minimum 20% reserve (to be maintained in each of the funds)

Additionally the County has reserves in many other funds. These reserves are being maintained for the specific purpose of each of those funds. All funds should maintain a fund balance at a level which will provide for a positive cash balance throughout the year. Adequate insurance or fund reserves will be maintained to not jeopardize the financial position of the County in the event of a major unplanned occurrence.

The County places a priority on maintaining these reserves. Should a deficit exist in a fund with a required reserve, the County will identify a specific fund to offset the deficit and establish a plan to increase the reserve in that fund. The Board of County Commissioners may require additional reserves on an individual fund basis. The Board, County Manager and Budget &

Finance Department Head will make decisions on when a reserve will be spent down and will set the spending prioritization of restricted, committed, assigned and unassigned fund balances.

6. Debt Policies

Long term debt is a liability that places a future contractual or other obligation against future revenues of the County, such as liabilities arising from bonds, lease purchase agreements and installment purchase contracts. Park County Government has established the following debt policies:

- The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- The County will not use long term debt for current or annual operations.
- The County will maintain good communications with bond rating agencies regarding its financial condition, following a policy of full disclosure on every financial report and bond prospectus. The County will maintain a strong bond rating that is consistent with other County goals.
- The County will review its legal debt limitation established by the State at least annually. Debt limits will be included in the statistical section of the County's Comprehensive Annual Financial Report.
- The County will annually review its debt, taking into consideration current market rates and future cash flows.

7. Fraud Policy

The County's fraud policy is established to outline the development of controls which will aid in the detection and prevention of fraud against the County. It is the intent of the County to promote consistent organizational behavior by providing guidelines and assigning responsibility for controls and conduct of investigations.

This policy applies to any fraud, or suspected fraud involving employees as well as vendors,

consultants, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a relationship with the County.

1. Reporting - Employees and any other parties with an objective, good faith belief of fraud, or abuse or misuse of County property shall contact the County Manager and the Budget & Finance Department Head. Reports may provide this notice by reasonable means (i.e. orally, in writing, e-mail, etc.) and this notice may be provided anonymously.

Should the suspected fraud or abuse involve the the Budget & Finance Department Head and/or the County Manager then the employee or other party may report the suspected fraud or abuse to the County Attorney.

The County will not retaliate against an employee or a "reporting" party, who makes a report based on an objective, good-faith belief of fraud, or abuse or misuse of County property. The County will take no effort to determine the identity of anyone who specifically requests anonymity and, to the extent possible under the circumstances, will not reveal the identity of an employee or "reporting" party who requests confidentiality.

2. Actions Constituting Fraud - The terms embezzle, misappropriation and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the County
- Forgery or alteration to a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of County activities

- Disclosing confidential and proprietary information to outside parties that could put County monies at risk.
- Accepting or seeking anything of substantial value from contractors, vendors or persons providing services/materials to the County for personal gain.
- Destruction, removal, unauthorized or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

The County's Standard of Conduct should also be referenced for clarification. The Standard of Conduct can be found as Section VI in the Park County Employee Handbook.

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and Human Resources.

If there is any question as to whether an action constitutes fraud, contact the Human Resources Administrator.

3. Investigation Responsibilities - The County Manager and Budget & Finance Department Head have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the County Manager and Budget & Finance Department Head will issue reports to appropriate designated personnel and, if appropriate, to the Commissioners.

If the suspected fraudulent act involves the Finance Department Head and/or the County Manager, then other appropriate means will be used to investigate the suspected fraudulent act.

Decisions to prosecute and/or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the County

Commissioners, as will final decisions on disposition of the case.

4. Confidentiality - The County treats all information received confidentially. Any employee or reporting party who suspects dishonest or fraudulent activity will notify the County Manager and Budget & Finance Department Head immediately.

Should the suspected fraud or abuse involve the Budget & Finance Department Head and/or the County Manager then the employee or other party may report the suspected fraud or abuse to the County Attorney.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the County from potential civil liability.

5. Reporting Procedures - Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee or other party who discovers or suspects fraudulent activity will contact the County Manager and Budget & Finance Department Head immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative or any other inquirer should be directed to the County Manager or County Attorney. No information concerning the status of an investigation will be given out.

The reporting individual should be informed of the following:

- Do not contact the suspected individual(s) or other potentially

involved in an effort to determine facts or demand restitution.

- Do not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the County Attorney, County Manager or Budget & Finance Department Head.

6. Termination - If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the County Attorney and, if necessary, by outside counsel, before any such action is taken. The decision to terminate an employee is made by the employee's management. Should the County Manager or Budget & Finance Department Head believe the management decision inappropriate for the facts, then the case will be presented to the County Commissioners for a decision.

9. Grants Policy

All grants will follow all regulations included in the grant contract. All grants must follow the procedure of routing the "request for approval to pursue a grant" as well as completion of the grants checklist. The Budget & Finance Department will review, update and distribute Grant Procedures to department heads and elected officials annually.

The accounting system will separate revenues and expenditures by funding source and name for all grants. The grant manager should work with the Budget & Finance Department Head and treasurer to ensure the grant name is on the accounts. The accounting system will break down revenues and expenditures for each individual grant via the project system and supporting documentation will be maintained in the financial system for all grant expenditures, as is required of all expenditures. The accounting system has a project system that tracks all revenues and expenditures by the specific grant or project by line item or by broad category as may be included in a grant application budget. These will be reconciled monthly to ensure all revenues and expenditures are being

appropriately coded to the correct grant. Federal grant funds will not be commingled with funds from other Federal grants or other local match money.

When applicable, any matching funds for a grant will be tracked by the department who is responsible for the grant and will only include items that directly correlate to an approved activity identified in the grant proposal. These would normally be tracked on a spreadsheet taking information from the County's accounting system.

Capital assets are tracked through the fixed asset system and, if a grant has purchased a capital asset, this will be noted in the fixed asset system. Additionally, no equipment acquired and funded through a federal fund will be sold, transferred or otherwise disposed of without notification to the funding agency in advance.

Only allowable costs will be allocated to a grant. Expenditures will be initially reviewed by Department Heads to verify the expenditure is allowable and valid within the scope of any contract terms with secondary review by the Budget & Finance Department.

Grants will only be budgeted when the grant award letter has been received. If this is prior to adoption of the budget, it will be included in that year's budget. If it is mid-year, a budget amendment will be requested by the department and approved by the Budget & Finance Department Head and County Manager and by resolution of the Board of County Commissioners.

Grant records will be maintained for seven years after the end of the fiscal year that includes the end date of the grant, or until any issues from an audit are completed.

Department Heads are responsible to review the services to be charged to federal programs to determine the relationship of the vendor as a sub-contractor or a sub-recipient. The determination will be reviewed and

documented with the Budget & Finance Department Head to verify any additional documentation that might be required is completed.

Sub-recipients are required to retain all project records, to facilitate an effective audit, for seven years after the end of the state fiscal year, that includes the end date of the grant. Except if an audit is in progress and/or the findings of a completed audit have not been resolved satisfactorily, then records must be retained beyond the seven-year period and such issues are resolved.

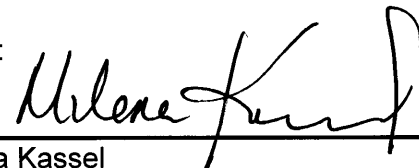
All grants will follow all of the policies outlined in this document.

This revised policy is effective on the 18th day February of 2025.



David Wissel, Chair
Board of County Commissioners

Attest:



Milena Kassel
Park County Clerk & Recorder