



Manistee County Courthouse  
415 Third Street · Manistee, Michigan 49660

**CLERK**

Jill M. Nowak  
(231) 723-3331

**CONTROLLER/ADMINISTRATOR**

Lisa Sagala  
(231) 398-3504

**Board of Commissioners**

**CHAIRPERSON**  
Jeffrey Dontz

**VICE-CHAIRPERSON**  
Karen Goodman

Margaret Batzer  
Eric Gustad  
Pauline Jaquish  
Nikki Koons  
Richard Schmidt

**POLICY COMMITTEE**

Friday, February 26, 2021  
2:30 P.M.

Courthouse & Government Center  
Board of Commissioner's Room

**AGENDA**

1. Call to Order
2. Public Comment
3. New Business
  - a. Receipting Amounts Over/Short Policy – Appendix A
  - b. Fund Balance Policy – Appendix B
  - c. Credit Card Policy – Appendix C
  - d. Calendar – Schedule monthly meetings – Appendix D
4. Old Business
5. Other items from Committee members.
6. Adjournment



Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

RACHEL NELSON, TREASURER  
email: [treas@manisteecountymi.gov](mailto:treas@manisteecountymi.gov)  
Phone: (231) 723-3173

**Manistee County Treasurer's Office**  
**Policy when Receipting Amounts that are Over or Short**

**General Statement of Policy:**

In the course of receiving payments for Delinquent Taxes specifically, there are times that an incorrect amount is delivered to the County Treasurer's Office. This policy sets the value necessary for making adjustments and/or returns, and allows for the timely and accurate collection of revenue owed to the County in cases in which the costs of collection would not justify additional efforts.

**Policy:**

Due to the hard and soft costs of postage and administration required for handling over and short adjustments, payments within \$5.00 or less, over or under the amount due, will be accepted as payment in full.

Payment amounts that exceed (either over or under) this \$5.00 limit can be accepted as a partial payment if permitted, returned to sender for appropriate amount, or accepted and a refund returned to sender.

Some payments have fees set by law and a short payment cannot be accepted.

**Archival Requirement:**

All adjustments are recorded in the system software and archived as long as the systems are maintained, at a minimum according to the State of Michigan Treasurer's retention schedule.

## Manistee County Fund Balance Policy

The purpose of this policy is to provide guidelines for complying with the Governmental Accounting Standards Board (GASB) Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions, and to provide guidelines for the establishment of funds. To ensure that adequate cash flows and reserves are maintained for operations, contingency and emergency expenditures.

### DEFINITIONS OF FUND BALANCES CATEGORIES:

**A. Non-spendable Fund Balance:**

Amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal)

**B. Restricted Fund Balance:**

Amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).

**C. Committed Fund Balance:**

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (e.g., the board's commitment in connection with future construction projects).

**D. Assigned Fund Balance**

Amounts are constrained by the government's intent to be used for specific purposes. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**E. Unassigned Fund Balance**

Includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

### DEFINITIONS OF GOVERNMENTAL FUND TYPES:

**F. General Fund:**

Used to account for and report all financial resources not accounted for and reported in another fund.

**G. Special Revenue Funds:**

Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for a specified purpose other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund.

**H. Capital Projects Funds:**

Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**I. Debt Service Funds:**

Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Minimum Unassigned Fund Balance:**

It is the goal of the County to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than 15% of expenditures. If the unassigned fund balance at fiscal year end fails below the goal, the County shall develop a restoration plan to achieve and maintain the minimum fund balance.

**Order of Expenditure of Funds:**

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the County will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

**Authority to Assign Funds:**

The Board of Commissioners or the Administrator/Controller has the ability to set aside funds for specific purposes.



## Fact Sheet about Fund Balance Reporting and Governmental Fund Type Definitions

### 1. Why has the GASB issued new standards for reporting fund balance?

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. The GASB's original intention was to clear up confusion regarding the relationship between reserved fund balance and restricted net assets. However, the GASB's research revealed that the existing standards guiding fund balance reporting were being interpreted inconsistently by different governments. Consequently, the fund balance information reported by many governments also was inconsistent. It also became clear that the understandability of fund balance information was affected and that financial statement users were unable to readily interpret reported fund balance information.

### 2. Why did the GASB decide not to just clarify the existing fund balance classifications (reserved, designated, unreserved)?

The GASB considered pursuing a solely educational approach to these issues. However, it became apparent based on interviews and survey results that, even if all governments interpreted the requirements consistently, the resulting information would not meet the needs of people who use fund balance information to identify available resources and assess liquidity and financial flexibility.

### 3. How will governments report fund balance in the future?

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority

- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

#### 4. Why is unassigned fund balance reported only in the general fund?

When a government transfers resources from the general fund to another governmental fund, it is communicating that, at a minimum, it intends to use those resources for the purpose of the fund receiving them. This expression of intent meets the requirements for classification as assigned fund balance. Because unassigned fund balance represents amounts that are not constrained in any way, not even by an intention to use them for a specific purpose, the general fund is the only appropriate place to report this classification of fund balance.

In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund balance. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund balance line.

#### 5. How will rainy-day amounts be reported under Statement 54?

Statement 54 treats stabilization arrangements as a specific purpose, allowing governments to report these amounts in the general fund as restricted or committed, if they meet the applicable definitions and criteria. Stabilization amounts that do not qualify to be reported as restricted or committed should be included in unassigned fund balance. Governments may report stabilization amounts in a special revenue fund only if they derive from specific revenue sources that are restricted or committed to stabilization.

Regardless of where stabilization amounts are reported, governments also will disclose key information about their stabilization arrangements in the notes to the financial statements, including the authority by which the arrangements were established, the conditions under which additions to the stabilization amounts are required, and the circumstances under which amounts may be used.

#### 6. How has Statement 54 changed the way encumbrances are reported?

The new standards clarify that an encumbrance is not a specific purpose and therefore should not be reported as a separate line on the face of the balance sheet. Encumbering amounts that are restricted or committed does not further limit the purposes for which they can be used. If the encumbering process meets the definition and criteria for committed fund balance, then encumbering an assigned or unassigned amount could result in the amount being reported as committed; however, it would be reported with other amounts committed to the same or similar purposes, *not* as “committed for encumbrances.” If a government has significant encumbrances, it should disclose them under the standards for significant commitments.

**7. What did the GASB find out about the reporting of governmental funds?**

In practice, many governments have interpreted in different ways the prior standards on reporting governmental funds contained in National Council on Governmental Accounting (NCGA) Statement 1, *Governmental Accounting and Financial Reporting Principles*. This is particularly true for special revenue funds.

**8. How does Statement 54 clarify the special revenue fund type definition?**

Statement 54 makes clear that, for financial reporting purposes, a special revenue fund may only be established around one or more revenue sources that are restricted or committed to purposes other than capital projects or debt service. For example, a school district might report state and federal aid for elementary and secondary education in a special fund if those revenue sources represent a substantial portion of the fund's total inflows.

**9. How does Statement 54 clarify the definitions of debt service and capital projects fund types?**

Statement 54 revises the definitions of the debt service and capital projects fund types so that consistent language and structure are used across all of the governmental fund type definitions. Although the existing definition of a capital project fund specifies that they should be used to account for "the acquisition or construction of major capital facilities," many governments have used them to report on capital assets that are not facilities or major or either. Based on constituent feedback, the GASB broadened the definition to encompass capital outlays in general.

**10. How will Statement 54 impact the reporting of governmental funds?**

The most significant changes are likely to occur in the reporting of special revenue funds, because that is where there has been the most variation in how the prior standards were interpreted. Some governments may not be able to continue to report some of their special revenue funds under the clarified definition. The Statement 54 definition is considered by some to be more permissive than the NCGA Statement 1 definition. However, practice has varied so much that the Statement 54 definition may appear more restrictive to some governments.

**11. Does Statement 54 affect how governments use funds for internal accounting purposes or for special reporting?**

No. Statement 54 affects only the *reporting* of governmental funds in general purpose external financial reports in conformity with generally accepted accounting principles (GAAP). Governments may continue to use any funds they choose or are required to for their internal accounting or for special purpose reporting.

**12. What if a state law requires local governments to report a particular type of fund or to report using the current classifications of fund balance?**

For general purpose external financial reporting under GAAP, governments are required to follow Statement 54. If a law conflicts with Statement 54 or any other part of GAAP, the legal requirements can be met by presenting supplemental schedules. Governments will still be able to comply with such state laws in their general purpose external financial report, but outside of the basic financial statements, notes to the basic financial statements, and required supplementary information.

**13. What other note disclosures does Statement 54 require?**

In addition to the disclosures already mentioned, Statement 54 requires governments to disclose:

- Additional detail regarding the purposes of restrictions, commitments, and assignments, if the required level of detail is not met through display on the face of the balance sheet
- The decision-making authority and formal action, if any, that results in commitments of fund balance
- The bodies or persons with the authority to express intended uses of resources that result in assigned fund balance
- The order in which a government assumes restricted, committed, assigned, and unassigned amounts are spent when amounts in more than one classification are available for a particular purpose
- Information about minimum fund balance policies, if a government has one
- The purpose for each major special revenue fund, identifying which revenues and other resources are reported in each of those funds.

**14. When should Statement 54 be implemented?**

Governments should implement Statement 54 no later than the first fiscal year beginning after June 15, 2010 (for example, the fiscal year starting on July 1, 2010 and ending on June 30, 2011). Governments are encouraged to implement the standards earlier.

## Manistee County Credit Card Policy

Manistee County credit cards are provided to individuals as a means of making business purchases. The following policies and procedures are important to assure proper oversight of expenses and avoid any tax consequences for the employee.

### Policies

1. Manistee County credit cards will be issued to approved staff only and with approval of the Board of Commissioners.
2. Credit cards will be subject to appropriate limits based upon the employee's position and job responsibilities.
3. Credit cards will be used only for business purposes. Personal purchases of any type are not allowed.
4. The following purchases are not allowed:
  - Alcoholic beverages/tobacco products
  - Controlled substances
  - Capital equipment and upgrades over \$2,000.
  - Construction, renovation, or installation
  - Items or services on term contracts
  - Maintenance agreements
  - Personal items or loans
  - Rentals (other than short-term autos)
  - Telephones, related equipment, or services
5. Cash advances on credit cards are *not* allowed.
6. Cardholders will be required to sign the Manistee County Cardholder Agreement, indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

### Procedures

1. Detailed receipts must be retained and attached to the credit card statements. In the case of meals and entertainment, each receipt must include the names of all persons involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations.

2. Monthly statements, with attached detailed receipts, must be submitted to the Administrator's Office, within ten days of receipt of the statement to enable timely payment of amounts due. The cardholder will be responsible for any late payment fees incurred by Manistee County due to the cardholder's failure to timely submit statements with the appropriate substantiation.
3. All monthly statements submitted for payment must have the appropriate account number(s) and the associated amounts clearly written on the statement. Multiple purchases charged to the same account number must be subtotaled. Cards may be designated to have all expenses charged to a specific account number, with exceptions noted on the monthly statement, if desired.
4. Cardholders should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Administrator's Office. Sales tax may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales taxes should not be paid where the purchases are for more substantial expenditures or are repetitively incurred.

### MANISTEE COUNTY CARDHOLDER AGREEMENT

I, \_\_\_\_\_, hereby acknowledge receipt of the following  
(Name of Cardholder)

credit card: \_\_\_\_\_ / \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
(Type of Credit Card) (Credit Card Number)

I understand that improper use of this card may result in disciplinary action, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Manistee County Credit Card Policy agreement.

I acknowledge receipt of said Agreement and Policy and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of Manistee County and that the County will be liable to \_\_\_\_\_ for all charges made on this card.  
(Name of Credit Card Company)

I will strive to obtain the best value for Manistee County when purchasing merchandise and/or services with this card.

As a holder of this card, I agree to accept the responsibility and accountability for the protection and proper use of the card, as enumerated above. I will return the card to the Administrator/Controller or Finance Officer, upon demand, during the period of my employment. I further agree to return the card immediately upon termination of employment. I understand that the card is not to be used for personal purchases. If the card is used for personal purchases or for purchases for any other entity, the County will be entitled to reimbursement from me of such purchases. The County shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
(Cardholder)

<p>Accounting Department use only:</p> <p>Date _____ Amount approved \$ _____</p> <p>Signature _____ (Administrator's Office)</p>
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# 2021 CALENDAR

www.wiki-calendar.com

JANUARY							FEBRUARY							MARCH							APRIL						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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31																											

  

MAY							JUNE							JULY							AUGUST						
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SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
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**HOLIDAYS AND OBSERVANCES:**

- Jan 1 - New Year's Day
- Jan 18 - Martin Luther King Jr. Day
- Feb 14 - Valentine's Day
- Feb 15 - Presidents' Day (Most regions)
- Mar 17 - St. Patrick's Day
- Apr 4 - Easter Sunday
- Apr 5 - Easter Monday
- Apr 15 - Tax Day
- May 5 - Cinco de Mayo
- May 9 - Mother's Day
- May 31 - Memorial Day
- Jun 20 - Father's Day
- Jul 4 - Independence Day
- Jul 5 - 'Independence Day' observed
- Sep 6 - Labor Day
- Oct 11 - Columbus Day (Most regions)
- Oct 31 - Halloween
- Nov 2 - Election Day
- Nov 11 - Veterans Day
- Nov 25 - Thanksgiving Day
- Nov 26 - Black Friday
- Dec 24 - Christmas Eve
- Dec 25 - Christmas Day
- Dec 31 - New Year's Eve