

IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of Repealing and Adopting new  
Yamhill County Policies 101, 103, 106, 107,  
108, 109, 111, 112, 114, 501, and 502

BOARD ORDER 25-109

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the Board) sat for the transaction of county business on April 17, 2025, Commissioners Kit Johnston, Mary Starrett, and David “Bubba” King being present.

IT APPEARING TO THE BOARD as follows:

WHEREAS, Yamhill County Policy 101, *Accounting Functions and Payroll Procedures Policy* (Policy 101), was last updated on March 9, 2023, via Board Order 23-94; and

WHEREAS, Yamhill County Policy 103, *Donation of Flexible Earned Time (FET) or Vacation Policy* (Policy 103), was last updated on December 15, 2016, via Board Order 16-503; and

WHEREAS, Yamhill County Policy 106, *Job-Related Expenses of Department Heads & Elected Officials; Procedure for Review / Approval / Denial Policy* (Policy 106), was last updated on January 26, 2016, via Board Order 16-29; and

WHEREAS, Yamhill County Policy 107, *Non-Bargaining Employee Sell-Back of Personal Extended Leave (PEL) and Flexible Earned Time (FET) Prior to Retirement Policy* (Policy 107), was last updated on January 28, 2016, via Board Order 16-30; and

WHEREAS, Yamhill County Policy 108, *Payroll / Modifications to Employee Information Policy* (Policy 108), was last updated on December 15, 2016, via Board Order 16-502; and

WHEREAS, Yamhill County Policy 109, *Personal Checks for Cash Policy* (Policy 109), was last updated on April 20, 2000, via Board Order 00-273, is better situated under the new Policy 101E as a single, County-wide cash receipts policy to avoid confusion and necessary repetition; and

WHEREAS, Yamhill County Policy 111, *Taxable-Nontaxable Benefits Policy* (Policy 111), was last updated on March 17, 2016, via Board Order 16-101; and

WHEREAS, Yamhill County Policy 114, *Travel Reimbursement for Employees and Authorized Non-County Employees Policy* (Policy 114), was last updated on January 28, 2016, via Board Order 16-33; and

WHEREAS, Yamhill County Policy 112, *Policy Requiring Advance Approval for Overnight Travel; Policy on Use of County Purchase Cards for Meals Policy* (Policy 112), which was last updated on March 17, 2016, via Board Order 16-101, is better situated under Policy 114 as a single, County-wide travel policy to avoid confusion and unnecessary repetition; and

WHEREAS, Yamhill County Policy 501, *Assigned County Vehicles Policy* (Policy 501), was last updated on June 20, 2002, via Board Order 02-383; and

WHEREAS, Yamhill County Policy 502, *Employee and Volunteer Use of County-Owned Vehicles; Use of Private Vehicle for County Business Policy* (Policy 502), was last updated in December 2009 (no known Board Order); and

WHEREAS, Policy 101, Policy 103, Policy 104, Policy 106, Policy 107, Policy 108, Policy 109, Policy 110, Policy 111, Policy 112, Policy 114, Policy 501, and Policy 502 (collectively referred to herein as the “Accounting Policies”) all require revisions in order to address various procedural changes that have occurred since 2004 and to update language where legal precedent and/or statutory law dictates; and

WHEREAS, Administrative efficiency necessitates the Accounting Policies to be repealed and replaced, rather than amended, with the drafted policies respectively attached hereto as Exhibit A; and now, therefore

IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

Section 1. Yamhill County Policy 101, *Accounting Functions and Payroll Procedures Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-1.

Section 2. Yamhill County Policy 103, *Donation of Flexible Earned Time (FET) Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-2.

Section 3. Yamhill County Policy 106, *Job-Related Expenses of Department Heads & Elected Officials; Procedure for Review / Approval / Denial Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-3.

Section 4. Yamhill County Policy 107, *Non-Bargaining Employee Sell-Back of Personal Extended Leave (PEL) and Flexible Earned Time (FET) Prior to Retirement Policy* (Policy 107), inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-4.

Section 5. Yamhill County Policy 108, *Payroll / Modifications to Employee Information Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-5.

Section 6. Yamhill County Policy 109, *Personal Checks for Cash Policy*, inclusive of all prior amended versions, is hereby repealed in its entirety.

Section 7. Yamhill County Policy 111, *Taxable-Nontaxable Benefits Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-7.

Section 8. Yamhill County Policy 112, *Policy Requiring Advance Approval for Overnight Travel; Policy on Use of County Purchase Cards for Meals Policy*, inclusive of all prior amended versions, is hereby repealed in its entirety.

Section 9. Yamhill County Policy 114, *Travel Reimbursement for Employees and Authorized Non-County Employees Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-9.

Section 10. Yamhill County Policy 501, *Assigned County Vehicles Policy (Policy 501)*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-10.

Section 11. Yamhill County Policy 502, *Employee and Volunteer Use of County-Owned Vehicles; Use of Private Vehicle for County Business Policy*, inclusive of all prior amended versions, is hereby repealed and replaced with Exhibit A-11.

Section 12. The County Administrator shall take all actions necessary to implement the new Yamhill County Policies adopted hereunder.

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DATED this 17 day of April, 2025, at McMinnville, Oregon.

ATTEST

KERI HINTON  
County Clerk

By:   
Deputy CAROLINA ROOK

FORM APPROVED BY:

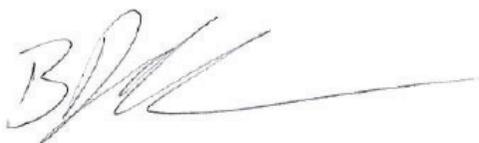
  
~~JODI COLLIER~~  
Assistant Yamhill County Counsel



YAMHILL COUNTY BOARD OF  
COMMISSIONERS

  
Chair KIT JOHNSTON

  
Commissioner MARY STARRETT

  
Commissioner DAVID "BUBBA" KING

Approved by the Yamhill County Board of  
Commissioners on 04/17/2025  
via Board Order 25-109



## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101A</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: General Finance and Accounting Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. PURPOSE**

1.01 The purpose of this policy is to define policies concerning general finance and accounting.

### **II. APPLICABILITY**

2.01 These policies apply to all employees who enter or approve journal entries into the County accounting system.

### **III. DEFINITIONS**

3.01 “**Governmental Fund Accounting**” is a system of record keeping used by governments to track the amount of cash assigned to different purposes and the usage of that cash.

3.02 “**GAAP**” stands for Generally Accepted Accounting Principles. GAAP are a set of rules and procedures governments follow when preparing their financial statements.

3.03 “**GASB**” stands for the Governmental Accounting Standards Board. GASB is the independent, private- sector organization that establishes accounting and financial reporting standards for U.S. state and local governments that follow GAAP.

3.04 “**GFOA**” stands for Government Finance Officers Association. The GFOA represents public finance officials throughout the United States and Canada to advance excellence in public finance. They provide education and training, certifications, research and consulting, and advocacy to state and local finance officials.

## IV. POLICY

### 4.01 County Accounting Structure.

- A. The County uses governmental fund accounting to accounts for its financial activities. An accounting string consists of a combination of Fund, Department, Account, and Program codes in the County accounting system.
1. *Fund*: A fiscal and accounting entity with a self-balancing set of accounts used to record financial resources and liabilities as well as revenues and expenditures. The General Fund is an example of a fund.
  2. *Department*: A specific function of a government. The Sheriff's Office is a separate identifiable department of the government.
  3. *Division*: A portion of a department. Patrol is a division of the Sheriff's Office.
  4. *Account*: A place where financial entries of a similar nature are recorded. Office supplies is used to account for payments to suppliers for pens, pencils, and paper, etc.
  5. *Program*: A place where financial entries belonging to a particular program or grant are recorded. Canine is an example of a program.
  6. An example of an accounting string is as follows:

Fund – General Fund (110)  
Department – Sheriff's Office (45xxxxx)  
Division – Patrol (xx10043)  
Account – Office Supplies (51001)  
Program – Canine (S423)

Numerically, the account string is 110-4510043-51001-S423

### 4.02 Measurement Focus and Basis of Accounting.

- A. County fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, long-term leases, and claims and judgments, are recorded only when payment is due.

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#### 4.03 Journal Entries.

- A. Accounting journal entries are made to record all accounting transactions. Some transactions are created within the County accounting system and posted to the general ledger as part of the daily procedure of accounts receivable, accounts payable and payroll. Other transactions are created manually to adjust, correct, or reclassify assets, liability, expenditures, or revenues and to make year-end adjustments for audit.
- B. Budget journal entries can be made when a budget is adopted, to reallocate expenditure authority, or when a supplemental budget is passed. All budget journal entries require a board order.
- C. Departments may prepare their own journal entries, or request they be made by central finance. Regardless, all journal entries flow through Central Finance and are reviewed and approved by either the finance manager or the assistant finance manager. Requests for journal entries are to include full details of the transaction (i.e., account code, invoice, or cash receipt number relating to the request, and the reason for the request).

#### 4.04 Annual Comprehensive Financial Report.

- A. Central Finance will prepare and publish an Annual Comprehensive Financial Report in accordance with state law, the principles of the GASB, and GAAP, with the goal of obtaining the Certificate of Achievement in Excellence in Financial Reporting issued by the GFOA.

#### 4.05 Governmental Fund Balance.

- A. To enhance the usefulness and consistency of governmental fund balance information, the following terms will be used to classify governmental fund balances:
  - 1. *Non-spendable*. Includes constrained amounts that cannot be spent such as inventories, prepaid expenditures, long-term loans and notes receivable, permanent contributions, and property held for resale.
  - 2. *Restricted*. Includes constrained amounts whose restrictions are either 1) externally imposed by creditors, grantors, contributors, or laws/regulations, or 2) internally imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or mandate payment of resources from outside the government, and includes a legally enforceable requirement that those resources be used only for specific purposes. All Yamhill County Board Ordinances/Resolutions are considered enabling legislation. Legally enforceable means Yamhill County can be compelled by those outside the government to use those resources for the purposes specified in the legislation.
  - 3. *Committed*. Includes constrained amounts that can be used only for specific purposes imposed by the Yamhill County Board of Commissioners. Commitments can only be reversed by taking the same action employed to commit the amounts (e.g., board order). The difference between Restricted and Committed is that committed resources can be redeployed for other purposes with appropriate due process. Compliance with the commitment is not

legally enforceable by those outside the government. All Yamhill County Board Orders and legislation in the Yamhill Manual are considered Committed.

4. *Assigned*. Includes amounts constrained by the intent that they be used for specific purposes. Intent can be expressed by either the Yamhill County Board of Commissioners, Yamhill County advisory committees or officials the Board of County Commissioners has delegated authority to. All Budget Committee decisions and Yamhill County policies are considered Assigned.
5. *Unassigned*. Defined as the residual fund balance that is not non-spendable, restricted, committed, or assigned.

4.06 Electronic Record as Official Copy of a Public Record.

- A. For financial and employee records maintained by County Administration, Oracle Cloud (the County's electronic resource planning software) maintains an electronic repository which includes scanned paper documents. Examples of scanned paper documents include accounts payable invoices, cash receipts backup, general ledger support, payroll related data, and other documents as necessary to support financial transactions and manage the employee database. For purposes of Oregon Administrative Rules 166-017-005 to 166-017-095, scanned documents and electronic accounting, payroll, and employee data in Oracle Cloud are deemed official documents of record.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101B</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Budget and Financial Management Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. PURPOSE**

1.01 The purpose of this policy is to provide guidance to the departments in the prudent management of the financial affairs of Yamhill County to meet the goal of maintaining financial stability. The following financial and budget policies are adopted to ensure stability in service delivery and promote the efficient use of public funds.

### **II. APPLICABILITY**

2.01 Departments will use the following policies in developing their budgets, developing long-range goals and plans, and dealing with the public and other governments.

### **III. DEFINITIONS**

3.01 “**General Fund**” means is the primary fund used by a government entity. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The money flowing into a general fund is primarily from property taxes. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity. Since the bulk of all resources flow through the general fund, it is most critical to maintain control over the expenditures from it.

3.02 “**Unrestricted Fund Balance**” means the portion of a fund balance available for general use, without legal or contractual restrictions. This means that the resources can support the organization’s operations or meet its obligations as they come due.

## IV. POLICY

### 4.01 General Fund Reserve.

- A. The Government Finance Officers Association (GFOA) recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes. GFOA recommends that general-purpose governments maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.
- B. Yamhill County will establish and strive to maintain a minimum 20% reserve of anticipated operating revenues, to ensure adequate cash flow, a strong standing with bond rating agencies, and protection of service levels to the community in the event of unforeseen events, revenue volatility, or economic downturns. This reserve is in addition to contingency amounts.

### 4.02 Budget Policies.

- A. The County will prepare an annual budget in accordance with Oregon Revised Statutes (ORS) 294.305 to 294.565.
- B. The County's annual budget will be structurally balanced throughout the fiscal year with recurring expenditures at or below the level of recurring revenues. If structural imbalance occurs in any fund, a plan will be developed and implemented to restore structural balance.
- C. The County budget will provide for an appropriate balance between operating and equipment/capital portions of the budget to ensure that equipment and facility maintenance and replacement are adequately funded and are appropriate when compared to service levels.
- D. Long-range financial plans, including financial forecasts of revenues and expenditure estimates will be completed upon request of the County Administrator to ensure financial and service stability.
- E. Allocation of funds from discretionary general fund revenue will be evaluated annually, after considering other revenue sources available to fund services, the level and appropriateness of expenditures, and the consideration of all mandated and critical County services.
- F. Financial reports detailing budget expenditure status and relevant economic and financial information will be presented to the Board of Commissioners when requested.
- G. The County will prepare and publish its Adopted Budget document in accordance with local budget law
- H. The County will manage its separate funds in a manner that ensures that one fund does not improperly subsidize another fund.

### 4.03 Beginning Fund Balance.

- A. Beginning fund balances during budget preparation will be estimated each year as follows:

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1. Obtain the actual, audited beginning fund balance from County Administration.
2. To this amount, add the amount of revenue received from all sources in the current fiscal year, and project additional revenue to be received from all sources for the rest of the current fiscal year.
3. Subtract expenditures made from all sources in the current fiscal year, and project additional expenditures to be made from all sources for the rest of the current fiscal year.
4. The net amount will be the estimate of the beginning cash balance to be used in preparing the budget for the next fiscal year.

#### 4.04 Financial Management Policies.

##### A. *Revenues:*

1. One-time revenues will be used for one-time expenditures or projects and will not be used for recurring operating purposes unless specifically approved by the Board of Commissioners through the budget process.
2. Prior to initiation of new projects, services, grants, or capital improvement projects, financial impact analyses will be completed and considered. The analysis will identify the short term and long-range effects of new initiation on the County, including any commitment for additional County resources.
3. The County will strive to diversify revenues and to develop sustainable revenue sources to maintain services during economic downturns and/or fluctuations of any existing revenue source.
4. Charges for service will be reviewed periodically and set by the Board of Commissioners upon recommendation from County departments. Analysis will consider beneficiaries of the service, amounts charged by other agencies for similar services, the actual direct and indirect cost of providing the services, and statutory limits. Generally, fees will be set to recover the cost of providing the service.
5. The County may sell or lease services that were developed to meet a County need, but the sale or lease will be secondary to the original purpose for developing the service.

##### B. *Expenditure Control/Cost Recovery:*

1. Personnel expenditure budgeting will be based on FTE and position authority by the Board of Commissioners.
2. Contracting for services provided by outside agencies or vendors will be considered when contracting out is both cost effective and consistent with County employee policies.
3. Intergovernmental agreements to provide, receive, or cooperate in the provision of service delivery will be encouraged wherever services can be more effectively provided on a

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collective basis. Billing for services provided to user agencies will be sufficient to fully recover costs of operation, including depreciation of equipment, direct and indirect costs.

4. Department expenditures may not exceed appropriations, and expenditure of discretionary general fund may not exceed the amount allocated to the department.
5. Fees and charges for internal service funds will be set at a cost recovery level. For replacement reserves, the charges will be established at a level to fund the replacement over the expected useful life of the equipment. Internal service charges will be reviewed annually for appropriateness.
6. The County will charge allowable overhead costs to all departments and funds in the most equitable manner possible and will recover the allowable overhead costs from all grants, contracts and intergovernmental agreements. Exceptions will be made only upon Board approval. Overhead costs are to be received into the General Fund to pay for the cost of central services provided. Overhead costs are to be received into the Capital Projects Fund and assigned to general capital improvement projects as approved by the Board.
7. All grant, contract, and other service generated revenues (e.g. fees, reimbursements) are considered fully expended prior to expending other County funds unless otherwise directed by specific grant or contract requirements.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101C</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Internal Controls Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. PURPOSE**

1.01 The purpose of this policy is to promote the use of internal controls in County departments.

### **II. APPLICABILITY**

2.01 These policies apply to all employees who manage physical assets, including cash.

### **III. POLICY**

3.01 Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives relating to:

- A. *Operations*: the entity's business processes, goals, and protection of assets. Internal controls should be designed at each of the organizational levels: Entity, Department, Division, and Function
- B. *Reporting*: the reliability of both external and internal financial and non-financial reporting.
- C. *Compliance*: the laws and regulations that the entity is subject to.

3.02 A system of internal control has five components. Management must be aware of these components when designing an accounting system, as does anyone who audits the system. The components of an internal control system are noted below.

- A. *Control Environment*. The attitude of management and their employees regarding the need for internal controls. If the controls are taken seriously, this greatly enhances the robustness of the

system of internal control. Conversely, if management tends to work around the system of controls, then it is highly likely that employees will ignore the controls, too.

- B. *Risk Assessment*. The process of reviewing the business to see where the most critical risks lie, and then designing controls to address those risks. This assessment must be conducted on a regular basis to take into account any new risks introduced by changes in the business.
- C. *Control Activities*. The use of accounting systems, information technology, and other resources to ensure that appropriate controls are put in place and operating properly. For example, there may be accounting systems in place to periodically spot check petty cash drawers and conduct fixed asset audits.
- D. *Information and Communication*. Information about controls should be communicated to management in a timely manner, so that shortfalls can be addressed promptly. The amount of information communicated should be appropriate to the needs of the recipient. Thus, major control breaches should be communicated to senior management at once, while minor issues can be dealt with at a lower level of the organization. In order to communicate control issues in a timely manner, there must be a system in place to identify control issues promptly and put these concerns in the hands of someone with the authority to forward issues to people at any level of an organization's reporting hierarchy.
- E. *Monitoring Activities*. Internal control systems ensure that controls are functioning effectively over time. It involves regular assessments, audits, and corrective actions to maintain the integrity of financial reporting and operational processes. The key aspects of monitoring include the following:
  - 1. **Ongoing monitoring activities**. Includes day-to-day procedures that are built into business operations. These procedures include supervisory reviews, reconciliations, and automated system alerts, and help to detect and correct issues in real time.
  - 2. **Separate evaluations**. Includes periodic assessments that are performed by internal audit teams or external auditors. These assessments focus on testing the design and effectiveness of controls and are typically scheduled annually or semi-annually.
  - 3. **Identification and reporting of deficiencies**. Any weaknesses or failures in internal controls are identified and reported. Deficiencies are categorized as control deficiencies, significant deficiencies, or material weaknesses, depending on their severity.
  - 4. **Corrective actions**. Management implements necessary corrective measures, which ensure that previously identified issues are resolved and do not recur.

### 3.03 Segregation of Duties.

- A. Segregation of duties is largely the practice of having different individuals responsible for the authorization of transactions, custody of assets, record keeping, and reconciling transactions recorded within the entity's general ledger.

- B. Segregation of duties is a preventative control that separates the individual tasks within a transaction cycle to reduce the risk that errors, omissions, and fraud will occur in the first place.
- C. Segregation of duties is important because it provides a system of checks and balances when elements of a transaction are handled by more than one staff. This process also serves as a deterrent to fraud or concealment of error because it would require recruiting another staff's cooperation or collusion. Segregation of duties should be included in every control system regardless of how experienced employees are or even if the segregation results in less than peak efficiency.
- D. No one individual should perform any tasks in more than one of the following four duties:
  - 1. **Recording:** refers to entering cash receipts, purchase orders, invoices, or journal entries into the County accounting system.
  - 2. **Authorization and approval:** authorizing or approving cash receipts for deposit, accounts payable invoices for payment, journal entries for posting, or timecards for payroll.
  - 3. **Custody of assets:** refers to having physical access to assets such as cash, equipment, or checks, or the ability to directly use assets such as wire transfers, account adjustments, ordering services, or using supplies.
  - 4. **Reconciliation:** comparing existing assets to recorded amounts in the County accounting system.

#### 3.04 Restricted Access.

- A. It is very important to limit access to every part of a transaction that could be used to process an authorized transaction, both physical and virtual. All electronic means of producing or altering accounting records, checks, or receipts are secured by restricted passwords and limited access to the systems required to perform the transactions.
- B. Where possible, check stock, consecutively numbered cash receipts, or similar items should be kept in a locked storage area.

#### 3.05 Numerical Sequencing.

- A. Source documents should be identified with a unique number so they can be easily identified and differentiated in the County accounting system. The pre-numbering of documents is further useful since it allows management to investigate whether any documents are missing or duplicated and provides identifiable audit evidence the transaction.
- B. *Checks and Electronic Payments.*
  - 1. Each accounts payable and payroll check should be assigned a unique number by the County accounting system and printed on the face of the check. All electronic payments should be assigned their own unique numbering sequence within the County accounting system.

*C. Cash, Credit Cards, and Electronic Receipts.*

1. All cash, credit cards, and electronic receipts should be assigned a unique number in the department's cash receipting system at the time money is exchanged. This helps provide evidence of proof of sale, accurate accounting records, and reduces the risk of errors and theft.
2. A good cash receipts system is electronic and will include the following:
  - i. Ability to automatically take all payment types: cash and checks, credit cards, and other forms of electronic payment.
  - ii. Assign a unique number to each cash receipt transaction at time of sale.
  - iii. Provide printed or electronic cash receipts to each customer at time of sale.
  - iv. Provide reporting and analytics for management review and audit purposes.
  - v. Be integrated with the County accounting system.
  - vi. Have controls to limit access to only authorized employees.
3. Each numbering sequence should be accounted for, even if an error occurred in processing, i.e. the item is to be marked "void" or unissued and kept and filed with related documentation. They should not be discarded.
4. If a department does not have an electronic cash receipts system, paper forms should have numbers pre-printed; blank forms are to be kept in a secure location with limited access. If several staff will use the forms (for example, as cash receipts when receiving money at the counter), there are two methods to help account for all numbers. One method is to use only one receipt book at a time, with all numbers accounted for sequentially. The other method is to assign each employee a set of numbered receipts for which that employee is accountable.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	Accounting Policies	<b>POLICY NO.:</b>	101D
<b>TITLE:</b>	Accounting Functions and Payroll Procedures: Payroll Policy		
<b>BOARD ORDERS:</b>	B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109	<b>LAST REVISED:</b>	05/05/2025

### I. PURPOSE

1.01 The purpose of this policy is to define management’s responsibilities over payroll.

### II. DEFINITIONS

2.01 “ACH” means Automated Clearing House are electronic funds transfers. Most payroll is paid to employees via ACH. ACH is recommended over paper checks for:

- A. Convenience: automatically deposited into one or more bank accounts
- B. Speed: no holding or timing delays by the bank
- C. Security and confidentiality: cannot get lost or stolen

2.02 “FET” means Flexible Earned Time is a combined leave account for both vacation and sick leave purposes.

2.03 “PEL” means Personal Extended Leave is a leave account for employees suffering an illness or injury and is only accrued when an employee exceeds the FET limit approved in the applicable bargaining agreement.

### III. POLICY

3.01 General.

- A. Cooperation from all departments is a basic requirement in order to produce an accurate payroll in a timely manner.
- B. The County has two payrolls per month: the 15th and the last working day of the month. If the 15th occurs on a weekend or holiday, payroll is the last working day before the 15th. Reporting

dates for time sheets will be from the 24th of one month to the 8th of the following month for the check issued on the 15th; and from the 9th to the 23rd for the end of month check.

- C. The County utilizes a 2,082-hour work year. For purposes of overtime and incentive computations, annual salary is divided by 2,082 to derive the employee's hourly rate.
- D. Central Finance requires a minimum of one week to process payroll. In order to meet the payroll dates, time sheets are due twice monthly on dates established by Central Finance. Central Finance will at times request that time sheets be submitted a day or two early, due to holidays or weekends, to process payroll and transmit the ACH file to the bank in time to guarantee deposit in employees' accounts on payday. At these times it may be necessary for employees to estimate the time that will be worked in the last day or two of the payroll period. If actual time worked varies from the estimate given, it must be corrected in the next payroll period.
- E. ACH is the service we use to direct deposit payroll into employees' bank accounts. In order to guarantee that funds will be in the employee's account on the designated payday, the deposit must be transferred to the Automated Clearing House two banking days before the pay date.
- F. Payroll pay slips and W2s may be obtained directly from the County accounting system.
- G. Central Finance maintains all payroll records and can provide current information as to the status of an employee's pay, benefits, and leave balances. With proper security and training, this information is also available in the County accounting system.
- H. Payroll has many variables with the result that no two paychecks are exactly alike even if two people are in the same job classification at the same step. Employees may belong to one of six unions or be in a non-bargaining position. Each union contract may differ in rules, salary, or benefit plans. Other legal requirements which affect employees' paychecks differently are deductions such as federal taxes, state taxes, FICA, Medicare, workers' compensation, unemployment insurance, Oregon Transit Tax, and Paid Leave Oregon.

### 3.02 Changes in Personnel or Pay Status.

- A. Personnel procedures are in place to document an applicant's hire, any change made to an employee's work status or salary, or termination of employment. For each of these events, a manager will complete a personnel action form ("PA") in the County accounting system.
- B. The PA form is the definitive document used by payroll staff to make certain that the information entered into an employee's pay records is current, reconciles with the budget, and provides the intended pay and benefits. No changes are made to an employee's payroll status without this form. Each time an employee's status changes, a copy of the form showing those changes is saved in the employee's payroll file.

### 3.03 Timecards.

- A. An employee's timecard is the legal document by which Central Finance obtains information as to time worked. Timecards are prepared in the County accounting system by the employee to whom the timecard belongs. It should reflect a true and accurate record of work-related hours

(including FET, sick leave, vacation, comp time, overtime, etc.) The employee submittal of their timecard in the County accounting system signifies that the information listed is true and accurate. The supervisor's approval confirms the timecard has been reviewed and is correct.

- B. Employees in departments that do not have regular access to computers are permitted to submit paper timecards to the department's timekeeper for entry. The timecard entered in the County accounting system is considered the document of record.
- C. Time should be recorded in 15-minute intervals. For example, if an employee works 7 or less minutes past the hour, they should round down 0 minutes and if an employee works 8 or more minutes past the hour, they should round up to 15 minutes.
- D. Employees with shifts that span over a two-day period shall report all hours worked on the day they started their shift.

### 3.04 Overtime.

- A. Unless otherwise stated in a collective bargaining agreement, the County pays one and one-half times a non-exempt employee's hourly rate for all hours worked over 40 in any workweek. A workweek is defined as Saturday through Friday. Non-exempt employees are those who work in positions for which an overtime premium must be paid under Oregon wage and hour law and the Fair Labor Standards Act.
- B. The ability to receive compensatory time in lieu of overtime and/or to receive overtime or trade time is governed by the applicable collective bargaining agreement (CBA). Compensatory time for non-bargaining employees is governed by Board Order. Compensatory time off should be scheduled as soon as is mutually convenient following the date on which the overtime is worked.
- C. Unless specifically outlined in an applicable CBA, paid hours not actually worked (for example, vacation, holidays, etc.) will not be counted toward the 40 per workweek required to receive overtime pay.

### 3.05 Holidays.

- A. The County generally recognizes twelve holidays each year. For employees covered by a CBA, the agreement will specify the holidays recognized by the County. Non-bargaining employees will receive the same holidays as are received by co-workers in the same department who are covered by a collective bargaining agreement.
- B. Holiday schedules are published by bargaining agreement each calendar year on the intranet. To be eligible for holiday pay, an employee must have worked their regularly scheduled hours the workday before and the workday after the holiday or have been on an approved vacation day or any other excused paid full day absence under Yamhill County policy. If an employee is on vacation when a holiday is observed, the employee will be paid for the holiday, and the time will not count towards their vacation time balance.
- C. A holiday that falls on a weekend will be observed on either the preceding Friday or the following Monday to coincide with local custom. All holidays must be taken or lost; they cannot

be forwarded to the next year. Unless otherwise stated in a collective bargaining agreement, if the holiday being observed is on an employee's day off, the employee shall observe the holiday either the scheduled workday before the holiday or the scheduled workday after the holiday. If an employee does not observe the holiday, the holiday is considered "worked" and applicable overtime or comp time shall be awarded.

### 3.06 Payroll Deductions.

- A. Central Finance is mandated by state and federal law to make certain deductions from employee paychecks. This includes, but is not limited to, FICA, Medicare, income tax withholding, applicable state taxes, and garnishments. The County charges a \$2.00 garnishment fee as allowed by Oregon law.
- B. W-4s are required for both federal and state withholding. It is the employee's responsibility to fill out W-4s for their particular tax situation. Central Finance will not provide advice on how to fill out W-4s and are not responsible for taxes being over or under withheld. Employees may update W-4 information in the County accounting system or submit paper forms to Central Finance.
- C. Central Finance will process voluntary deductions including but not limited to medical insurance, dental insurance, vision insurance, voluntary insurances, union dues, and retirement contributions. The County charges a \$0.50 administrative fee per voluntary insurance including supplemental life insurance, accident insurance, critical illness, and hospital indemnity, with \$1.00 maximum charge.
- D. In order for Central Finance to process voluntary deductions, we must obtain a valid form signed by the employee for every voluntary deduction.

### 3.07 Employee Benefits.

- A. Health benefits including medical, dental, vision, disability, life insurance, and employee assistance program are available for qualified employees and their dependents. A predetermined dollar amount is budgeted to provide these benefits for qualified employees. For employees on less than fulltime status, the benefits may be prorated and a portion of the cost paid by the employees. Paid leaves and holidays are also provided as appropriate. These benefits differ depending on the union affiliation of the employee. Department managers are expected to be familiar with the particular benefit package pertaining to their respective departments.
- B. Retirement is administered by the Oregon Public Employee's Retirement System (PERS). Refer to the PERS Handbook for additional information. Both the employee and employer portions of the retirement contributions are paid by the County.
- C. Tax-deferred retirement savings plans (also called "457 plans") are available for voluntary employee participation. Participation in any plan requires a meeting with the plan representative. The purpose of the meeting is to inform the employee of the risks and benefits of participation. Further information regarding the plans is available from Central Finance or the Human Resources office.

### 3.08 Bargaining Unit Changes.

- A. In the event an employee transfers to a different bargaining unit by accepting a position at another department, FET, PEL, vacation, and sick leave balances may or may not be paid out as if the employee were being terminated dependent on the department the employee is transferring to.
  - 1. If an employee qualified for FET/PEL prior to the transfer and is transferring to a bargaining unit that also qualifies for FET/PEL, the employee's balances will transfer to the new department,
  - 2. If an employee qualified for vacation/sick prior to the transfer and is transferring to a bargaining unit that also qualifies for vacation/sick, the employee's balances will transfer to the new department,
  - 3. If an employee qualified for FET/PEL prior to the transfer and is transferring to a bargaining unit that qualifies for vacation/sick, the employee's balances will be paid out as if they were being terminated in accordance with the applicable bargaining agreement.
  - 4. If an employee qualified for vacation/sick prior to the transfer and is transferring to a bargaining unit that qualifies for FET/PEL, the employee's balances will be paid out as if they were being terminated in accordance with the applicable bargaining agreement.
- B. In the event a non-exempt employee transfers to a different bargaining unit by accepting a position at another department, comp time balances will be paid out at the employee's current rate of pay.
- C. In the event an employee transfers to a different bargaining unit by accepting a position at another department, the employee will not double accrue floating holidays. Floating holidays are accrued each fiscal year on July 1st county-wide, and new hire provisions in any applicable CBA do not apply to employees that have transferred from another department. If the CBA in the new department allows for more floating holidays than the previous department, the employee will be awarded the difference.

### 3.09 Pay Slips and Paychecks.

- A. Pay slips and paychecks are mailed to the address on file for every employee. Pay slips and paychecks are mailed one to two days prior to the pay date.
- B. Employees have the option to opt-out of paper pay slips by changing their delivery preferences in the County accounting software.

### 3.10 Final Paychecks.

- A. Employees that provide at least 48 hours' notice, the final check is given on last day of employment, unless that day is a weekend or a holiday. In that case, your check is mailed on the next business day.

- B. Employees that provide less than 48 hours' notice (not including weekends and holidays), the final check and any wages owed are paid within five business days or on the next regular payday, whichever comes first.
- C. Employees that are terminated typically will receive a final check the same day, but no later than then end of the next business day.

3.11 For other payroll related issues, please refer to the following documents:

- A. *“Employee Handbook”*
- B. *“Employee Recognition, Bereavement, Retirement, Years of Service, and Special Recognition Gift Policy”*
- C. *“Donation of Flexible Earned Time (FET) or Vacation Leave Policy”*
- D. *“Non-Bargaining Employee Sell-Back of Personal Extended Leave (PEL) and Flexible Earned Time (FET) Prior to Retirement (“Non-Bargaining Employee Sell-Back Prior to Retirement Policy”)*
- E. *“Payroll / Modifications to Employee Information Policy”*

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101E</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Cash Receipts Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. PURPOSE**

- 1.01 The purpose of this policy is to define management’s responsibilities over cash handling. Because cash is a negotiable, portable asset, close internal control is required at all times. Without adequate supervision, the best accounting systems and control procedures can quickly become undependable.

### **II. APPLICABILITY**

- 2.01 One employee in each department should be assigned responsibility for administration of procedures and safeguarding of cash. The Finance Manager is to be notified of that employee’s identity. An alternate staff member should be trained to fulfill these functions in the primary employee’s absence. The Finance Manager and/or Central Finance staff will be available for assistance with any problems that arise over handling or depositing cash.
- 2.02 Using this policy, each department should develop its own set of written policies and procedure for handling cash and receipts specific to the department’s own needs.

### **III. DEFINITIONS**

- 3.01 “**Cash**” consists of currency, checks or money orders, credit card transactions, and EFT (electronic funds transfers: either ACH or fed wire).
- 3.02 “**Cash Handler**” means any employee who accepts cash from customers, whether in person or via mail, prepares cash receipt transmittal forms, prepares deposits slips, or transfers cash from one location to another, including the turnovers of cash to Central Finance for deposit.
- 3.03 “**Cash Receipt Method**” means one of the following: cash, check, credit card, or EFT (electronic funds transfers).

- 3.04 “**Cash Receipt Transmittal Form**” means any document that summarizes a department’s cash for deposit. The form must identify and reconcile accounts receivable cash receipt numbers and cash receipt methods (cash, check, credit card, or EFT) to the total turnover.
- 3.05 “**Internal Controls**” are those safeguards, including segregation of duties, implemented to prevent theft and/or loss of cash.
- 3.06 “**Receipts**” are documents (in paper or electronic form) that acknowledge cash received. Receipts can take the form of a check remittance advice, grant reimbursement request, signed contract, approved board order, credit card receipt, third-party sales reports, cash register tape, check request, or any accompanying correspondence that could support and clarify its purpose.
- 3.07 “**Turnover**” means the total amount of cash that is transferred to Central Finance for deposit to the bank.

#### IV. POLICY

- 4.01 The County must maintain a clear separation of duties over cash received. A cash handler should not have responsibility for more than one of the cash handling components: receipt, deposit, or reconciliation.
- 4.02 Money received at the counter should be receipted immediately and a copy of the receipt given to the payer. Money received by mail should be receipted as soon as possible.
- 4.03 All checks received should be made payable to Yamhill County, or a derivation thereof (e.g., Yamhill County Tax Collector”). Incoming checks are to be endorsed “FOR DEPOSIT ONLY” as soon as received, unless remote deposit is used. Post-dated checks should not be accepted.
- 4.04 On a daily basis, assigned cash handlers should reconcile receipts with money received. If an electronic receipting system is used, a report of monies received by cash receipt number is to be printed and reviewed for consecutive sequence if appropriate. Money is then counted and reconciled to the total of the receipts. As a check and balance, another staff member should process and review the printout.
- 4.05 When using hand-written receipts, the first step is to sort receipts in numerical order, making certain that all numbers are accounted for; amounts are then totaled on an adding machine. As a check and balance, another staff member counts the money received and reconciles that with the receipts.
- 4.06 If the total money received is less or more than the amount than total receipts, the difference should be posted to the “over and short” general ledger account. It is contrary to general accepted accounting procedures to add to or take from the amount collected in order to make the amount agree with the receipts.
- 4.07 All cash must be protected by using a safe or lockbox until it is either 1) turned over to Central Finance or 2) deposited to the bank by Central Finance. A secure area for processing and safeguarding cash received must be maintained and access restricted to authorized personnel.

- 4.08 Daily turnover of cash to Central Finance is highly encouraged. Checks negotiated promptly are less likely to be returned by the bank. (i.e., NSF checks and account closures). Furthermore, timely deposits reduce the chance of loss or theft, and tardy deposits reduce the funds available for investment and result in lost interest earnings for the department.
- 4.09 It may not be practical or cost effective for some departments that receive small amounts of cash and checks on an irregular basis to deposit daily. In cases where the amounts of deposits are small and an adequate safekeeping facility is available, cash may be retained in the department's safekeeping facility for a period not to exceed five business days.
- 4.10 Turnovers of Cash to Central Finance.
- A. Central Finance will receive cash for deposit daily at their front counter between 8:00 am and 10:30 am. If cash is received in the department after that time, please wait until the next working day to bring it to Central Finance.
1. Cash or checks should never be sent through inter-office mail.
  2. Any person delivering a turnover to the Central Finance should take adequate precautions for their personal security and safety.
  3. For large deposits of cash or checks during peak times, two or three cash handlers should make the delivery.
- B. On the day of turnover, departments must enter their cash received into the County accounts receivables module.
1. For each cash receipt method, receipts or other supporting documentation are required to be scanned into the County accounts receivable module to support the amount entered. Back-up documentation will be reviewed by Central Finance as needed.
  2. Department's entering cash received into the County accounts receivable module will prepare a cash receipt transmittal form, identifying the cash receipt numbers and cash receipt methods that support and agree to the total turnover. Two copies of this documentation will accompany their turnover to Central Finance.
  3. Central Finance will confirm the cash being deposited in front of the cash handlers. Central Finance will stamp and date the cash receipt transmittal form "Received by Accounting Department". The cash handler and Central Finance will manually sign the cash receipt transmittal form which will be returned to the cash handler as evidence of the turnover. The second copy is kept by Central Finance.
  4. All funds received are to be deposited intact. No bills are to be paid, or expenditures made from money received by a department. County departments are not permitted to cash personal or third-party checks for employees, nor cash any checks with County funds. Employees may use personal checks to pay money owed to the County if personal checks would be accepted from the general public in a similar situation. Such use is contrary to law, does not reflect actual receipts, and distorts revenue.

- C. Central Finance is responsible for preparing the deposit to the bank. A third-courier service will pick up the prepared deposit from Central Finance for transport on the day of each turnover.
- D. Periodically, the Finance Manager will review revenues coded to general ledger accounts that do not have budget authority and follow up with departments to ensure accurate recording.
- E. The Finance Manager, or designee will reconcile all bank account transactions monthly.

4.11 Returned Bank Items.

A. *Non-Sufficient Fund (NSF) Checks.*

1. Any check returned by the bank marked “NSF” will be returned for collection to the department. The department will inform Central Finance of the original coding on the deposit and a journal entry will be prepared to reverse the original posting.

B. *Other than NSF Checks.*

1. Any other irregularity on a returned item such as missing signature, discrepancy in amounts written, etc., will be immediately communicated with the respective department for analysis and adjustment if necessary.
2. The Board of Commissioners may establish, by board order, a fee to be charged for NSF checks, and may, from time-to-time, adjust the fee as appropriate.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101F</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Purchase Requisitions, Purchase Orders, Contracts, and Accounts Payable Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 The purpose of this policy is to define management’s responsibilities over purchase orders and accounts payable. Policies over purchase orders and accounts payable are important because they help prevent fraud, reduce human error, ensure accuracy in managing vendor payments, and maintain regulatory compliance.

### II. APPLICABILITY

- 2.01 These policies apply to all employees who either enter purchase orders or invoices into the County accounting system, approve purchase orders or invoices for payment, write checks and/or make electronic payments to vendors, and manage expense budgets.
- 2.02 Central Finance is responsible for maintaining the data entered the County accounting system, including the timing for entering purchase orders and accounts payable data, determining the types of documentation required to justify payment, and scheduling the check production and electronic funds transfers (EFT) runs.
- 2.03 Using this policy, each department should develop its own set of written policies and procedure over purchase orders and accounts payable specific to the department’s own needs.

### III. DEFINITIONS

- 3.01 “**Accounts Payable**” are County obligations to pay creditors or suppliers for goods or services which have not yet been paid.

- 3.02 “**Check Request**” means an internal invoice that provides payee names, addresses, a description of services, and total amounts due. Examples of a check request include payments under grant, lease, or other contract arrangements where an external invoice is not generated by the payee.
- 3.03 “**Contracts**” is as defined under ORS 279A.010 and generally means a written agreement between two parties for the exchange of goods or services.
- 3.04 “**Electronic Payments**” can take the form of ACH or Fedwire transfers. Electronic payments are encouraged to reduce the risk of check fraud.
- 3.05 “**Internal Controls**” are those safeguards, including segregation of duties, implemented to prevent theft and/or loss of cash.
- 3.06 “**Invoice**” means a document that lists goods or services provided to a buyer, with a total amount expected as payment for delivery of these goods and services.
- 3.07 “**Purchase Order**” means a written order, produced by the County accounting system and signed by an authorized County representative, directed to a Contractor, committing the County to purchase specific goods or services.
- 3.08 “**Purchase Requisition**” means an internal request, produced by the County accounting system, for approval to buy something needed within the County. An approved purchase requisition becomes a purchase order.

#### IV. POLICY

##### 4.01 Purchase Requisitions.

- A. Each department is responsible for entering their own purchases requisitions into the purchase module in the County accounting system.
- B. Purchase requisitions are not mandatory.
- C. Purchase requisitions expire at the end of each budget year.
- D. Departments are responsible for closing purchase requisitions at the end of each budget year.

##### 4.02 Purchase Orders.

- A. Purchase orders are to be issued and managed in accordance with Yamhill County Procurement Rules, Purchase Policy 601, section YCR 046-0530 “Purchase Orders; Countersignatures” and YCR 047-0630 “Availability of Award Decisions”.
- B. Each department is responsible for entering their own purchase orders into the purchasing module in the County accounting system.
- C. Purchase orders must be approved prior to placing an order.

- D. Purchase orders are required for products or services acquired on a “trial or demonstration” basis.
- E. Purchase orders expire at the end of each budget year.
- F. Departments are responsible for closing purchase orders at the end of each budget year.

#### 4.03 Contracts.

- A. Contracts are to be managed in accordance with YCC 3.20, “Yamhill County Public Contracting Rules”.
- B. All contracts must be routed for approval via the contracting module in the County accounting system. Each department is responsible for entering and submitting their own contracts within the system.
- C. Templates for contracts are available on the Yamhill County Intranet. Please see County Counsel for additional information.

#### 4.04 Accounts Payable.

- A. Each department is responsible for entering their own invoices and check requests into the accounts payable module in the County accounting system.
- B. Departments are required to coordinate with Central Finance for staff training to enter their own invoices and check requests. Central Finance will provide instruction and support for correctly entering the data.
- C. Small departments or those that have minimal accounts payable activity will submit invoices and check requests directly to Central Finance for entry.
- D. Departments are expected to submit invoices for payment as soon as possible after receipt to protect the County’s credit and reputation and to eliminate problems with vendors. Throughout the year, invoices and check requests are paid as received. The date the invoices are posted to the general ledger is the accounting date entered into the accounts payable module. At fiscal year-end, Central Finance will prepare and distribute instructions on how to enter invoices to ensure invoices are charged to the correct accounting period.
- E. The Information Technology (IT) division will provide security clearance for a department’s employee who will be responsible for entering invoices and check requests. Use of another employee’s network login and DUO token is strictly prohibited. If additional help is required or a change on personnel occurs, an IT SysAid ticket should be generated by a supervisor or manager in the department. Central Finance has final authority to approve or deny security clearance to the accounts payable module.

F. *Entry of Accounts Payable.*

1. Department employees assigned to enter invoices and check requests will enter the data directly into the County accounting system.
2. All expenditures must be coded to the department incurring the expense. Expenditures coded to more than one department (split coding), which are non-routine or not clearly budgeted must be justified in writing on the invoice or check request by the department director.
3. All invoices and check requests must be attached as supporting documentation to each accounts payable entry into the County accounting system.
4. The invoice or check request must be validated. The County accounting system will determine if the account coding is valid and will also perform a budget check to ensure there is spending authority for the payment. If in doubt, departments may confirm appropriate accounting codes with central finance.
5. Once validated, the invoice or check request is submitted and routed for approval within the department based on the permissions established in the County accounting system.
  - i. Such approvals have been created to take into the account the signature authority requirements of Yamhill County Purchasing Policy No. 601, Section V. - Contract Administration. Central Finance reserves the right to request further approvals from County Administration or the Board of Commissioners when deemed appropriate.
  - ii. All grant expenditures reimbursed either directly or indirectly by federal funds must be allowable as defined in 2 CFR Part 200.302(b)(7) and the terms and provisions of the contract or grant agreements pertaining to the program. Allowability determination is the responsibility of the department who is awarded the grant. For projects, products, or services funded by grants, the Board and County Administration must be informed, prior to expenditures being made, if the total costs exceed the grant plus the previously approved match.
6. Checks on approved invoices and check requests will be printed by Central Finance each Thursday. Invoices approved after the weekly cut-off as determined by Central Finance will be excluded and payment not made until the next check schedule.
7. All checks are formatted, printed, and signed on a laser printer through the County accounting system. Check stock is blank. All information on the check, including check numbers and MICR codes are printed on the check by the County accounting system.
8. **Disbursement:**
  - i. After checks are printed an electronic check register which includes a list of all the checks and electronic payments, their amounts, and the vendors to whom they are written is sent to the County Administrator or designee for review and approval. Checks and electronic deposits are compared once more with their back-up documentation before

disbursement to ensure accuracy. Any questionable disbursements will be removed for further review.

- ii. Checks and electronic payments are usually disbursed on Fridays. Upon request, selected checks will be returned to the department through interoffice mail for disbursement by their own staff.

G. *Express Checks.*

1. It is recognized that at times checks are needed immediately and cannot wait for a regularly scheduled accounts payable check run. When this situation occurs, a request should be brought to Central Finance to determine if the request can be accommodated. If so, the department must have the invoice or check request entered into the accounts payable module and all workflow approvals must be made before the check can be processed. When all approvals have been complete, Central Finance will prepare the check and notify the department when it is ready. There may be an administrative charge to departments for checks prepared outside the regularly scheduled process.

H. *Vendor File Maintenance.*

1. Central Finance maintains the vendor file.
2. If a new vendor needs to be added to the County accounting system:
  - i. The requesting department must obtain from the vendor:
    - a. A completed Yamhill County Vendor Information form
    - b. A new IRS Form W9
  - ii. The forms may be sent directly from the vendor to Central Finance.

I. *Voiding Checks.*

1. Department staff will notify Central Finance when a check needs to be voided.
2. Central Finance will be responsible for voiding the check.

J. *IRS 1099's Reporting.*

1. Central Finance will be responsible for preparing the IRS 1099 forms.

K. *Electronic Payments.*

1. Vendors seeking electronic payment should request approval from Central Finance before being set up as such. Only Central Finance is authorized to transfer money by electronic payment.

L. *Lost or Destroyed Checks.*

1. If a check is lost or destroyed prior to being cashed, a new or replacement check will be issued after the following steps are taken:
  - i. Email Central Finance a request to reissue the check. Include as much information about the check as possible (date, to whom the check is payable, amount, the check number, and the reason for the reissue).
  - ii. After Central Finance has confirmed the check has not been cashed, Central Finance will work with the bank to block the check from clearing.

M. *Uncashed Checks.*

1. Any checks that are not cashed within 2 years of date of issue are required to be turned over the Oregon State Treasury's Unclaimed Property Division by Central Finance.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101G</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Capital Assets Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 This purpose of this policy is to establish guidelines for the management and disposition of capital assets. The policy is intended to comply with federal, state and local laws and regulations relating to procurement and disposition of public assets.

### II. APPLICABILITY

- 2.01 An important function for all departments is to maintain and control the County’s capital assets in a responsible manner.

### III. DEFINITIONS

- 3.01 **“Application Development Stage”** means the stage of a software development project during which the design, coding, installation and testing of the software occurs. The stage begins once management commits to funding the project and it is probable that the project will be completed, and the software will be used as intended.
- 3.02 **“Capital Assets”** (also called fixed assets) are tangible and intangible assets having an initial individual cost of \$10,000 or more and an estimated useful life of more than 2 years. For the purposes of the \$10,000 threshold, land, buildings and real estate assets do not apply.
- A. Some examples of capital assets are land, buildings, building improvements, leasehold improvements, vehicles, furniture and fixtures, equipment and machinery, computer software, and infrastructure. The definition of capital assets may also be appropriate to works of art or historical treasures.
- 3.03 **“Capital Asset Ledger”** means the accounting records that track and manage all capital assets.

- 3.04 “**Capital Improvements**” means the additions, improvements, and other capital outlays that significantly extend the useful life of an existing capital asset or increase its value. Capital improvements include:
- A. Building improvements such as building remodels and additions.
    - 1. Building improvements should be capitalized as part of the cost of the underlying building.
  - B. Land improvements such as fences, retaining walls, parking lots, and most landscaping.
    - 1. Land improvements should be capitalized as land improvements, a category separate from land.
- 3.05 “**Capitalize**” refers to the process of adding capital asset costs to the County’s capital asset ledger.
- 3.06 “**Cost Basis**” includes all costs that are applicable to an asset. Costs incurred prior to an asset being acquired can be capitalized, but only if they are incurred after it has become probable that an asset will be acquired.
- 3.07 “**Internally Generated Computer Software**” means computer software that is developed in-house by the County’s personnel or by a third-party contractor on behalf of the County. Commercially available software that is purchased or licensed by the County and modified using more than minimal incremental effort before being put into operation also should be considered internally generated. Internally generated computer software with an initial development cost in excess of \$100,000 and an estimated useful life in excess of two years will be recorded as capital assets.
- 3.08 “**Leasehold Improvements**” are created when a lessee pays for enhancements to building space, such as carpeting and interior walls.
- 3.09 “**Personal Property Assets**” means tangible assets that fall below the cost or useful life thresholds of capital assets.
- 3.10 “**Post-Implementation Stage**” means the stage that begins once the software is put into use. This stage includes training and subsequent maintenance of the software.
- 3.11 “**Preliminary Project Stage**” means the early stage of software development project during which alternatives are evaluated, vendor proposals are reviewed, and alternatives are selected.

#### IV. POLICY

- 4.01 Capital Assets.
- A. Central Finance maintains a record of all capital assets and the departments which purchase them.

B. Capital assets are recorded at historical cost which is normally considered to be the purchase price. If capital assets were donated or acquired in such a way that the original purchase price is unknown, capital assets will be recorded at their estimated fair value.

C. In general, capital asset costs include:

1. Original contract or invoice price;
2. Freight, handling, and storage charges;
3. Sales, use, in-transit insurance, and other taxes imposed on the acquisition;
4. Installation charges;
5. Charges for testing and preparation for use;
6. Costs of reconditioning used items when purchased; and/or
7. Parts and labor associated with the construction of equipment.

D. The cost of land include:

1. Purchase price;
2. Closing costs, including title, commissions, legal fees, past-due taxes, and insurance;
3. Land preparation costs such as grading, filling, demolition, draining, razing old buildings, and clear-cutting;
4. Cost of surveys; and/or
5. Assumption of liens, mortgages, or other possible encumbrances

E. The cost of buildings include:

1. All costs to buy or construct a building, including architect's fees, building permits, materials, labor, and overhead.

F. The cost of equipment include:

1. All costs in purchasing, shipping, preparing a site, and licensing.

G. Capital costs do not include:

1. Training costs;
2. Costs of moving, reinstalling, or rearranging an asset from one location to another;

3. Feasibility studies; and/or
4. Normal maintenance and repairs such as:
  - i. Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building;
  - ii. Improvement projects of minimal or no added life expectancy and/or value to the building;
  - iii. Plumbing or electrical repairs;
  - iv. Cleaning or other periodic maintenance;
  - v. Interior decoration, such as draperies, blinds, curtain rods, wallpaper;
  - vi. Maintenance-type interior renovation, such as repainting, touch-up plastering, replacement of carpet, tile, or panel sections; sink and fixture refinishing, etc.;
  - vii. Maintenance-type exterior renovation such as repainting, replacement of deteriorated siding, roof, or masonry sections;
  - viii. Replacement of a part or component of a building with a new part of the same type and same performance capabilities, such as replacement of an old boiler with a new one of the same type and performance capabilities; and/or
  - ix. Any other maintenance-related expenditure which does not increase the value of the building.
- H. At the time of purchase, each capital asset is to be coded to an 8XXXXX series account number (i.e., 440-1030027-81002). No other purchases or expenses are to be coded to an 8XXXXX series account. The purchase order and/or invoice pertaining to the acquisition of the capital asset is required by Central Finance for accounting and auditing purposes.
- I. If the purchase an asset is split into multiple invoices each below \$10,000, but the total cost of the asset will exceed \$10,000, all invoices related to the asset should be charged to an 8XXXXXX account and will be recorded as one capital asset by Central Finance.
- J. It is acceptable to charge the cost of an asset below the \$10,000 threshold to an 8XXXXXX account. However, Central Finance may not capitalize those assets in the County's capital asset ledger.
- K. The asset's cost basis, purchasing department, and date of acquisition are recorded in the County's capital asset ledger. Each capital asset is assigned a unique number. At the end of each fiscal year, the amounts in the capital asset ledger are totaled and reconciled with the amounts in the 8XXXXX series accounts in the general ledger.

#### 4.02 Internally Generated Computer Software.

- A. Internal and external costs to develop the software during the application development stage will be capitalized. Typical costs include direct materials or services contributing to the project, payroll and payroll-related costs for employees directly associated with the project, testing and installation costs. Interest costs are not capitalized.
- B. Costs of the internally developed software project incurred during the preliminary project stage, or the post-implementation stage will be expensed as incurred.
- C. The cost of upgrades and enhancements to capitalized software will be capitalized only if the upgrade or enhancement provides additional functionality, and the development cost exceeds \$100,000.

#### 4.03 Personal Property Assets.

- A. Personal property are those assets acquired for use in the conduct of County business which do not qualify as capital assets because they fall below the cost or useful life thresholds of capital assets.
- B. Departments acquiring personal property assets will be responsible for tracking and maintaining adequate control over those assets.
- C. Personal property assets are to be disposed of in the same manner as capital assets.
- D. Departments should periodically inventory personal property assets to ensure that the assets are used in the conduct of County business and that adequate control is maintained over the assets.
- E. The IT division will be responsible for maintaining an inventory of computers, laptops, PDAs, printers and fax machines for all County departments.

#### 4.04 Disposition of Capital and Personal Property Assets.

- A. Disposition of County assets require Board approval. See YCC 2.60, “Disposal of Surplus Personal Property Code”, for additional information.
- B. The revenue account to be used for proceeds on dispositions of capital assets is 36202. Sale of non-capital assets should be coded to 36201.
- C. When a capital asset is sold, transferred, or disposed of, Central Finance is to be notified via a completed “Capital Asset Disposal Form” so the asset can be deleted from capital asset ledger.

#### 4.05 Bi-annual Inventory.

- A. At least every two years, Central Finance produces reports from the capital asset ledger detailing information regarding the capital assets belonging to each department, including the cost and date of acquisition.

- B. Each department is expected to review the report and either correct or confirm the information regarding the asset or, if the asset is no longer in possession by the department, notify Central Finance regarding its disposition.

4.06 Capital Assets Purchased with Federal Grants.

- A. See “Federal Grant Awards Policy” for the policy on managing capital assets purchased with federal dollars.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	Accounting Policies	<b>POLICY NO.:</b>	101H
<b>TITLE:</b>	Accounting Functions and Payroll Procedures: Federal Grant Awards Policy		
<b>BOARD ORDERS:</b>	B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109	<b>LAST REVISED:</b>	05/05/2025

### I. PURPOSE

1.01 The purpose of this policy is to establish policies and procedures over the administration of Federal Awards.

### II. APPLICABILITY

- 2.01 Every department head, elected official, employee or agent of the County (public official) who has authority to receive or expend Federal Financial Assistance is responsible for compliance with the policy. Each is responsible for ensuring that:
- A. Federal Financial Assistance is administered in accordance with the purpose of the Federal Award Agreement and in compliance with all applicable laws and regulations.
  - B. Costs associated with Federal Awards are allowable in accordance with the purpose of the Federal Award Agreement and in compliance with all applicable laws and regulations.
  - C. Federal Financial Assistance that is passed through to subrecipients for the purpose of carrying out a portion of a Federal Award imposes additional responsibilities. Each public official that has oversight responsibility over subrecipients is responsible for monitoring subrecipients to ensure that performance is in accordance with the Federal Award Agreement and in compliance with all applicable laws and regulations.

### III. DEFINITIONS

3.01 **“Federal Award”** means Federal Financial Assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a passthrough entity, or a cost-reimbursement

contract under federal acquisition regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity.

- 3.02 **“Federal Award Agreement”** means the instrument setting forth the terms and conditions of a Federal Award. The instrument is a grant agreement, cooperative agreement or any other agreement providing Federal Financial Assistance, or a cost-reimbursement contract awarded under federal acquisition regulations.
- 3.03 **“Federal Financial Assistance”** means assistance that non-federal entities receive to administer a Federal Award in the form of grants, cooperative agreements, non-cash contributions, donations of property, direct appropriations, food commodities, loans, loan guarantees, interest subsidies or insurance.

#### IV. POLICY

- 4.01 Administrative Requirements. Each public official that has responsibility for administering a Federal Award shall:
- A. Provide efficient and effective administration of the Federal Award through the application of sound management practices.
  - B. Administer federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal Award.
  - C. Comply with the cost principles established by the federal government, support the accumulation of costs as required by the cost principles, and provide adequate documentation to support costs charged to the Federal Award.
  - D. Apply costs and cost allocations related to indirect costs and administrative charges on a consistent basis and in accordance with federal cost principles and County policy.
  - E. Ensure that no profit results from the use of Federal Financial Assistance, unless explicitly authorized by the terms and conditions of the Federal Award (i.e. program income).
  - F. Establish a process of internal control, designed to achieve the objectives of the Federal Award, in a manner that also achieves the following:
    - 1. Effective and efficient operations;
    - 2. Reliable reporting for internal and external use;
    - 3. Evaluating and monitoring compliance with all applicable laws and regulations;
    - 4. Taking prompt action when instances of noncompliance are identified; and
    - 5. Taking reasonable measures to safeguard protected personally identifiable information.

- 4.02 Payments of Federal Awards. Payment methods must minimize the time elapsing between the receipt of funds from the federal agency or pass-through entity and the disbursement of those funds by the County, whether the payment is made by electronic funds transfer, issuance or redemption of checks or warrants, or payment by any other means.
- A. Standard practice in the County is to operate Federal Awards on a reimbursement basis, wherein costs are incurred first, then reimbursement of those costs is requested from the federal agency or pass-through entity in order to minimize the time elapsing between transfer of funds.
  - B. When the reimbursement method is not feasible, advance payments may be requested to administer a Federal Award with the following considerations:
    - 1. Time elapsing between the receipt of funds from the federal agency or passthrough entity and the disbursement of those funds must be no more than 3 business days.
    - 2. Funds that cannot be disbursed within 3 business days must be deposited in an interest-bearing fund and cost center (program, service and/or project), and allocated a fair share of monthly interest earnings.
    - 3. Interest earnings in excess of \$500 per year must be returned to the federal agency or pass-through entity.

4.03 Audit Requirements. The County must procure or arrange for the County's audit as required by Section 200.508-200.512, under the Uniform Guidance.

- A. *Statements and Schedules.* The County will prepare the following statements and schedules:
  - 1. Financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited; and
  - 2. Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal Awards expended.
- B. *Audit Finding Follow Up.* The County is responsible for follow-up and corrective action on all audit findings. The County will prepare a summary schedule of prior audit findings and a corrective action plan for current year findings
- C. *Report Submission.* The County will complete the data collection form within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period. The reporting package must include items as listed in the Uniform Guidance Section 200.512 (c)

4.04 Allowable Costs. Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under federal awards in accordance with 2 CFR Part 200.403:

- A. Be necessary and reasonable for the performance of the Federal Award and be allocable (chargeable or assignable) to that Federal Award in accordance with the relative benefits received;

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- B. Conform to any limitations or exclusions set forth in the Uniform Guidance or in the Federal Award Agreement as to type or amount of cost items;
- C. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the County;
- D. Be given consistent treatment (a cost may not be assigned to a Federal Award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal Award as an indirect cost);
- E. Be determined in accordance with generally accepted accounting principles (GAAP);
- F. Not be included as a cost or used to meet cost-sharing or matching requirements of any other federally financed program in either the current or a prior period; and
- G. Be adequately documented.

4.05 Classification of Costs. All costs associated with Federal Awards shall be classified as direct or indirect costs. All allowable costs should be included in the budget or the financial plan of the Federal Award Agreement. Disallowed costs will not be charged to the Federal Award.

- A. *Direct Costs*. Those costs that can be identified specifically with a particular cost objective or that can be directly assigned to such activities easily and with a high degree of accuracy. Examples include but are not limited to payroll costs of employees who work directly on the Federal Award, materials and other expenses incurred in direct relation to administering the Federal Award, and subrecipient expenses.
- B. *Indirect Costs*. Those costs incurred for a common or joint purpose benefitting more than one cost objective and/or not readily assignable to the cost objective benefitted. For example, administrative costs charged to the grant based on a cost allocation plan or approved indirect cost rate would be considered indirect costs.
- C. *Disallowed Costs*. Those costs that the federal awarding agency or pass-through entity determines to be unallowable, in accordance with applicable federal statutes, regulations, and terms and conditions of the Federal Award. To determine whether a cost is allowed or disallowed, refer to: 1) the Federal Award Agreement and 2) section 200.420-475 General Provisions for Selected Items of Cost under the Uniform Guidance for Federal Awards. If unable to determine whether the cost is allowed or disallowed, contact the federal awarding agency or granting agency administering the Federal Award for further clarification.

4.06 Administrative Charges on Federal Awards. Administrative charges must be allocated as a reimbursable cost or in-kind cost to maintain consistency in the application of administrative charges.

- A. Departments will include administrative charges in the grant application in accordance with the County's approved cost allocation plan and/or indirect cost rate.

- B. Administrative charges will be included in the budget of the Federal Award approved by the awarding agency.
- C. If the Federal Award Agreement prohibits administrative charges or has a cap on those types of costs, the department will be responsible for including those costs as an in-kind match against the Federal Award.
- D. The Chief Administrative Officer and Board of Commissioners may grant an exception to the allocation of administrative charges to a federal award.

4.07 Subrecipient and Contractor/Vendor Determinations. The County may pass through or subcontract Federal Financial Assistance to assist in administering the objectives of a Federal Award. Each department will determine if the subcontractor meets the definition of a subrecipient or contractor/vendor. This determination will occur during the contract review process.

- A. *Contractor/Vendor*. A contract is for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship with the contractor/vendor. Characteristics indicative of a procurement relationship between the County and a contractor/vendor are when the contractor/vendor:
  1. Provides the goods and services within normal business operations;
  2. Provides similar goods or services to many different purchasers;
  3. Normally operates in a competitive environment;
  4. Provides goods or services that are ancillary to the operation of the Federal Award; and
  5. Is not subject to compliance requirements of the Federal Award as a result of the agreement, though similar requirements may apply for other reasons.
- B. *Subrecipient*. A non-federal entity that receives a subaward from the County to carry out part of a Federal Award is considered a subrecipient. A subrecipient's activities may include, but are not limited to:
  1. Determining eligibility;
  2. Having performance measured in relation to carrying out Federal Award objectives;
  3. Making programmatic decisions;
  4. Adhering to applicable program requirements specified by the Federal Award Agreement; and
  5. Using Federal Financial Assistance to carry out program services for a public purpose.

4.08 Subrecipient Monitoring. When the County uses a subrecipient for the purpose of carrying out a portion of a Federal Award, the County must perform the following monitoring activities:

- A. Ensure the subaward includes the required information as defined in Section 200.331 (a) under the Uniform Guidance;
- B. Evaluate the subrecipient's risk of noncompliance with federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring;
- C. Monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, is in compliance with federal regulations, and goals are achieved as defined by the subaward;
- D. Verify that the subrecipient is audited as required by the Uniform Guidance, Subpart F –Audit Requirements, and consider the results of those audits that might necessitate further action. If an audit is not required, ensure adequate documentation is obtained for the reason and is appropriate;
- E. Provide other monitoring as determined necessary by the risk assessment or the Federal Award Agreement; and
- F. Take enforcement action on noncompliant subrecipients.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101I</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Petty Cash, Change Funds, and Banking Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 The purpose of this policy is to define management’s responsibilities over cash on hand in the form of petty cash, change funds, and ATMs, and cash in banks.

### II. APPLICABILITY

- 2.01 This policy is applicable to any employee who handles or manages petty cash and change funds, as well as those responsible for departmental cash accounts.

### III. DEFINITIONS

- 3.01 “**ACH**” means an electronic, bank-to-bank money transfer that is processed through the Automated Clearing House Network. An ACH usually take two days to complete payment.
- 3.02 “**ATM**” means an automated teller machine that enables people to withdrawal cash out of their bank account without the need for direct interaction with a bank.
- 3.03 “**Change Fund**” is used for the express purpose of making change when cash is received as payment for an item or service. It is not a petty cash fund and is not to be used for office expenditures.
- 3.04 “**Fedwire**” means an electronic funds transfer service that is processed through the Federal Reserve Bank. A Fedwire is immediate to allow for same-day payment.
- 3.05 “**Petty Cash Fund**” is used for the express purpose of purchasing incidental items for expenses which are too minimal to justify the cost of preparing a check (generally, items under \$25).

## IV. POLICY

### 4.01 Petty Cash.

- A. A petty cash fund is created by Board of Commissioners' approval of a written request from a department head.
- B. Petty cash funds are not to be used as change funds or as a depository for cash received.
- C. No personal, employee, or third-party checks are to be cashed out of petty cash funds.
- D. The cash in the fund and unreimbursed receipts for expenditures must always equal the amount authorized by board order.
- E. Petty cash is to be secured in a locked location and is not to be moved from that location unless specifically authorized by the department head or designee. Funds are never to be removed from County property (i.e., not to be taken home).
- F. Reimbursements to petty cash are made when deemed necessary or when the level of cash remaining is about 20% of the total amount authorized.
- G. To be reimbursed, a check request is entered as an invoice into the County accounts payable system with the supporting receipts to be reimbursed attached. A reimbursement check will be prepared by Central Finance.
- H. Department petty cash reimbursement checks may be cashed in Central Finance if the reimbursement does not exceed the amount of cash held in Central Finance's change drawer.
- I. Central Finance or auditors may make periodic unannounced visits to departments to count petty cash during the year.
- J. Departments should confirm their cash balances on a monthly basis. Central Finance can verify the amount authorized for each department's petty cash fund if necessary.

### 4.02 Change Funds.

- A. Change funds are made available to cash-receipting departments upon written request and Board approval.
- B. Change funds are not to be intermingled with petty cash funds.
- C. Change funds must not be used for cashing personal, employee, or third-party checks, with the exception of the Central Finance change fund which may be used for departmental petty cash reimbursements.

- D. The amount of cash in a change fund should always equal the authorized amount, except for the Central Finance change fund which may also include petty cash reimbursement checks received by the department.
- E. Department petty cash reimbursement checks cashed in Central Finance should always paid for the exact amount on the check.
- F. Change funds are to be securely locked during non-business hours and are never to be removed from County property.
- G. Central Finance or auditors may make periodic unannounced visits to departments to count change funds during the year.
- H. Accounting staff can verify the amount authorized for each department's change fund.
- I. No foreign money or damaged coin are to be accepted. The bank will not accept foreign coin or currency, or damaged coin as part of the County's deposit.

#### 4.03 Bank Accounts.

##### A. *Main Checking Account.*

- 1. The County maintains one primary bank account from which the County's business and payroll checks are cleared. Central Finance maintains and reconciles that account. The authorized signatory is the County Administrator.

##### B. *Investment Accounts.*

- 1. The treasurer may maintain other accounts for investment purposes, including the State or Oregon's Local Government Investment Pool and third-party investment safekeepers.

##### C. *Department Accounts.*

- 1. Although County policy strongly discourages department-controlled bank accounts, it is recognized that in rare cases such a need may arise. If so, the following requirements must be met:
  - i. Request for permission to establish the account must be submitted to the Board of Commissioners and must clearly state the justification for the account.
  - ii. Accounts must include "Yamhill County" as part of the account name.
  - iii. After the account has been approved by the Board, a copy of the approved request and a copy of a check or deposit slip for the account is to be submitted to the Central Finance.
  - iv. Two signatures are required for each check or withdrawal, one of which should be the department head. Any individual with signature authority must be an employee of the County.

- v. Records of any department bank account must be available at any time for review by the auditors or a representative of Central Finance.

4.04 Reconciliations.

- A. The main checking account, all investment accounts, and all department accounts are to be reconciled monthly.
- B. A review of the main checking account reconciliation and all investment account reconciliations are to be performed by someone other than the reconciler.
  - 1. If the Finance Manager reconciles the account, then the Assistant Finance Manager will review and approve the reconciliations.
  - 2. If the Assistant Finance Manager performs the reconciliation, then the Finance Manager will review and approve them.
  - 3. If either position is vacant, the Deputy County Administrator will review and approve them.
- C. For the department accounts, the department will perform the reconciliation.
  - 1. Monthly, the department will submit the reconciliation to Central Finance to review and approve.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101J</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Annual County-wide Audit Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 The purpose of this policy is to establish rules and procedures for the conduct of the annual audit in accordance with state requirements. It establishes the requirements for annual audits and related guidelines for selection of auditors, audit contracts, auditor meetings with the Yamhill County Board of Commissioners, audit reporting requirements, and addressing audit deficiencies.

### II. DEFINITIONS

- 2.01 “**Component Unit**” means a legally separate entity for which the County is considered to be financially accountable; an entity for which the Yamhill County Board of Commissioners acts as the governing body, approving budgets, setting rates and issuing debt, and for which County personnel are responsible for managing day-to-day operations.

### III. POLICY

- 3.01 Required Annual Audit.
- A. The scope of the audit shall include programs wholly or partially funded by federal, state and local governmental agencies (OAR 162-010-0020(8)).
  - B. The audit shall be performed by an independent auditor that is authorized by the Oregon Board of Accountancy to conduct municipal audits in accordance with ORS 297.670 to 297.740.

C. *Auditor Selection.*

1. The County shall undertake a full-scale competitive process for the selection of independent auditors.
2. The audit procurement process shall be structured so that the principal factor is the auditor's ability to perform a quality audit. Price shall not be the sole criterion for the selection of an independent auditor.

D. *Audit Contract.*

1. The audit shall be conducted pursuant to contracts entered into by the auditor and Yamhill County and its component units (ORS 297.425).
2. Audit contracts shall be multiyear agreements of no less than five years, renewable up to five additional years, for a maximum of ten years in duration, to allow for greater continuity, minimize disruption, and reduce audit costs.
3. Auditors shall be rotated at the end of each contract, to enhance auditor independence, and ensure a thorough and unbiased review of County finances.

E. *Auditor Meetings with the Yamhill County Board of Commissioners.*

1. The Board shall meet with the auditor at least twice each year, as outlined below. All such meetings shall take place at properly noticed public meetings.
2. The Board shall meet with the auditor prior to the start of the annual audit to review the County's progress on findings from the prior audit, and to discuss specific areas of interest or concern regarding the upcoming audit.
3. The Board shall meet with the auditor at the conclusion of the annual audit to review the audit results and any deficiencies.

F. *Audit Reporting Requirements.*

1. The auditor shall prepare a written audit report containing a signed expression of opinion in the form prescribed by the Oregon Secretary of State (ORS 297.465(2)).
2. The auditor shall furnish a copy of the audit report to the County within six months after the close of the fiscal year under audit, unless the Secretary of State has granted an extension (ORS 297.465(2)).
3. The audit report shall be distributed to each member of the Board, the County Administrator, the Deputy County Administrator, County Treasurer, and the Finance Manager and other parties upon request.

4. The auditor shall submit a summary of the County's revenues and expenditures for the fiscal year covered by the audit, in the form prescribed by the Secretary of State, within 30 days after delivering the audit report (OAR 162-010-0020(12)).
5. The chief financial officer shall file a copy of the audit report with the Secretary of State within six months after the close of the fiscal year under audit, unless the Secretary of State has granted an extension (ORS 297.465(3)(a)).
6. The chief financial officer shall ensure payment of the required filing fee to the Secretary of State when the audit report is filed with the Secretary of State (ORS 297.485(1)).

G. *Audit Deficiencies.*

1. The Board shall determine the measures necessary to address any deficiencies disclosed in the audit report and adopt a plan of action to address the deficiencies (ORS 297.466(2)).
2. The chief financial officer shall file a copy of the adopted action plan within 30 days after filing the audit report with the Secretary of State (ORS 297.466(3)).

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101K</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Merchant Card Processing Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 The purpose of this policy is to establish guidelines and practices for receiving and processing merchant card transactions and complying with security requirements set forth by the Payment Card Industry (PCI). The guidelines and practices are developed with the following in mind:
- A. Ensure cardholders that sensitive account and personal cardholder information is protected against theft and/or improper usage.
  - B. Ensure compliance with all credit and banking industry security regulations related to payment card processing and reporting.
  - C. Ensure proper financial controls in the receipt and processing of payment card transactions.

### II. APPLICABILITY

- 2.01 This policy is applicable to all County departments, divisions, and employees that process, transmit, handle, or store cardholder information in any physical or electronic format. Where any section, subsection, sentence, clause or phrase of this policy is found to conflict with any state or federal law, administrative rule, or Payment Card Industry Data Security Standard (PCI-DSS), the terms of such contracts, laws, rules, or standards shall prevail.

### III. DEFINITIONS

- 3.01 “**Acquirer**” means a bankcard association member that initiates and maintains relationships with merchants that accept debit or credit cards such as Visa, MasterCard, or Discover cards. (Also referred to as “acquiring bank” or “acquiring financial institution.”)

- 3.02 “**Breach**” means an incident in which sensitive, protected, or confidential data has potentially been viewed, stolen, or used by an unauthorized individual.
- 3.03 “**Cardholder Information**” means any payment and personally identifiable data associated with a cardholder. Examples include but are not limited to account number, expiration date, card type, name, address, social security number, service code, and card validation code.
- 3.04 “**Card Validation Code**”, also called CVC, is the three- or four-digit code on front or back of payment card.
- 3.05 “**E-Commerce**” means those transactions where the payment card is not present, the customer is often offsite with respect to the merchant, and the authorization and settlement are processed through a computer over the Internet.
- 3.06 “**Hardcopy**” means material that is not in electronic form.
- 3.07 “**Hosting Provider**” means Service providers who offer various services to merchants including shared space on a server, shopping card options, payment applications, and connections to gateways and processors.
- 3.08 “**Issuer**” means an entity that issues payment cards directly to consumers and non-consumers. (Also referred to as “issuing bank” or “issuing financial institution.”)
- 3.09 “**Magnetic-Stripe Data**” means data encoded in the magnetic strip or chip used for authorization during payment transactions. (Also called Track Data.)
- 3.10 “**Merchant**” means the Yamhill County (department, division, or employee) that accepts payment cards for goods or services provided.
- 3.11 “**Merchant Card Processor**” means the vendor selected by competitive selection to process payments and E-Commerce transactions on behalf of Yamhill County (i.e., US Bank Payment Solutions/Elavon-Converge). (Also called Payment Card Processor).
- 3.12 “**Merchant Identification Number (MID)**” means a unique number assigned to each terminal location or E-Commerce site that is used to track financial activity.
- 3.13 “**Payment Card**” means those cards used to pay for goods or services with a logo on the face of the payment card – e.g., Visa, MasterCard, and Discover. (Also called Branded Card, Credit Card, Debit Card, and Merchant Card.)
- 3.14 “**Payment Card Brand Members**” means those companies that issue Payment Cards (e.g., Visa, MasterCard, Discover, and American Express).
- 3.15 “**Payment Card Industry Data Security Standard (PCI-DSS)**” defines a series of requirements for handling, transmitting, and storing sensitive data. (Also called PCI Compliance)

- 3.16 **“PCI Compliance Coordinator”** means the Yamhill County Finance Manager or designee responsible for developing, implementing, and updating this policy, as well as other duties specified within. Works in collaboration with the Information Technology department to ensure PCI Compliance.
- 3.17 **“Personal Identification Number (PIN)”** means a number allocated to an individual and used to validate electronic transactions and is required on all debit cards which are not processed like credit cards that require a signature.
- 3.18 **“Point of Sale (POS) Transactions”** means those transactions where the payment card is present, or the number is manually entered by the merchant. POS transactions do not occur at internet sites.
- 3.19 **“Primary Account Number (PAN)”** means the unique payment card number that identifies the issuer and the particular cardholder account. Most often located on the face of the payment card.
- 3.20 **“Service Provider”** means those business entities that are not payment card brand members or merchants and are directly involved in the processing, storage, transmission, and switching of transaction data or cardholder information or both. This includes companies that provide services to merchants, other service providers, or payment card brand members that control or could impact the security of cardholder data.
- 3.21 **“Terminal”** means a POS device used to gather the magnetic strip or chip data from the payment card. The terminal prints a receipt to be signed by the customer. (Also called TID, payment card machine, or credit card machine.)
- 3.22 **“Truncation”** means the practice of removing data from the payment card number. Commonly, when account numbers are truncated, the first 12 digits are deleted, leaving only the last 4 digits.

#### IV. POLICY

##### 4.01 Responsibilities and Requirements.

###### A. Merchants:

1. Should not establish their own banking relationship to process payment cards, nor contact a Merchant Card Processor to obtain access to payment card privileges without first consulting with the PCI Compliance Coordinator.
2. Are responsible for making application to the PCI Compliance Coordinator to accept payment cards and/or process payments through a third party as payment for goods and services provided. Applications can be found on the County Intranet at Finance and Payroll Forms under the Credit Card Acceptance section, or by contacting the PCI Compliance Coordinator.
3. Will pay for all costs in maintaining the card terminals and internet programming, if applicable.

4. Are responsible for the equipment in their possession and for following this policy and all PCI compliance requirements regarding handling, transmitting, and storing sensitive data.
5. Shall annually provide the PCI Compliance Coordinator with PCI certifications for any third-party payment vendors.
6. May adopt their own more stringent policies that maintain compliance with the PCI-DSS requirements and this policy or may rely on those in this policy. If a department does not adopt their own policies, this policy will apply. Modifications to this policy may be appropriate depending on the occurrence and volume of transactions that a Merchant processes.

B. The PCI Compliance Coordinator:

1. Is responsible for approving all merchant applications to provide payment card services to the public.
2. Will coordinate with the Acquirer, Merchant and Information Technology to work through any technical requirements that may exist.
3. Will coordinate with the Merchant Card Processor to obtain merchant identification numbers (MIDs) and facilitate communication between the Merchant and the Merchant Card Processor.
4. Will assist the annual PCI Compliance certification process with each Merchant, as necessary.
5. Will review this policy not less than annually in response to significant operational and legal changes and will modify as needed to continue reasonable and appropriate protection of cardholder information.

C. Information Technology (IT):

1. Is responsible for approving or implementing and maintaining all computer networking, computer programming, and information system services and security necessary for the Merchant to provide payment card services to the public.
2. Will work with Merchant to meet PCI-DSS requirements related to information systems and provide documentation to the PCI Compliance Coordinator as necessary.

4.02 Application to Become a Merchant.

- A. The PCI Compliance Coordinator requires each department wishing to become a Merchant to complete an application. The application will be in the form specified by the PCI Compliance Coordinator and signed by the department director requesting Merchant status. An application will be required for each Merchant Identification Number (MID) requested.

- B. The PCI Compliance Coordinator will approve applications based on the department's ability to comply with this policy and PCI compliance requirements.
- C. Once approved, the PCI Compliance Coordinator will work with the Merchant Card Processor and obtain MIDs for the Merchant.
- D. Approved terminal equipment and e-commerce-based platforms is determined by the County's contracted Merchant Card Processor.

#### 4.03 Common Requirements of all Merchants.

##### A. *Internal Controls.*

1. Merchant will develop and maintain operational procedures for each MID and submit to the PCI Compliance Coordinator for review. These operational procedures should address the following areas:
  - i. Segregation of duties: to the extent possible, all duties related to data processing of payment cards should be separated. Specifically, Merchants should establish segregation of duties between payment card processing, the processing of refunds, and financial reconciliations. Merchants should also require supervisory approval for any refund transactions.
  - ii. Reconciliation procedures: all payment card terminals and website applications should be closed out and reconciled as often as practical.
  - iii. Physical security of cardholder information.
  - iv. Disposal of cardholder information.
2. Merchants will be held responsible for any losses, penalties, or punitive expenses due to inadequate internal controls.
3. Merchants are responsible for periodically reviewing the accuracy of credit card transactions through [www.paymentsinsider.com](http://www.paymentsinsider.com)
4. Merchant agrees to train all employees involved in processing payment card transactions to protect cardholder information and require them to review these procedures when trained and when business processes change.

##### B. *Security of Cardholder Information.*

1. Merchant agrees to not store cardholder information on the County's network.
2. Merchant will never transmit cardholder information; especially account numbers, by end-user messaging technologies such as email, text, instant messaging, or chat.

3. Merchant agrees to not create an electronic file containing cardholder information (database, spreadsheet, word processor, image, etc.). For internet transactions, files received from the Acquirer will not contain any cardholder information other than the name of the customer.
4. Merchant will never store cardholder information on portable devices, including laptops, external hard disks, and USBs.
5. Merchant agrees to never store any cardholder information, in any physical form that is not required for business operations.
6. If cardholder information needs to be physically retained in hardcopy (paper) form for business operations:
  - i. All hardcopy material containing cardholder information is to be physically secure and retained, stored, or archived only within secure Yamhill County office environments or certified archival facilities;
  - ii. All hardcopy material containing cardholder information must be stored in a secure and locked container (e.g. locker, cabinet, desk, storage bin);
  - iii. Hardcopy material containing cardholder information should never be stored in unlocked or insecure containers or open workspaces;
  - iv. All hardcopy material containing cardholder information must be easily distinguishable as “confidential” through labeling or other methods;
  - v. Distribution of all confidential or sensitive hardcopy material must be sent or delivered by a secured courier or other delivery methods that can be accurately tracked;
  - vi. At no time is hardcopy material containing cardholder information to be removed from any Yamhill County secured storage area without prior authorization from management. Management may give blanket approval for the routine movement of hardcopy material between locations within the County for business and operational purposes; and
  - vii. Custodians of hardcopy media containing cardholder information must perform an inventory of the media at least annually. Results of inventories shall be recorded in an inventory log.

*C. Destruction of Cardholder Information.*

1. All media containing cardholder data must be destroyed after the minimum time deemed necessary for their use has passed, or when it is no longer needed for business or legal reasons.
2. Hardcopy media must be destroyed by cross-cut shredding, incineration, or pulping so that cardholder data cannot be reconstructed.

#### D. *Troubleshooting.*

1. If a Merchant has any technical connectivity problems accepting credit cards, the first point of contact should be the credit card processor (e.g., Elavon-Converge) to determine if the problem is with the Merchant Card Processor. The second point of contact should be the Information Technology Helpdesk to determine if the connectivity problem is on our end.

#### E. *Other.*

1. Merchant agrees to use County approved terminals that include layered security including EMV, encryption and tokenization. Payment card numbers on both Merchant and customer copies of printed receipts will be truncated.
2. Merchant agrees to secure terminals to their sales areas where accessible to the public, inspect terminals periodically for damage or unauthorized tampering, and only allow authorized service personnel to repair or modify terminals.
3. Merchant agrees to use supported Merchant Card Processors as approved by the PCI Compliance Coordinator.
4. Pin-based payment cards can be accepted in over the counter (face-to-face) transactions through terminal or POS system.
5. Merchant agrees to honor without discrimination all valid credit cards properly tendered for use.
6. In limited applications departments may use other third parties to assist with accepting credit cards for the sale of services and products. The department that contracts with the third party must manage the relationship to ensure data is properly protected.
7. Merchant will comply fully with the PCI Standards, including any new provisions added to it.

#### 4.04 Annual Certification.

- A. On an annual basis, for each MID, Merchants shall complete an annual self-assessment questionnaire, including PCI Certification for third-party vendors if applicable.
- B. The PCI Compliance Coordinator will assist in such preparation as needed. Merchants will submit completed annual certifications to the PCI Compliance Coordinator.

#### 4.05 Fees.

- A. Each Merchant is responsible for the actual costs incurred to process their transactions, including set-up fees, transactional fees, and hardware and software costs when applicable. The three types of transactional fees typically assessed include:

1. The interchange fee is paid to the customer's bank and will vary by bank. This fee is not negotiable.
2. The bankcard fee is assessed by Visa or MasterCard and will vary based on the type of merchant card used (debit vs. credit), the amount of the transaction, the amount of time between authorization and settlement, and the overall perceived risk of the transaction.
3. The discount fee is charged by Yamhill County's Merchant Card Processor. This fee is negotiated during an RFP process through County Administration.

B. Transactional fees may be paid in one of two ways:

1. In standard merchant card processing transactions, the cardholder pays only for the actual cost of the product or service, and the Merchant pays the transactional fees; or
2. Under the "Service Fee" model, Merchants agree to allow the Merchant Card Processor to charge a "Service Fee" to the customer. The Merchant Card Processor would use this Service Fee to cover the transactional fees of the transaction. Yamhill County would not collect or receive any money from this service fee but would be allowed to process the card transaction at no fee. This kind of arrangement works best in operating structures where fees are set statutorily (e.g., County Clerk's Office), or where operating margins are too slim to absorb transactional fees. When service fees are charged, appropriate signage must be maintained to inform clientele of the fees they will be charged.

C. All fees due will be automatically deducted from the Yamhill County main bank account and will be recorded in the accounting records by Yamhill County Central Finance. Central Finance will work with each Merchant to determine the correct account coding for these costs.

4.06 Breach of Security.

- A. If a Merchant suspects a breach of security that could impact the County's network, computers, or data, the Merchant should notify the Information Technology and the PCI Compliance Coordinator immediately.

4.07 Sanctions/Violations.

- A. Merchants not complying with this policy will lose the privilege of serving as payment card Merchants if compliance is not achieved in a time deemed reasonable by the PCI Compliance Coordinator. In addition, each department engaged in payment card processing will be responsible for any financial losses due to poor internal or inadequate controls or negligence/neglect in adherence to the PCI Standard.

4.08 Prohibited Transactions.

A. Prohibited transactions include:

1. Cash advances;

2. Amounts over a sale amount (cash back options);
3. Adjustment of the price of goods or services based upon method of payment;
4. Providing discounts to a customer for paying with cash; and/or
5. Setting low-dollar or high-dollar limitations on transactions.

4.09 Interpretation and Implementation.

- A. Any questions relative to the intent or application of this policy should be directed to the Yamhill County Finance Manager, or designee, who is delegated the responsibility to interpret and implement this policy.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>101L</b>
<b>TITLE:</b>	<b>Accounting Functions and Payroll Procedures: Purchase Card Program Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 03-847; B.O. 09-770; B.O. 16-501; B.O. 18-454; B.O. 19-137; B.O. 23-94; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. PURPOSE**

- 1.01 The purpose of this policy is to establish guidelines and practices regarding the use of purchase cards to pay for authorized goods and services.
- 1.02 The “Purchase Card Program” offers an alternative to existing Yamhill County purchasing processes and provides a more efficient, cost-effective method for buying and paying for small dollar items.

### **II. APPLICABILITY**

- 2.01 This policy is applicable to all County departments, divisions, and employees that use purchase cards.
- 2.02 Purchases made with purchase cards must also comply with all federal, state, and/or local requirements for competitive selection, contract form, and delegated authority prior to entering into the purchase or contract. Purchase cards may not be used to circumvent competitive selection or other purchasing laws.

### **III. DEFINITIONS**

- 3.01 “**Card Issuer**” means US Bank.
- 3.02 “**US Bank Access Online**” means the online website used by departments to view Cardholder activity and retrieve monthly statements. <https://www.access.usbank.com/>
- 3.03 “**Department Head**” means the Yamhill County Department Director or delegate(s).

- 3.04 “**Department Delegate**” means the department employee designated by the Department Head to assist in managing the Purchase Card Program for the department. If the Department Head does not designate a Department Delegate, the Department Head will either act as the Department Delegate or the individual Cardholder will perform the duties of the Department Delegate.
- 3.05 “**Purchase Card Administrator**” means the Yamhill County Central Finance Manager or delegate.
- 3.06 “**Cardholder**” means the Yamhill County employee who has been issued a purchase card.
- 3.07 “**Ghost Card**” means the purchase card that does not include the name of a specific employee, but rather is taken out in the name of a Department, Division, or Program.
- 3.08 “**Vendor**” means a merchant from whom a cardholder is making a purchase.

#### IV. POLICY

##### 4.01 Cardholder Eligibility.

A. Criteria to receive a purchase card are as follows:

1. Applicant must be a current full-time employee of Yamhill County.
2. All purchase cards will have the name of the employee on the card to increase accountability and reduce fraud.
3. Applicant's request for a purchase card must be approved by Department Head. (See *Purchase Card Request of Change Form* on the intranet).
4. Applicant will either be assigned a Department Delegate selected by the Department Head, or the Department Head will agree to act as Department Delegate or assign such duties to the individual Cardholder.
5. Employee must complete an online training course before being issued a purchase card. (See *Purchase Card Online Training Course* on the intranet).
6. Each individual cardholder must sign a Purchase Card Cardholder Agreement. By signing the agreement, the cardholder is indicating they understand the intent of the Purchase Card Program and will comply with all guidelines of this policy as well as Yamhill County Policies and Procedures relating to the expenditure of Yamhill County responsibilities and Requirements

##### 4.02 Responsibilities and Requirements.

A. *Purchase Card Administrator.* The Purchase Card Administrator, or designee, is responsible for (but is not limited to):

1. Serving as Yamhill County liaison with US Bank;

2. Reviewing department approved applications for completeness;
3. Submitting application data to US Bank online;
4. Training Department Delegates;
5. Training Cardholders;
6. Receiving signed Purchase Card Cardholder Agreement;
7. Handling disputed charges/discrepancies not resolved by Cardholders and Department Delegate;
8. Assisting the Cardholders and Department Delegate with erroneous declined transactions;
9. Submitting revoked purchase cards information to US Bank;
10. Ensuring that lost or stolen cards have been blocked by US Bank;
11. Notifying Cardholders and Department Delegates of the cut-off date for submission of reconciliations and receipts;
12. Receiving and reviewing the US Bank bill;
13. Reconciling monthly US Bank's bill to cardholder statements;
14. Preparing bill for ACH payment; and
15. Reviewing usage of purchase card data for appropriateness.

B. *Department Heads:* Department Heads are responsible for (but are not limited to):

1. Approving or denying requests for purchase cards;
2. Assigning Department Delegates to each employee with a purchase card. If a Department Delegate is not assigned, the Department Head will either act as the Department Delegate or assign such duties to the individual Cardholder; and
3. Submitting approved applications for purchase cards to the Purchase Card Administrator.

C. *Department Delegates.*

1. Department Delegates are designated by the Department Head.
2. The Department Delegate must receive training before any employees in the department are assigned to them.
3. Responsibilities include (but are not limited to):

- i. Reviewing and reconciling vendor receipts to the US Bank Cardholder statements for each cardholder assigned to them;
- ii. Reporting any and all questionable purchases to the Department Director;
- iii. Resolving disputes with vendor and/or US Bank not resolved by Cardholder;
- iv. Notifying Purchase Card Administrator of any unresolved disputes;
- v. Notifying Purchase Card Administrator of lost or stolen cards;
- vi. Requesting Purchase Card Administrator cancel a Cardholder's card (e.g. terminated employees, transferring departments, loss of purchase card privileges) as approved by Department Head;
- vii. Collecting canceled cards from Cardholders and destroying them; and
- viii. Assisting Cardholders with erroneous declined transactions.

*D. Cardholders.*

1. The Cardholder must use the purchase card for legitimate business purposes only. The purchase card may not be used for prohibited transactions as noted in this policy. Misuse of the card will subject Cardholder to disciplinary action in accordance with Yamhill County Policies and Procedures relating to disciplinary action and termination for cause.
2. Responsibilities include (but are not limited to):
  - i. Ensuring the purchase card is used for legitimate business purposes only;
  - ii. Storing the purchase card in a secure location;
  - iii. Storing the PIN number in a secure location;
  - iv. Not sharing or for any reason allowing other individuals to use their purchase card;
  - v. Refraining from faxing or otherwise photocopying or taking pictures of the purchase card;
  - vi. Adhering to the purchase limits and restrictions of the purchase card;
  - vii. Obtaining original sales slips, register receipts, and/or other purchase documentation and reconciling monthly to US Bank's Cardholder statement;
  - viii. Providing valid purchase documentation that includes the following:

- a. Vendor or merchant name;
  - b. The date of the expense;
  - c. The date(s) of the conference, if applicable;
  - d. The date(s) of lodging, if applicable;
  - e. The purpose of the expense;
  - f. Itemization reflecting the exact cost of each item purchased; and
  - g. Total amount on the receipt;
- ix. Submitting all original documentation to the Department Delegate for reconciliation, approval, and coding of charges;
  - x. Providing, when requested, information about any specific purchase;
  - xi. Resolving disputes or billing errors directly with the vendor and notifying US Bank if the dispute or billing error is not satisfactorily resolved;
  - xii. Ensuring that an appropriate credit for a disputed item or billing error appears on a subsequent Cardholder statement;
  - xiii. Immediately reporting a lost or stolen card to US Bank at 1-800-344-5696 (24 hours a day, 365 days a year);
  - xiv. Immediately notifying the Department Delegate of a lost or stolen purchase card at the first opportunity during normal business hours;
  - xv. Reporting erroneous transactions to the Department Delegate during normal business hours; and
  - xvi. Returning the purchase card to the Department Delegate upon terminating employment with Yamhill County or transferring departments within Yamhill County.

4.03 Other.

- A. Ghost Cards are strictly prohibited due to their increased rate of fraud.
- B. In no instance may a Cardholder, including Department Directors and Department Delegates, or any designee thereof, approve their own purchase card transactions.
- C. Elected Officials unable to provide receipts for purchase card purchases will be required to receive approval by a Board Order before payment can be processed. Requests not approved by the Board of Commissioners shall be the personal responsibility of the Elected Official.

#### 4.04 Purchase Card Set-up, Maintenance and Closure.

- A. All contact with US Bank for card set up, maintenance, and closure (except for resolving disputes or billing errors and reporting lost or stolen cards) will be done by the Purchase Card Administrator, or designee.
- B. *Purchase Card Set-up.* The procedure for setting up a purchase card will generally proceed as follows:
  - 1. Employee completes an Application for Purchase Card.
  - 2. Department Head signs application and submits to Purchase Card Administrator, or designee.
    - i. Cards will be issued with \$2,000 single transaction limits and \$5,000 maximum monthly spend limits unless otherwise authorized by the Department Director.
    - ii. Cards will be set up to disallow transactions from unapproved Merchant Category Codes as appropriate.
  - 3. Purchase Card Administrator, or designee reviews request and completes the US Bank application online.
  - 4. US Bank sends purchase card directly to Cardholder.
  - 5. Cardholder notifies Purchase Card Administrator, or designee when they receive the card.
  - 6. Cardholder completes and signs a Purchase Card Cardholder Agreement form (Receipt of Card).
  - 7. Cardholder reviews the Purchase Card Online Training Course and signs the certificate on the last page.
  - 8. The Purchase Card Administrator, or designee obtains the following documents from the Cardholder:
    - i. A signed Purchase Card Cardholder Agreement form.
    - ii. The signed certificate they have taken the Purchase Card Online Training Course.
- C. *Purchase Card Maintenance.*
  - 1. Cardholder must report any lost or stolen purchase card immediately to US Bank toll-free at 1-800-344-5696. US Bank representatives are available to assist 24 hours a day, 365 days a year.

2. Cardholder must notify the Department Delegate about the lost or stolen card at the first opportunity during normal business hours.
3. Purchase Declines:
  - i. There may be certain situations when a vendor receives a decline message when processing your purchase card transaction. If you do not know the reason for the decline, the Cardholder should contact US Bank at 1-800-344-5696 for an explanation.
  - ii. If the decline was in error, the Cardholder should immediately contact the Department Delegate for assistance.
  - iii. If purchase is being made outside of normal business hours, the Cardholder must find an alternate payment method or terminate the purchase.

#### 4.05 Reconciliation Procedures.

1. The monthly Purchase Card reconciliation process will generally proceed as follows:
  - i. At the end of each cycle, the Department Delegate will login into the US Bank website to download all Cardholder statements assigned to them.
  - ii. As procurement card transactions are made, US Bank automatically imports them into the Oracle's Expenses module.
  - iii. The Department Delegate will perform the following in Oracle:
    1. Log into Oracle and navigate to the Expenses module;
    2. Checkmark the transactions that agree to the US Bank Cardholder statement and select "Create Report";
    3. The "Purpose" should be completed using the last four digits of the procurement card and the month of year of the statement. For example, "1012 MAR 2025";
    4. The Attachments on the header page should include one combined PDF of the US Bank Cardholder statement along with supporting invoices for each charge in the order provided on the statement;
    5. The "Payment Method" should be set to "External EFT";
    6. For each Expense Item on your report, select the date to drilldown into the expense;
    7. Use the Type dropdown and select the type of expense. This, along with the fund and department you work in will drive the Account charge line.

8. Enter a detailed description of the item purchased in the “Description” field;
  9. Attached a PDF of the specific invoice or other supporting documentation to the “Attachments” section for each charge. You may also reuse the combined PDF previously attached at the header section;
  10. If you do not have a receipt to attach, you must check the “Missing Receipts” box and enter a Justification;
  11. Select Save and Close;
  12. Costs can split between funds, departments, and accounts by checking the expense box and select “Split Allocation”;
  13. Check the box “I have read and accept the corporate travel and expense policies”; and
  14. Submit.
2. If the Department Delegate is completing the Expense Report on behalf of another employee, the employee will receive a message to approve the expense report. After all approvals have been made, the Expense Report will be sent through the process for final review and approval.
  3. Online training is available on the intranet.
  4. Department Delegate will report all questionable purchases to the Department Director.
  5. US Bank purchase card statements are dated the 25th of each month. The reconciliations in Oracle including all department approvals are due on the 15th on the following month.
  6. See Section 4.07, *Sanctions/Violations*, for purchase cards with reconciliations not submitted timely or with incomplete documentation.

4.06 Prohibited transactions. The following are prohibited purchase card transactions:

1. Any personal use purchases.
2. Employee meals, whether local or out of town, if they exceed the amount reimbursable per County policy. Meals in excess of County policy should be paid for personally and an employee expense reimbursement report should be requested via the County accounting system. See “*Business and Travel Reimbursement for Employees and Authorized Non-County Employees*” policy for more on allowable meals and reimbursements thereof.
3. Entertainment.
4. Purchases by another individual or employee.

5. Alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to Yamhill County.
6. In general, department parties, gatherings, and social events are prohibited. However, one annual recognition event may be allowed with County Administrator approval.
7. Cash advances, including ATM transactions.
8. Cash refunds in lieu of a credit to the Purchase Card.
9. Amounts over the purchase amount (cash back options).
10. Split purchase to circumvent the limitations of the Cardholder or the Purchase Card, or County and State requirements for competitive selection, contract form, and delegated authority.
11. Purchases of gift cards, unless pre-authorized by the County Administrator, or designee.
12. All additional prohibited transactions found under County Policy 114, *Business and Travel Reimbursement for Employees and Authorized Non-County Employees*.

#### 4.07 Sanctions/Violations.

1. Resolution for improper use of a purchase card will be the responsibility of the Department Head. All violations are to be reported in writing via email to the Purchase Card Administrator, or designee. The report should include a description of the violation and the actions taken to address the violation.
2. The Purchase Card Administrator, or designee, has the authority to immediately suspend any procurement card found in violation of this policy until the violation is remedied.
3. Purchase cards with reconciliations not submitted timely or with incomplete documentation will be immediately suspended until the reconciliations are complete and all required documentation is attached.
4. Sanctions for violations of this policy may result in the following corrective actions (noncomprehensive list):
  - i. Requiring additional training in the use of purchase cards;
  - ii. Personal reimbursement for unauthorized purchases;
  - iii. Revocation of the purchase card; and/or
  - iv. Disciplinary action.

- 4.08 Auditing. Cardholders will be subject to audit by their Department Delegate and the Purchase Card Administrator, or designee for compliance with the guidelines of the Purchase Card program and Yamhill County policies and procedures relating to the expenditure of Yamhill County funds.
- 4.09 Annual Review. On an annual basis, the Purchase Card Administrator will make a report to the County Administrator on card usage over the prior year. Areas of analysis are to include:
- i. Purchases by employees;
  - ii. Payments by vendors; and
  - iii. Violations during the year and sanction actions taken.
- 4.10 Interpretation and Implementation. Any questions relative to the intent or application of this policy should be directed to the County Administrator who is delegated the responsibility to interpret and implement this policy.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>103</b>
<b>TITLE:</b>	<b>Donation of Flexible Earned Time (FET) or Vacation Leave Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 88-293; B.O. 01-829; B.O. 03-820; B.O. 16-503; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### **I. POLICY**

1.01 Yamhill County employees are permitted to irrevocably donate flexible earned time (“FET”) or vacation time to another employee (“donee”) under the following circumstances.

A. The donee is experiencing personal hardship due to an extended illness.

B. It is necessary for the donee to act as caregiver for a member of the donee’s family member who is experiencing personal hardship due to an extended illness. For purposes of this policy, a donee’s family member means:

*Spouse, domestic partner, parents, children, brother, sister, grandparent, grandchild, stepmother, stepfather, stepchild, and the spouse’s same (i.e., spouse’s grandparent, etc.), or any other family members residing in the donee’s immediate household, or as defined by state or federal law or the applicable collective bargaining agreement.*

1.02 FET or vacation hours donated to another employee under this policy shall be valued at the donor’s rate of pay. Donations shall be made in increments of one or more hours. Central Finance shall be responsible for making the appropriate calculations and payment.

1.03 Donated leave will not be deducted from the donor’s leave bank until drawn on by the donee.

1.04 Donated leave can only be utilized for time loss associated with the qualifying medical event.

1.05 A donation form, which is available on the Intranet and in Central Finance, must be completed by the donor, authorized by the department head, and submitted to the County Administrator no later than 10 days before the end of the month for which the donation is effective.

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**DONATION OF FET / VACATION TIME  
TO ANOTHER EMPLOYEE**

Donor Name \_\_\_\_\_ Employee # \_\_\_\_\_

Department \_\_\_\_\_

Recipient (Donee) Name \_\_\_\_\_ Employee # \_\_\_\_\_

Department \_\_\_\_\_

Donor hereby, and without coercion, donates \_\_\_\_\_ hours of donor's FET or vacation time to donee which may be added to donee's accrued FET or vacation time under the following circumstances: (1) The donee is experiencing personal hardship due to an extended illness, or (2) it is necessary for the donee to act as caregiver for a member of the donee's immediate family who is experiencing personal hardship due to an extended illness. A donee's immediate family is limited to the following relatives: . Spouse, domestic partner, parents, children, brother, sister, grandparent, grandchild, stepmother, stepfather, stepchild, and the spouse's same (i.e., spouse's grandparent, etc.), or any other family members residing in the donee's immediate household, or as defined by state or federal law or the applicable collective bargaining agreement.

Donor authorizes Yamhill County to reduce donor's accrued FET/vacation time by the number of hours donated above and hereby relinquishes and waives any right to or interest in the FET/vacation time donated above and agrees to release Yamhill County, its officers, agents and employees, from any claim whatsoever arising from the donation. Donor has been informed, and agrees, that donor's accrued FET/vacation time both before and after this donation is as follows:

1. Donor's accrued FET/vacation leave prior to donation: \_\_\_\_\_ hours
2. Number of hours donated above: - \_\_\_\_\_ hours
3. Donor's accrued leave remaining after donation: = \_\_\_\_\_ hours

\_\_\_\_\_  
Donor Date

\_\_\_\_\_  
Donor's Department Head Date

\_\_\_\_\_  
Donee's Department Head Date

\_\_\_\_\_  
County Administrator Date

Policy 103  
B.O. 25-109



## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>106</b>
<b>TITLE:</b>	<b>Reimbursement of Job-Related Expenses for Department Heads and Elected Officials</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 01-522; B.O. 09-810; B.O. 16-029; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. PURPOSE

- 1.01 Based on recommendations from the County’s auditor, this policy establishes a review procedure to ensure fairness for requests for reimbursement of expenses by department heads and elected officials.

### II. POLICY

- 2.01 Entitlement to Reimbursement for Job-related Expenses. Department heads and elected officials, like other county employees, are authorized to apply for reimbursement for job-related expenses otherwise allowed by law and County policy. Reimbursement may be allowed by the person or panel designated in Section 2.02 upon a determination that the expenses were previously budgeted and made in connection with official County business. Upon approval by the person or panel designated in Section 2.02 below, Central Finance is authorized to pay the allowed expenses.

- 2.02 Persons Designated to Review and Approve Expense Reports, Appeal of Initial Determination.

A. *Non-elected department heads.* A non-elected department head’s expense report must be reviewed by an authorized official established under this subsection. For purposes of review of a non-elected department head’s expense report, an authorized official is the County Administrator or designee. If the authorized official is satisfied the department head is entitled to reimbursement under Section 1.01 for expenses listed on the expense report, the authorized official will approve the expenses. If the authorized official is not satisfied the department head is entitled to reimbursement as requested, the authorized official will notify the department head of the authorized official’s adverse determination as to a particular expense. The department head may appeal the adverse determination to the full Board of Commissioners (“Board”). The Board will consider the appeal and decide whether the particular expense or expenses were previously budgeted and made in connection with official county business. The Board may sustain, partially sustain, or reverse the initial determination by the authorized official. The decision of a majority of the Board is final.

B. *Elected officials.* An elected official's expense report must be reviewed by an authorized official established under this subsection. For purposes of review of an elected official's expense report, an authorized official is the County Counsel, or, in the absence of the County Counsel, the District Attorney. In the absence of both the County Counsel and the District Attorney, an authorized official is an assistant County Counsel or a Senior Deputy District Attorney. If the authorized official is satisfied the elected official is entitled to reimbursement under Section 2.01 for the expenses, the authorized official will approve the expenses. If the authorized official is not satisfied the elected official is entitled to reimbursement as requested, the authorized official will notify the elected official of the authorized official's adverse determination as to a particular expense. The elected official may appeal the adverse determination as to a particular expense to the three-member panel described below. The panel will consider the appeal and decide whether the expense or expenses were previously budgeted and made in connection with official County business. A majority of the panel may sustain, partially sustain, or reverse the initial determination by the authorized official. The decision of a majority of the panel is final.

1. **Where Commissioner Appeals Decision.** If the elected official who appeals a decision is a County Commissioner, the panel will consist of the District Attorney, the County Treasurer, and the County Administrator; provided, however, that if the District Attorney was the authorized official, the County Counsel shall serve on the panel in place of the District Attorney.
2. **Where Treasurer, Sheriff, Assessor, or Clerk appeals Decision.** If the elected official who appeals a decision is the County Treasurer, Sheriff, Assessor, or Clerk, the panel will consist of the District Attorney, the Chair of the Board, and the County Administrator.
3. **Where District Attorney Appeals Decision.** If the elected official who appeals a decision is the District Attorney, the panel will consist of the County Treasurer, the Chair of the Board, and the County Administrator.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>107</b>
<b>TITLE:</b>	<b>Non-Bargaining Employee FET/PEL Sell-Back Prior to Retirement Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 07-825; B.O. 08-686; B.O. 16-30; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. POLICY

- 1.01 A non-bargaining employee who has: 1) reached the age of 55, 2) has seven or more continuous years of service with Yamhill County, and 3) will limit future employment to a maximum of twenty hours per week, may elect a one-time option to sell-back all or part of their PEL and/or FET during a window period prior to the date of retirement, as described herein.
- 1.02 Sell-back of FET shall be subject to the current County policy regarding the non-bargaining employee's vested rights in the cash value of FET at the time of termination. If not sold back, any PEL is credited to the non-bargaining employee's health savings account.
- 1.03 To select the sell-back option, the non-bargaining employee must advise Central Finance of their intent to sell back FET and/or PEL during a window period that extends from November 24 to December 23 in the year, immediately prior to the year of the non-bargaining employee's retirement. The income earned from the sell-back shall be paid in the next regular paycheck due the non-bargaining employee, subject to the time needed to process the payroll.
- 1.04 A non-bargaining employee who has accrued more than 880 hours of PEL at the time of the request for the one-time sell-back of PEL shall forfeit all PEL in excess of 880 hours, which is the maximum payout upon retirement.
- 1.05 The non-bargaining employee is responsible for all employee state and federal income, FICA and Medicare, and any other employee-paid taxes imposed on the income earned from the sell-back.
- 1.06 Non-bargaining employees are advised that taxes imposed on income earned from the sell-back may be substantial. A non-bargaining employee who elects the sell-back option may use the County's deferred compensation program to defer income taxes on the earnings, subject to federal deferred compensation limits and the policies of the deferred compensation provider.

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**ADMINISTRATIVE POLICIES**

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>108</b>
<b>TITLE:</b>	<b>Payroll / Modifications to Employee Information Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 08-165; B.O. 16-102; B.O. 16-502; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

**I. POLICY**

- 1.01 Requests for changes to an employee’s payroll information must be submitted to Central Finance no later than 5:00 p.m. on the payroll cut-off date in order for the changes to take effect in the next regular payroll check.
- A. The payroll cut-off dates are posted on the County’s Intranet homepage.
- B. Requests received after the cut-off date will not become effective until the next regular pay period.
- 1.02 Payroll changes may include, but are not limited to:
- *Tax withholding (W-4).*
  - *Changes to deferred compensation contributions. These changes will take effect on the first payroll of the next month after being received by payroll.*
  - *Direct deposit (ACH).*
  - *Employee taxable expense reimbursements (i.e., moving expenses).*
  - *Sale of Flexible Earned Time (FET), Personal Extended Leave (PEL), Vacation or Comp Time hours.*
  - *Personnel Action form for salary rate change.*
  - *Requests to modify accounting codes*
- 1.03 Requests for changes should be made online using the County accounting system. Otherwise, forms are available on the County’s Intranet. Paperwork for deferred compensation changes is to be provided by the deferred compensation company’s representative.

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**ADMINISTRATIVE POLICIES**

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>109</b>
<b>TITLE:</b>	<b>Personal Checks for Cash Policy [REPEALED]</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 00-273; B.O. 25-109</b>	<b>REPEALED:</b>	<b>05/05/2025</b>

**REPEALED VIA BOARD ORDER 25-109**

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>111</b>
<b>TITLE:</b>	<b>Taxable-Nontaxable Benefits Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 03-847; B.O. 16-101; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05-05-2025</b>

### I. PURPOSE

- 1.01 This policy is adopted to determine whether a County fringe benefit is taxable or nontaxable as income to an employee in order for the County to comply with IRS regulations. Accounting staff will use the following scheduled to determine whether an employee benefit is taxable or non-taxable.

### II. POLICY

#### 2.01 Meals.

- A. *Non-taxable.* Meals are non-taxable if furnished by the employer as part of a meeting in a clear business environment so long as the meal is consumed either on the employer's premises or for the convenience of the employer. Meals are also non-taxable if an employee is on a business trip where an overnight stay is authorized. Other non-taxable meals include coffee and doughnuts, occasional employee parties and picnics, and occasional meals or meal money to enable an employee to work overtime. Further, certain off-premises group meals to discuss county business are non-taxable. To make sure income will not be imputed on a reimbursed meal, an employee should check with Central Finance first to determine if a meal is taxable or non-taxable. Also, see Policy 114, “*Business and Travel Reimbursement for Employees and Authorized Non-County Employees*”, for limitations on meal reimbursements.
- B. *Taxable.* With very limited exceptions, all meals reimbursed by the County that are not described in subsection (A) are considered taxable. To make sure income will not be imputed on a reimbursed meal, an employee should check with Central Finance first to determine if a meal is taxable or non-taxable.

- 2.02 Accident and Health Benefits. The amounts paid by the County for medical and dental insurance for employees, their spouses and their dependents are non-taxable benefits. In contrast, the amount paid for medical and dental insurance for a domestic partner is taxable at the fair market value of the insurance premium unless the partner can meet the IRS defined dependent status.

- 2.03 Short Term Disability. The amounts that the County pays to purchase a short-term disability plan are non-taxable.
- 2.04 Retirement. The amounts that the County pays for a PERS retirement plan are non-taxable.
- 2.05 Life Insurance. The amounts that the County pays as premiums for our basic life insurance plans are non-taxable, as are the amounts paid to maintain dependent life insurance coverage.
- 2.06 Cafeteria Plan (Section 125). A cafeteria plan is a written plan that allows employees to choose between receiving cash in pay or directing the money to a plan account to pay for another benefit which may or may not be taxable. Typically, a cafeteria plan is used in the County for payment of non-taxable benefits. For example, a cafeteria plan may be used to pay premiums for a qualified medical insurance premium plan in excess of the amounts paid by the County. In such a case, no taxes are paid on the amount paid through the cafeteria plan even though taxes would have been due had the money been paid in wages.
- 2.07 Achievement Awards. An award of tangible personal property for length of service or safety achievement is non-taxable. On the other hand, if the award is cash, cash equivalents, gift certificates, vacations, meals, lodging or event tickets, it is a taxable fringe benefit.
- 2.08 Clothing or Clothing Allowance. If clothing is clearly a uniform, marked with the County insignia or worn for safety reasons, it is a non-taxable benefit. If the clothing is not clearly marked and can be adapted for everyday street wear, it is a taxable benefit.
- 2.09 Transportation (Commuting) Benefits. Per IRS Publication 5137, use of a clearly marked police or fire vehicle for commuting is non-taxable to the employee. Other County-owned vehicles used for commuting (e.g., Public Works vehicles) are taxable events. The commuting valuation rule imputes wages to employees commuting other County-owned vehicles at \$1.50 each way, or \$30 a pay period.
- 2.10 Safety Equipment. All safety equipment is considered to be non-taxable.
- 2.11 De Minimis Benefits. De Minimis benefits are benefits that are of so little value that accounting for them would be unreasonable or administratively impossible. These include things like reimbursed use of a County copying machine. However, cash is never De Minimis.
- 2.12 Flu Shots. A flu shot is a non-taxable benefit.

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**ADMINISTRATIVE POLICIES**

<b>SECTION:</b>	<b>Accounting Policies</b>	<b>POLICY NO.:</b>	<b>112</b>
<b>TITLE:</b>	<b>Overnight Travel and Use of County Purchase Cards for Meals Policy [REPEALED]</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 03-847; B.O. 16-101; B.O. 25-109</b>	<b>REPEALED</b>	<b>05/05/2025</b>

**REPEALED VIA BOARD ORDER 25-109**

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	Accounting Policies	<b>POLICY NO.:</b>	114
<b>TITLE:</b>	Travel Reimbursement for Employees Policy		
<b>BOARD ORDERS:</b>	B.O. 88-155; B.O. 01-816; B.O. 08-423; B.O. 16-33; BO 25-109	<b>LAST REVISED:</b>	05/05/2025

### I. PURPOSE

- 1.01 The following policy establishes the conditions and procedures governing reimbursement for out-of-pocket expenses incurred by elected officials, employees, and non-county employees while working or traveling on authorized County business. The methodology used throughout this policy is defined as an “accountable plan” for IRS purposes.

### II. APPLICABILITY

- 2.01 This policy applies to all elected officials, employees, and non-County employees unless a specific exception is granted by the Board, or as otherwise specified in a collective bargaining agreement. The manager of the County department shall be responsible for communicating this policy to non-county employees authorized to incur out-of-pocket expenses or travel on behalf of the County.

### III. DEFINITIONS

- 3.01 “**Accountable Plan**” means a method for reimbursing employees for any business-related out-of-pocket expenses on a non-taxable basis. If the Internal Revenue Service's (IRS) requirements are met, reimbursements for eligible business expenses do not count as income, meaning they are not subject to withholding taxes or W-2 reporting.
- 3.02 “**Board**” means the Yamhill County Board of Commissioners.
- 3.03 “**County**” means Yamhill County.
- 3.04 “**Business expense**” means any approved expense that is necessary for the conduct of County business within departmental budget limitations.

- 3.05 “**Non-County employee**” means an employee of another jurisdiction whose activities are authorized by the County and includes advisory committee members, interns, volunteers, and personal service contractors.
- 3.06 “**Travel expenses**” means expenses for transportation, meals, and lodging.

#### IV. POLICY

4.01 Business Expense.

- A. County funds may only be expended in connection with County business. The County will not pay or reimburse an employee’s expenses unless the expenses were incurred in connection with County business and were otherwise authorized.
- B. The following are considered personal expenses and shall not be paid with County funds:
1. Service club memberships and expenses;
  2. Department parties, gatherings, or social events, with the exception of one annual recognition event, but only with explicit approval by the County Administrator; and
  3. Purchasing flowers or gifts for volunteers, employees, or employee’s family members.
- C. Except for authorized law enforcement undercover activities, personal expenses such as laundry, personal grooming, alcoholic beverages, cover charges, corking fees, entertainment charges, parking tickets, or personal phone calls are not eligible for reimbursement.
- D. Expenses are reimbursed only for the employee. Expenses for any family members or guests who may accompany the employee are not eligible for reimbursement. Expenses incurred for personal sightseeing or personal business in conjunction with the work-related event are not eligible for reimbursement.
- E. Departments shall limit the number of employees attending the same business meeting and, to the extent possible, develop information sharing to report back aspects of the meeting that have benefits to more than one person and/or department.

4.02 Travel Expense. All travel shall be allowed only when the travel is essential to the normal discharge of County responsibilities. Travel shall be conducted in the most efficient and cost-effective manner resulting in the best value to the County. Departments shall adhere to the following guidelines when using travel:

- A. Travel must be for official County business.
- B. Travel must be related to the employee’s scope of responsibilities.
- C. Each department is charged with the responsibility for determining the necessity and justification for and method of travel.

D. Each department shall make every effort possible to minimize employee time spent on travel.

#### 4.03 Overnight Travel Expense.

A. Overnight travel must be preapproved.

1. A “Request Authorization” form must be submitted online in the County accounting system to the department head and approved at least five workdays before the proposed travel begins, except for demonstrated emergencies.
2. The request must include the purpose, location, start and end dates.
3. A copy of the conference agenda or other applicable documents must be attached.

B. Overnight travel will normally be considered if the employee must leave town for the out-of-town location two hours prior to the regularly scheduled reporting time in order to complete the assigned task or attend an authorized meeting.

C. Signature authority for the “Request Authorization” is as follows:

1. The department head (or designee) will approve employee requests for overnight travel.
2. The County Administrator, or designee will approve all department head requests for overnight travel.
3. Elected officials do not require approval for overnight travel.

D. Overnight travel exceptions may be approved by the department director, or designee on a case-by-case basis to meet County business needs. Departments must ensure that sufficient written documentation exists on policy departures.

E. Employees returning from approved travel to conferences, continuing education, training, seminars, etc., should be asked to report to the department head on the results and benefits of the trip. This report can be oral or written, as determined by individual department policy.

#### 4.04 Types of Travel and Business Expenses.

A. *Modes of Transportation.*

1. Departments must select the mode of transportation based on what is most advantageous to the County, considering cost and other relevant factors. It is County policy to encourage employees to use pool vehicles or public transportation (plane, train, bus) when traveling long distances, rather than private vehicles. The mode of travel should be the most expeditious means of transportation practicable and commensurate with the nature and purpose of the employee’s duties. In addition, departments should consider energy conservation, total cost to the County (including the costs of meals, overtime, lost work time, and actual transportation costs), total distance traveled, and number of travelers.

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2. If airline tickets are purchased, all employees should utilize economy class unless the difference is paid from the employee's personal funds. Generally, one checked personal bag per trip is allowable.
3. If local transportation is required in the destination city, taxis, buses, ride-hailing services (e.g., Uber) or rental cars should be used. For rental cars, employees are expected to purchase the optional insurance coverage that is generally offered.

#### B. *Private Vehicle Mileage.*

1. Mileage reimbursement for private vehicles requires prior approval of the department director. Reimbursement is limited to the driver of the vehicle.
2. Mileage reimbursement is intended to cover the employee's out-of-pocket expenses for maintenance, fuel and insurance. Mileage reimbursement will be paid for the most direct and usually traveled routes. Mileage to and from an air terminal normal to the departure is also allowed.
3. The Expenses module in the County accounting system can be used to determine traveling distances. Substantial deviations between the mileage claimed and the mileage computed in the Expenses module must be satisfactorily explained.
4. Employees who, for personal convenience, choose to travel by indirect routes will bear the extra expense. Travel between home and designated work sites is not reimbursable.
5. Private vehicle mileage is reimbursed at the rate established in Exhibit A.
6. For additional policies governing use of County and privately-owned vehicles, see the "Employee and Volunteer Use of County-Owned Vehicles; Use of Private Vehicle for County Business" policy.

#### C. *Meals.*

1. Meals shall be reimbursed at the meal's actual cost including tip, not to exceed the limits established in Exhibit A when an employee attends an approved business meeting or is traveling and the meal occurs between portions of the scheduled meeting or during travel, e.g., lunch. Meal costs for conferences, seminars, conventions, and training programs will not be reimbursed when provided as part of a conference, seminar, convention, or training program.
2. When traveling on County business requires an overnight stay, meals are reimbursable for breakfast or lunch on the day of departure and for dinner on the day of return under the following circumstances:
  - i. **Breakfast:** The employee must leave their residence for traveling more than two hours in advance of their normal departure time.

- ii. **Lunch:** The employee must leave their workstation two hours prior to their usual lunch hour in order to arrive at the travel destination within normal working hours.
  - iii. **Dinner:** The employee must return to their residence or regular workstation when traveling from the travel location more than two hours after normal quitting time.
  - iv. The limits of this section may be exceeded if the meal is part of an organized program.
3. Purchase cards should not be used to purchase meals for employees if the charge exceeds the maximum amount reimbursable in Exhibit A.
  - i. If an employee purchases a meal on a purchase card that exceeds the reimbursable amount in Exhibit A, the employee is required to make payment on that excess directly to Central Finance at the time the procurement card expense report is submitted for approval.
4. If County payment is made or reimbursement is requested for persons other than the employee making the charge or requesting reimbursement, the names of all persons who dined must be noted with the request for reimbursement.

#### D. *Lodging.*

1. The cost of lodging will be reimbursed when an employee is required to remain overnight away from home. The amount will be based on single occupancy rates. Lodging choice should consider the most cost-effective option, and every attempt should be made to take advantage of government rates and conference discounts.
2. Miscellaneous Hotel Charges. Laundry, movie/game rental, voluntary fees for use of hotel amenities, and other non-business hotel charges are not reimbursable. Internet access charges associated with County business will be reimbursed upon appropriate receipt submission, as well as hospitality and resort fees that are beyond the control of the employee.

#### 4.05 Claims for Reimbursement.

- A. Employee expense reimbursements are prepared using the Expenses module in the County accounting system.
- B. Documentation must be attached to each employee expense report submitted as follows:
  1. Valid receipts are required to accompany all business expense reimbursement requests, including those for lodging and conferences/trainings. Valid receipts must include:
    - i. Vendor or merchant name;
    - ii. The date of the expense;

- iii. The date(s) of the conference, if applicable;
- iv. The date(s) of lodging, if applicable;
- v. The purpose of the expense;
- vi. Itemization reflecting the exact cost of each item purchased; and
- vii. Total amount on the receipt

2. Receipts are not required for bridge, ferry and parking charges under \$5.00.

- C. If a request for reimbursement does not include sufficient documentation, the employee must check the “Receipt Missing” box in the expense report and explain why. Use of this box should be kept to a minimum. Lack of sufficient documentation may trigger taxability of reimbursements.
- D. Once complete, the employee will submit the expense report for approval. Submitting the expense report certifies that all expenses were incurred in the conduct of County business.
- E. The employee’s direct supervisor will approve all expense reports submitted by the employee. The County Administrator will approve all department director expense reports. County Counsel will approve all elected officials expense reports. The amount approved for reimbursement will be paid via ACH to the same employee bank account used for payroll. Otherwise, the reimbursement will be paid via check through the accounts payable process.
- F. If the employee expense report is not timely submitted with appropriate documentation within 60 days of month-end, portions of the expense may not be reimbursable or portions of the expense reimbursement may be considered a taxable benefit and taxable income to the employee subject to all payroll taxes, including County liability for paying FICA on the amount of the reimbursement. See Policy 111, “*Taxable and Non-Taxable Benefits Policy*”, for more information.
- G. For elected officials and department heads, follow Policy 106, “*Reimbursement of Job Related Expenses for Department Heads Policy*”.

4.06 Credit Card Rewards Program. Employees often use personal credit cards to incur reimbursable travel expenses. Such personal credit cards may offer rewards programs (e.g., frequent flyer miles). See “Credit Card Personal ‘Rewards’ Programs / Participation when Charging Certain Purchases for Goods and Services for the County” for the policy on the use of personal credit cards to pay for travel expenses.

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**Exhibit A**

**Business and Travel Reimbursement for Employees and  
Authorized Non-County Employees Policy**

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**PURPOSE**

This Exhibit A to the “*Business and Travel Reimbursement for Employees and Authorized Non-County Employees*” policy documents the Board approved standard mileage rates and maximum meal reimbursement amounts for elected officials and County employees.

**Mileage Reimbursement Rates for Personal Vehicle Usage**

Effective Date	Board Order	County Reimbursement Rate
July 1, 2022	21-486	\$.560 per mile
July 1, 2023	22-379	\$.600 per mile
July 1, 2024	23-453	\$.655 per mile
July 1, 2025	24-352	\$.670 per mile

**Maximum Meal Reimbursement Rates**

Effective Date	Board Order	Breakfast	Lunch	Dinner
July 1, 2022	21-486	\$13.00	\$15.00	\$26.00
July 1, 2023	22-379	\$13.00	\$15.00	\$26.00
July 1, 2024	23-453	\$13.00	\$15.00	\$26.00
July 1, 2025	24-352	\$16.00	\$19.00	\$28.00

For meal areas outside Yamhill County, the maximum meal reimbursement amounts will follow the U.S. General Services Administration maximum meal rates for the specific area the meal was taken.



## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Motor Pool Policies</b>	<b>POLICY NO.:</b>	<b>501</b>
<b>TITLE:</b>	<b>Assigned County Vehicles Policy</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 02-111; B.O. 02-383; B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. POLICY

1.01 For purposes of this policy, the following definitions apply.

- A. An “**assigned vehicle**” means a vehicle owned or controlled by Yamhill County and assigned to an employee for regular use to be driven to and from work. If required under IRS rules, income will be imputed to the employee or official for use of an assigned vehicle.
- B. “**Board**” means the Yamhill County Board of Commissioners.
- C. “**County**” means Yamhill County.
- D. An “**employee**” means an employee or official of Yamhill County.

1.02 For an employee to be eligible to use an assigned vehicle, all the following conditions must be satisfied as determined by the department head:

- A. Either:
  - 1. An assigned vehicle is necessary in order to respond to emergencies due to the presence of communications equipment, signaling devices, security features, special equipment configurations, required carrying capacity, or the storage of emergency supplies in the vehicle and the department head reasonably believes the employee or official will be required to respond to emergencies from his/her home; or
  - 2. An employee or official regularly works out of his/her home and is expected to report to a wide variety of locations throughout the county on a daily basis;

- B. The department head determines use of an assigned vehicle for response to job-related emergencies or work directly from the employee's home is the most logical and economical method of response and is in the best interests of the County; and
- C. The department head conducts a cost-benefit analysis before recommending that the Board authorize the use of an assigned vehicle. The analysis will include the costs and risks of daily travel to the home, the frequency of call-outs, parking risks, any salary savings, and other relevant factors. The analysis should weigh reasonable alternatives such as the cost of reimbursing private vehicle mileage. The mere possibility of being called-out is not sufficient. Call-outs must actually occur with justifiable frequency.

- 1.03 Where a department head determined the conditions specified in Section 1.02 are met, a department head may, with concurrence from the Board, authorize an employee's use of an assigned vehicle. Under no circumstances will an employee be authorized to use an assigned vehicle without the express approval by order of the Board. The department head may revoke the use of an assigned vehicle at any time with or without cause. At any time, the department head may attach any reasonable conditions to an employee's use of an assigned vehicle.
- 1.04 Any employee authorized to use an assigned vehicle must keep a record of the number of emergency call-outs or other use of the assigned vehicle apart from trips from home to work or work to home. The record is considered a public record which must be disclosed upon request. The record must be kept for at least two years and must include at least the following information:
  - Employee name
  - Address
  - City
  - County of residence
  - Department
  - Date and Time
  - Reason for use of vehicle (other than home-to-work)
- 1.05 When an employee is authorized to use an assigned vehicle, the department head shall notify the Central Finance. Where required by IRS or Oregon Department of Revenue regulations, value shall be imputed on the home-to-work trips made with the county vehicle. Taxes due on the imputed value of the home-to-work trips shall be the sole responsibility of the employee.
- 1.06 Under no circumstances shall an employee use an assigned vehicle for any non-County business.
- 1.07 Except as provided below, the only persons allowed to be transported in an assigned vehicle are employees, officials, County agents, or persons in the custody of the County.

A. *Exceptions:*

- 1. An elected official may approve transport of non-county employees, provided that the transport supports the mission of the department.
- 2. Non-elected department heads who desire to authorize the transport of non-employees in an assigned vehicle must obtain Board approval before authorizing transport except that a

non-elected department head may authorize the transport of employees of other public agencies where carpooling is desirable for attendance at meetings, workshops, or other activities and where such attendance is in the public interest.

- 1.08 No employee shall operate any county vehicle, including an assigned vehicle, while under the influence of alcohol, illegal drugs, or any substance which may impair the judgment or ability of the employee to remain alert while driving.
- 1.09 A copy of this policy shall be provided to every employee who is authorized to use an assigned vehicle. The employee shall certify that s/he has read and understands the policy.
- 1.10 Any violation of this policy by an employee may be grounds for disciplinary action. Exceptions to this policy as adopted must be approved by order of the Board.
- 1.11 The following personnel classifications have authorized use of an assigned vehicle:
  - A. *Public Works*. The following positions have authorized use of an assigned vehicle within the Department of Public Works:
    1. Public Works Director;
    2. Public Works Managers;
    3. Road Supervisors; and
    4. Any other positions approved by the Publics Works Director.
  - B. *Sheriff's Office*. The following positions have authorized use of an assigned vehicle within the Yamhill County Sheriff's Office:
    1. Sheriff;
    2. Undersheriff;
    3. Detectives; and
    4. Patrol Deputies and Patrol Sergeants in accordance with the specific assignments identified in the Sheriff's cost/benefit analysis set forth in Exhibit "A" of Board Order 02-383.

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## ADMINISTRATIVE POLICIES

<b>SECTION:</b>	<b>Motor Pool Policies</b>	<b>POLICY NO.:</b>	<b>502</b>
<b>TITLE:</b>	<b>Employee and Volunteer Use of County-Owned Vehicles; Use of Private Vehicle for County Business Policy (“Employee Use of Vehicle Policy”)</b>		
<b>BOARD ORDERS:</b>	<b>B.O. 25-109</b>	<b>LAST REVISED:</b>	<b>05/05/2025</b>

### I. DEFINITIONS

- 1.01 “**Board**” means the Yamhill County Board of Commissioners.
- 1.02 “**County**” means Yamhill County.
- 1.03 “**Employee**” means an employee or official of Yamhill County, or, for the purposes of this policy, a County volunteer.

### II. POLICY

- 2.01 Generally.
  - A. Prior to receiving authorization to drive a County vehicle, an employee must possess a valid driver’s license appropriate for the vehicle to be operated. A volunteer worker must have both department head approval and a valid driver’s license before operating a County vehicle.
  - B. The department head is responsible for verifying the Oregon motor vehicle driving record of any department employee prior to authorizing that person to drive a County vehicle.
  - C. County vehicles may not be used for personal business. County vehicles may not be used for commuting from home to office without prior approval of the Board.
  - D. County vehicles are only permitted to be driven outside the state of Oregon under special emergency circumstances specifically approved by the County Administrator or designee.
  - E. Passengers in County vehicles are limited to employees and officially designated persons who are engaged in County business.

2.02 Employee Responsibilities.

- A. Drivers of County vehicles are required to obey all speed limits and other traffic laws. Drivers and passengers are required to wear seat belts when traveling in County vehicles.
- B. Failure to comply with these requirements may result in disciplinary action, up to and including termination

2.03 Employee Financial Responsibilities. As driver of a County vehicle, the employee is responsible for costs of fines due to violations of the law, for damage repair to the vehicle if it is being driven illegally or without official authorization, and for repair of unusual wear and tear if caused by negligent or abusive use of the vehicle, including costs of towing.

2.04 Private Vehicle Use for County Business. Employees authorized to operate a private vehicle on official business are required to carry a valid class driver's license and liability insurance minimums as outlined in ORS 806.070. It is the employee's responsibility to inform the department head if the employee does not meet the requirements of the law. Failure to do so is a matter for disciplinary action.

2.05 Out-of-State Travel.

- A. Oregon law provides the County with certain protections in lawsuits by limiting the dollar amounts that may be awarded. The County purchases liability insurance coverage accordingly. However, these limitations do not apply in federal courts or the courts of other states. A crucial area of potential liability is out-of-state travel. If an employee, driving a County vehicle, was negligently involved in an accident outside Oregon, the County could be sued without limitation on damages to be awarded. Because the County does not carry excess liability insurance, the consequences of an accident could be devastating.
- B. The County requires that, whenever feasible, employees traveling on County business use public transportation (airplane, bus, train, etc.). If local transportation is required in the destination city, taxis, buses, or rental cars should be used. For rental cars, employees are expected to purchase the optional insurance coverage that is generally offered and will be reimbursed for same by the County.
- C. If use of a common carrier is not feasible, the next best option is for the employee to use his own vehicle. Department head approval and verification that the employee is covered by private insurance is required. The mileage reimbursement includes a factor to cover the employee's cost of insurance.

2.06 Mileage Reimbursement for Private Vehicle Use. The County reimburses for private vehicle mileage. For policies regarding the mileage reimbursements, see Policy 114, *Travel Reimbursement for Employees Policy*.

2.07 Accidents While Driving a County Vehicle; Reporting Requirements.

- A. An accident which occurs on a highway or on premises open to the public which results in injury, death, or damage to property in excess of \$1500 (or as currently listed on the Department of Motor Vehicles "Oregon Traffic Accident and Insurance Report") is subject to the reporting

requirements listed in the DMV Oregon Driver's Manual. The necessary forms for reporting are available in the sheriff's office.

- B. In addition to the accident reports required by the Department of Motor Vehicles and Oregon law, the employee is to report any accident to the appropriate department head and director of administrative services or County Counsel by phone immediately. If physically unable to do so, the employee should request the police to notify the County. The fleet manager should be notified within 72 hours of the accident.

2.08 Motor Pool Check-Out / Check-in.

- A. 48 hours advance notice to the fleet management shop is requested when reserving a motor pool vehicle for more than one day or overnight. The fleet management shop issues vehicle keys and mileage logs for each vehicle.
- B. Before leaving the motor pool parking lot, the driver is expected to check the fuel level and fill out the mileage log and vehicle checklist. Upon returning the vehicle to its assigned parking slot, the employee is to complete the mileage log and return the keys to the fleet management shop or to the key drop-box provided at the motor pool vehicle parking line.
- C. Drivers are responsible for keeping the interior of the vehicle free of litter and for removing personal items from the vehicle. The employee's department may be charged for removal and cleanup of any trash left in the vehicle when it is turned in.
- D. In the event a mechanical or other physical defect affecting the vehicle's performance is observed, the employee is to fill out a driver's report about the defect and submit the report to the fleet management shop. Copies of the form are available in the shop.
- E. In case of breakdown, the employee should secure the vehicle and notify the fleet management shop by phone immediately. Appropriate phone numbers and insurance information are located in each County vehicle glove box.

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