



ROCKINGHAM COUNTY



Rockingham
County **NC**

YOU'RE IN A GOOD PLACE

FINANCIAL POLICIES AND PROCEDURES MANUAL

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Section 1 Introduction

1-1 Finance Office

1-1.01 Introduction

The Finance Office is responsible for establishing and maintaining the financial activity of the County in compliance with generally accepted accounting principles and state law. The duties of the office are to establish and maintain the accounting records, disburse moneys, make financial reports, manage the receipt and deposit of moneys, manage the county's debt service obligation, supervise investments and perform any other assigned duties. Additionally, the department assists in preparing the annual budget for the County.

1-1.02 Authority

The Chairman and the Board of County Commissioners are responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of Rockingham County. The County Manager is responsible for carrying out the policy directives of the Board of Commissioners and managing the day-to-day operations of the county departments.

1-1.03 Major activities of the Finance Office include

Preparation of the Comprehensive Annual Financial Report in accordance with generally accepted reporting standards and coordination of the annual audit by independent certified public accountants;

Provision of centralized accounting services for all county departments consisting of debt management, accounts payable, payroll preparation and administration, and the recording of all financial activity in accordance with federal and state agencies and generally accepted accounting principles;

Forecasting of cash needs and investment of idle funds to maximize earnings while focusing on the objectives of safety, liquidity and yield; and,

Preparation and daily administration of the annual operating budget for the County under the conditions of the Local Government Budget and Fiscal Control Act.

1-2 Overview

1-2.01 Purpose

The intent of this policy is to provide Rockingham County departments, agencies, officials and employees with a guideline for payment and reimbursement of expenditures pertaining to official county business.

1-2.02 Applicability

All employees and officials of the County are subject to this policy. The effective date of this policy is March 1, 2018 and this policy supersedes all previous versions.

1-2.03 Employee and Officials Responsibility

County department heads and their delegate(s), officials, or other appointed boards may approve expenditures incurred by their department or agency rendering services to the taxpayers of the County. Under no circumstances may duplicate reimbursement be made for that portion of a department's, agencies or employee expenses paid or reimbursed from a non-County source. The county will not reimburse any expenses that are personal in nature as a result of combining County business or travel with personal business or travel.

An employee or official is expected to exercise the same care in incurring expenses that a prudent person would exercise if purchasing for personal use and using personal funds. Employees and officials will be held personally responsible for unauthorized costs and additional expenses incurred for personal preference or convenience.

1-2.04 Penalties

Violations of this policy can result in disciplinary action up to and including dismissal. GS 159-181 states that any county employee or official of a local government who submits a written claim for funds that he/she knows to be false is guilty of a misdemeanor.

1-3 Definitions

Agency: Any County agency, department, commission, board, or other organization operating from funds deposited with the County.

Authorizing Party: An individual authorized by this policy or by a department head to approve or disapprove requests for invoice payment, purchase orders, travel advances, travel reimbursements, etc.

Budget: The adopted plan for raising and spending money for specified programs, functions, activities or objects for the current fiscal year as adopted or amended by the County Commissioners.

Check: A negotiable instrument drawn against deposited funds, to pay a specified amount of money to the payee.

Check Cycle: The County process checks on a weekly basis, dispersing the checks on Friday.

Check Request Form: See Payment Request form.

Common Carrier: Commercially scheduled airplane rail, bus, or taxi.

Commuting: Travel from home to work or from work to home.

Conference: Formal gathering to conduct business and exchange information for which registration fees may be paid.

County: Rockingham County

County Employee: Any employee, temporary or regular, who is paid through the County payroll system.

County Funds: Any funds deposited with the County, whether derived from appropriations or agency receipts.

Credit Card: See Procurement Card.

Department Head: Any person who oversees and is responsible for the entire operation of a department. The department head may delegate the duties in this policy to other responsible persons. See Authorizing Party.

Duty Station: The job location at which the employee spends the majority of his or her working hours or the point at which the majority of travel begins.

Employee: See County Employee.

Excess Expenses/Costs: Any expenditure/cost that exceeds the limitations set forth in this policy.

Expenditures: Money (Funds) spent (disbursed) in the payment of an obligation of the County.

Holidays: Days that Board of Commissioners designated as holidays with pay for employees and officers of the county working the basic workweek.

Incidentals: Costs relating to tips and phone calls.

Meeting: Informal gathering to conduct business and exchange information for which registration fees may or may not be paid.

Non-County Employees: A person or persons whose compensation is paid from a general expenditure account rather than through a payroll system generated check.

Officials: People holding positions of appointment or election with the County, including members of boards, commissions and elected officials.

Other Expenses: Refers to a line item where expenses not otherwise categorized should be recorded.

Out of State Travel: Travel outside the boundaries of the State of North Carolina. Requires County Manager approval.

Personal Vehicle Mileage: The use of personal vehicle by an employee or official where a County vehicle is unavailable for use while in official travel.

Petty Cash: A small amount of cash kept by the department to be used to cover small everyday expenses.

Procurement Card: A credit card provided by the county used for purchase of goods and materials required by the County and authorized travel expenditures.

Prospective Employee: An individual who has applied for a position with the county and has been approved by the County Manager for travel to and from an employment interview.

Request for Payment Form: A form for requesting payment or reimbursement.

Request for Payment Stamp: A rubber stamp used to imprint information on invoices for payment.

Submittal Deadlines: Requests for payment or reimbursement Due Date. Any request for payment or Reimbursements after this time and day will be paid the following check cycle.

Subsistence: Cost of lodging and meals while the official or employee is engaged in official travel.

Transportation Expenses: Includes personal automobile, taxi, bus, train, airplane, motor pool charges, auto rentals, tolls and parking fees.

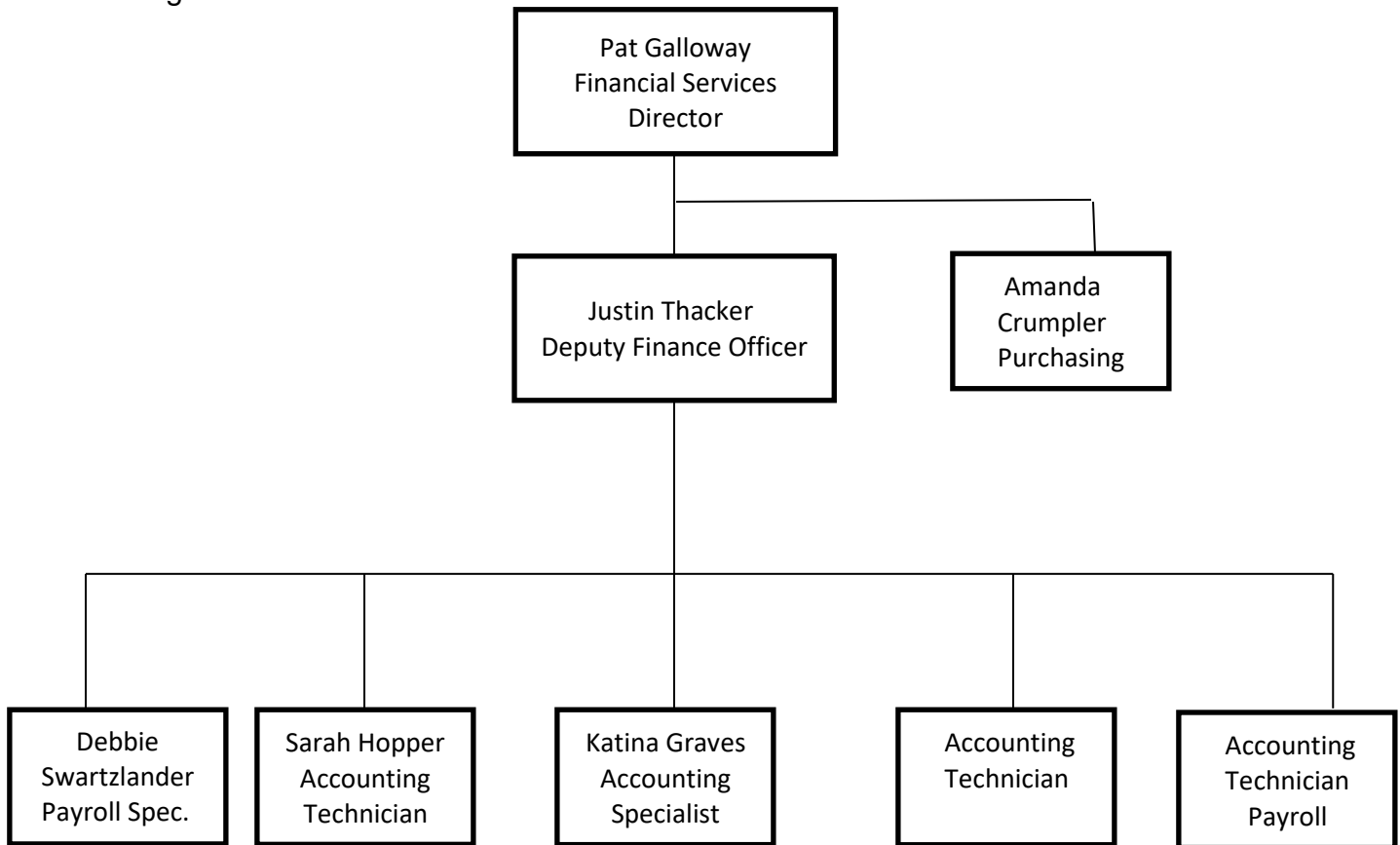
Travel: All activities involving expenses for transportation, subsistence, and registration, which are authorized to be paid from County funds or which involve County vehicles for transportation for in/out of County travel.

Travel Period: The time spent away from the duty station on County business.

Vendor(s): A business or individual that provides a service or product.

Section 1-4 Functional Areas of Finance Office

The functional areas that is responsible to the Finance Officer who reports to the County Manager.



Section 2 Accounts Payable

2-1 General

The County operates using the principle of budget allocations to individual departments. Department heads are responsible for expenditures of this allocation. All County expenditures should conform to all applicable State and Federal laws and regulations as well as reflect prudent management practices.

All County expenditures must be reasonable and necessary for carrying out the programs and activities of the County, and are to be documented in a way that clearly substantiates such reasonableness and necessity.

2-2 Funding Source

No contract or agreement requiring the payment of moneys, nor any requisition or purchase order for supplies, materials, equipment or services may be made unless an appropriation appears in the budget. It is the responsibility of the department to check to verify that funds are available before submitting a purchase requisition. When a question arises about the proper form or documentation required by Accounts Payable, refer to the Purchasing Manual or contact the Finance Office for help.

2-3 Normal Processing of Checks

The County prepares checks on a weekly basis. Invoices are due in the Finance Department no later than Friday at 12:00 Noon for weekly processing with the check available for distribution on the following Friday. The Finance Office encourages invoices be submitted regularly during the week instead of held until Friday.

Failure to submit the proper documentation (original invoice), incorrect coding or insufficient paperwork will delay check issuance. Only submit original invoices. Approval by a department head or their designee is required for any invoice payment.

2-4 Holiday Processing of Checks

When a holiday occurs, a memo will be sent from the Accounts Payable section stating when invoices are due or if no checks will be written for that week. As the end of the fiscal year approaches, departments need to pay very close attention to account balances. Invoices submitted with insufficient fund availability in the appropriate account will be returned.

2-5 Normal Disbursement of Checks

Vendor checks are mailed each Friday. Vendors should be discouraged from calling the Accounts Payable section to request early disbursements. Early disbursements will only be approved for emergency situations.

2-6 Lost or missing Vendor Checks

When a vendor has not received their check within a reasonable time frame, the funding department should call Accounts Payable who will contact the bank to find out the status of the check. If the check is lost, a stop payment will be placed on the original check and a new check prepared in the next check write.

2-7 Travel Reimbursement

Local travel expenses will be reimbursed a maximum of once each month and should be submitted on a Travel Report accompanied by appropriate approvals and supporting documentation. Special consideration for reimbursement in the next check write will be given to employees incurring substantial out-of-pocket expenditures that create hardships.

Please see Section 8 on Travel for a more detailed explanation.

The County should pay registration fees directly to the vendor. If there is an unforeseen deadline, the employee can pay the vendor directly and submit the canceled check and appropriate documentation on the regular Travel Report. The Department should provide a procurement card for all out county travel.

2-8 Petty Cash

Petty cash accounts are established by submitting a request to the Finance Officer. Department heads need to keep track of purchases made from the petty cash account. Account replenishment requires receipts supporting expenditures. Receipts cannot exceed the amount established in the petty cash account.

Concurrent purchases of County and personal items should not be co-mingled on the same receipt. A separate receipt for County items should be obtained to support replenishment requests. Petty cash funds should only be replenished periodically or when funds are low. Individual purchases for minimal amounts do not warrant separate requests.

2-9 To Submit an Invoice for Payment

Invoices submitted to Finance for payment must be accompanied by either a completed Purchase Order, or Request for Payment Form, or imprinted with the Request for

Payment Stamp. If a Purchase Order is attached, please place the invoice on top of the Purchase order so the invoice can be easily identified.

The Request for Payment Stamp may be used for direct payment of invoices only if no invoice information is obscured. Please refer to the Purchasing Manual to decide whether to use a Purchase Order or the Request for Payment For/Stamp. Incorrect account number codes or insufficient account balances can cause payment of the invoice to be delayed. Call Finance with questions regarding proper account coding or payment form selection.

NOTE: Further information regarding invoice processing is available in the Rockingham County Purchasing Manual.

2-10 Policy on Unusual Purchases

Questions concerning purchases that do not fall under usual policies or for items not listed in the Chart of Accounts should be referred to Finance for guidance unless covered by one of the following illustrations.

2-11 Floral Policy

Flowers purchased for the sickness of a Commissioner, death of a Commissioner, death of a county employee, or death of the spouse or child of either will be paid or reimbursed by the County.

Flowers purchased for any other reason will not be paid and or reimbursed.

2-12 Luncheons/Gifts for County Employees

All purchases for the benefit of a county employee must be pre-approved by the County Manager. If prior approval is not readily obtainable, the County Manager must approve the final invoice before submission to Accounts Payable.

2-13 Personal Telephone Calls

All personal telephone calls made using the long distance code provided by the County must be paid for when the employee receives an itemized monthly bill from the County. The County's long distance code should only be used for personal calls in emergency situations.

2-14 Unclaimed Property & Escheat Procedures

In accordance with NC General Statute 116B all checks written by Rockingham County and any unclaimed property will be properly escheated to the NC State Treasurer according to their policy and procedures.

Section 3 Cash Receipts & Accounts Receivable

3-1 General

The Finance Office serves as a depository for cash receipts collected by other departments and also makes deposits for several County departments. The Cash Receipts and Accounts Receivable section is responsible for the crediting of receipts to proper revenue codes.

3-2 Deposits

State law requires that a deposit be made daily. Departments with collections can maintain compliance with applicable state law by making deposits or by bringing their deposit to the Finance Office for inclusion with the Office's daily work.

The deposit from the Finance Office is made daily at 10:00 am; any deposit received after that time will be deposited the next business day. Departments that make their own deposit should forward the validated deposit slip to the Finance Office as soon as possible for credit to the appropriate revenue line item.

3-3 Safeguarding of Assets

The department should properly secure cash, checks and other funds until the daily deposit is made.

3-4 Endorsement

Checks to be deposited should be endorsed immediately with the departmental stamp to ensure safekeeping.

3-5 Returned Checks

All returned checks are sent to the Finance Office. Returned checks are charged against a special account for bad checks where the funds are held until the check is cleared.

Collection is the responsibility of the department, which accepted the check. Each department should make a concentrated collection effort so that returned checks can be cleared from the system.

All returned checks should be charged a \$25 return check fee. Return check fees should be deposited into 110-0000-341-9020. For the Landfill, they should be deposited into 560-0000-344-5808.

Section 4 Budget

4-1 General

The Local Government Budget and Fiscal control Act requires that the Counties' budget be balanced and funds be budgeted prior to expenditure. It is necessary for department heads to plan departmental programs and control the accounts in a manner that ensures current budgets represent at all times their financial plans for the various programs.

The County's fiscal year is July 1 to June 30.

4-2 Annual Budget Adoption Process

Distribution of budget packets to department heads in February begins the annual budget process. Budget requests are due back in the Finance Office in early March. The budget team will meet with each department head in April to review and refine budget requests.

A recommended budget is presented to the Board of Commissioners in May with adoption typically in June. If a budget is not adopted by the beginning of the new fiscal year, an interim budget is enacted until a final permanent budget can be passed. Specific due dates during the budget process will be included in the budget packet each year.

4-3 Departmental Requests

During the budget process, departments are provided with a projected salary cost worksheet to help calculate salaries and fringe benefits. The worksheet is a guide. Errors or changes are indicated on the worksheet, which are used to update salary line items.

Additional information is required for any request for new personnel or capital item expenditures. Requests for capital outlay should specifically identify items to be purchased. Budgets submitted without justification for these items will be returned. Requests for additional personnel must have a narrative that explains the positions requested and justification for the need.

Department heads need to use the chart of accounts (included in this manual), which lists object codes to help properly classify expenditures for the coming year. It is important to determine the proper classification because expenditures will not be charged to incorrect object codes at time of payment because of improper budgeting.

4-4 Payroll Budget Monitoring and Adjustments

Department heads are responsible for salary amounts included in their budgets. Department heads need to keep track of the payroll line item throughout the year to ensure that the accounts do not come up short at year-end. Changes in personnel, overtime pay, etc. can alter salary amounts to the point where actual expenditures exceed budget allowances.

4-5 Budget Change Request

During the fiscal year changes may be made to your budget with additional funds received or emergency purchases that deplete a line item. When a department needs to make a budget amendment/transfer, a Budget Request Form needs to be completed and sent to the Finance Officer for review.

The Finance Officer has the authority to make “certain transfers” between line items but must report the change to the Board the following month. Upon receipt of a Budget Request Form, the Finance Officer will do one of the following:

Approve the request, send a copy of the form back to the department after the budget is changed and report the change to the Board the following month.

Review the request, sign as being reviewed, and send it back to the department with one of the following two actions indicated:

1. The department must submit the request to the Clerk to the Board to be placed on the next agenda for approval, or
2. The Finance Officer will submit the request to the Clerk to the Board to be placed on the next Agenda.

Deny the request because it is inappropriate. It will be sent back to the department to either be corrected or dropped.

The Finance Officer must first review all budget changes submitted to the Board. All budget changes requiring board action must be submitted to the Finance Officer as soon as possible, but no later than one day prior to the agenda deadline to ensure sufficient time to review and modify if necessary.

The Board of Commissioners, by Law, must approve all amendments that increase or decrease the budget. The Board also must approve certain changes to the capital outlay purchases.

4-6 To Complete the Budget Change Request Form

Department: the department making the request.

Section 5 Chart of Accounts

5-1 General

A Chart of Accounts is maintained to facilitate the record keeping process for accounting. All expenditures will be assigned a descriptive account title and object account number.

The County uses a fourteen digit account number. The first three digits designate the fund. The next four digits designate department. The next three digits designate basic activity and sub account. The next four digits designated the element and object as follows:

XXX -- XXXX -- XXX -- XX -- XX

XXX: Fund

XXXX: Department

XXX: Basic Activity / SUB Activity

XX: Element

XX: Object

5-2 Personnel Services

Salary for personnel services for all permanent employees of the County. To be used for all full time and part time employees who fill a budgeted position for the department.

1010 Salaries & Wages

Salary for employees who are hired on a temporary basis for a particular short-term job or an employee who does not hold a permanent position but is filling in for a permanent position. To be used when department needs to track these budget amount separately.

1020 Non-Permanent Salaries

Payment for personnel services to members of boards

3030 Board Meeting Services

Fringe Benefits – Employer’s Share

The portion that the employer pays for full time and part time employees.

2110 Health Insurance

2210 FICA

2310 Retirement

2320 Supplemental 401-k

2410 Unemployment Compensation

2510 Worker’s Compensation

5-3 Professional Services

Retainer fees and expenses paid to professionals, not classified as County employees, for their special expertise.

3010 Professional Services/Security Services
3090 Medical Professional Service

5-4 Supplies/Materials

Includes commodities that are consumed in operations. Does not include any labor costs other than installation costs. Includes such objects as office supplies, office furniture and equipment less than \$500, food supplies, personnel safety supplies, drugs and medical supplies, vehicle supplies, computer and software supplies, construction, maintenance and other supplies.

Equipment purchased under the supplies/materials category would not be subject to inventory control. Use the object code 7010 for items \$500-\$2,499. Use the object code 7015 for capital outlay items to add to the fixed asset inventory (\$2,500 or more).

5050 Uniforms
5060 Food & Provisions
6010 General Supplies
6011 Program Materials
6015 Janitorial Supplies
6020 Medical Supplies
6005 Small Tools
6025 Vehicle Fuel
6030 Program Supplies
6035 Drugs/Pharmacy
6035 Library Computer Supplies
6036 Medical-Inmate
6040 Library Books
6041 Library Periodicals
6045 Library Binding
6050 Library Memorials
6090 Miscellaneous Supplies

5-5 Current Obligations and Services

Payments for operation and maintenance services by firms and individuals not covered under personal services (other than employees and those classified under personal services).

3038 Data Processing-Services rendered by outside data processing firms.
4010 Utilities – cost of heat, lights, power, water for public buildings and facilities.

- 4310 Maintenance-Building
- 4320 Maintenance-Equipment
- 4330 Maintenance-Vehicle
- 5010 Postage
- 5015 Printing
- 5030 Telephone-cost of communications. Does not include the cost of equipment or maintenance.
- 5040 Advertising
- 5055 Laundry
- 5080 Travel
- 5082 Transportation of Clients
- 5085 Employee Training

5-6 Fixed Charges

Includes the payments for operating costs, which tend to be relatively uniform in amount. The charges are for a fixed sum supported by contracts or agreements and of a continuing nature. Payments for rentals, insurance, dues and subscriptions and other current expenses are in this category.

5-7 Capital Outlay

Outlays that result in the acquisition or additions to fixed assets. All items over \$500 and over are considered to be an asset. It is the policy of the County to include items which total cost of \$2,500 or more and all weapons regardless of cost in Fixed Asset Inventory.

All Assets \$500 to under \$2,500 are budgeted in the 70-10 account. Use the supplies/materials category for items budgeted under \$500.

- 7010 Capital Outlay (\$500 to Under \$2,500)
- 7011 Capital Outlay-Restricted-Sheriff Donations
- 7015 Capital Outlay (Over \$2,500)
- 7025 Capital Outlay Restricted-Federal Forfeiture
- 7030 Capital Outlay Restricted-Reserve Other

5-8 Payments to Other Government Agencies

All expenditures of moneys appropriated by the local unit for aid to any other governmental entity. Also, allocation of appropriation of some designated program. No supplies or equipment should be covered in this category.

- 9010 Stoneville Community Ctr.
- 9011 Price Community Ctr.
- 9012 Stoneville Library
- 9015 Western Library

9021 To Schools
9030 Refunds
9501 Rockingham Co Literacy
9510 Fire Dept. Subsidy
9510 Outside Agencies
9510 Arts Council
9511 Fine Arts
9512 Folk Festival
9520 COA-EDTAP
9524 Rock. Co. Senior Games
9525 H&CCBG Expenditures
9526 COA-ROAP-Work First
9527 Adult Day Care Match
9528 SPECIAL OLYMPICS
9529 Caregivers of Rock Co
9530 Rescue Squads
9530 RGP
9531 RPG-Discretionary
9532 Other Contribution
9550 Help Inc.
9552 Redirections of Rockingham County
9555 Remmsco
9556 Pearman Ball Park
9557 World Changers
9558 Wentworth Ball Program
9559 Boys & Girls Club of Eden
9562 Project Safe
9563 Crime Stoppers
9564 Betsy-Jeff Penn

5-9 Debt Service

All expenditures appropriated for payment of Debt Principle and Interest

9705 Principal
9710 Interest
9720 Fees

Section 6 Capital Assets

6-1 Control

Capital asset acquisitions, transfers and dispositions must have proper control procedures in order to provide internal control of capital equipment and to assist in financial reporting. A capitalized fixed asset is tangible property (i.e. land, building, equipment) with a cost of \$2,500 or greater and a useful life of more than one year.

The Board of Commissioners must approve all capital outlay purchases in the annual budget. The department must provide a detail list of all capital outlay items requested in the budget during the budget process. After budget approval, the list of purchases is detailed on the Capital Requests List.

This form is returned to departments at the completion of the budget process. A copy is filed with Finance for cross-reference against all capital outlay requisitions. Only items appearing on Finance's copy of the Capital Requests list will be approved for acquisition. Changes in the capital outlay account during the year may need approval by the Board at the monthly meeting and added to that department's Capital Request List. Consult with the County Manager and Finance Director to determine if board action is required.

Refer to **Section 4** of this manual for detailed guidance regarding amendments to Capital Outlay Budgets subsequent to budget adoption.

6-2 Records

For asset acquisitions over \$2,500, Finance will provide the department with an asset number tag to be placed on the property in a readily locatable position. Finance maintains a detailed listing of each capital asset item.

On an annual basis, Finance will provide each department a report listing all assets assigned to respective departments detailing any acquisitions, disposals and transfers during the year. Discrepancies in the report should be noted and the department should contact Finance as soon as possible. The department head for future reference and later use should retain this report.

Each department will be responsible for locating assets, recorded as assigned to that department by using the attached number tag whenever requested by Finance or the County external auditors.

6-3 Disposition

6-3.01 Surplus Property

Fixed assets become surplus property when the County no longer needs them. Property can be reclassified to surplus by notifying Finance in writing of the change in usage. Purchasing should also be notified of the change in classification so that the property may be included in the County's annual sale of surplus goods. Purchasing should be notified by completing the surplus disposition form prior to disposing or transferring the asset. Finance will be responsible for recording all retirements in the fixed asset system.

6-3.02 Lost/Stolen Property

Any asset that is missing or has been stolen should be reported in writing to the department head and Finance as soon as possible. The description, serial number, fixed asset number and other information about the lost item should be included in the report. Finance will determine the proper cause of action and will notify the County insurance carrier and any outside authorities as deemed appropriate. Unrecovered assets will be removed from the asset records.

6-3.03 Interdepartmental Transfers

Interdepartmental transfers of assets must be reported to Finance in writing giving as much detail as possible about the asset.

6-3.04 Transfers to Enterprise

Transfers to and from the Enterprises Funds are recorded as sales.

Section 7 Payroll

7-1 General

The Payroll section is responsible for the preparation of all payrolls and for rendering timely and accurate payroll payments to all employees. The Payroll section is also responsible for the preparation of necessary reports and remittance of withheld deductions to governmental agencies and private companies as well as maintenance of all records required by state and federal agencies and the County.

7-2 Pay Day

Paydays are bi-weekly (every other Friday) – twenty-six pay periods a year. Department supervisors distribute direct deposit slips.

7-3 Pay Period

The County accrues payroll on a bi-weekly basis with disbursement the following Friday (i.e. an employee will work two consecutive 40 hour weeks and will be paid for the total 80 hours on the Friday following the end of the pay period). Weekly pay periods are recorded from Saturday 12:00 am through Friday at 12:00 midnight.

7-4 Overtime

Periodically, overtime may be required of employees and is a condition of employment by the County. Supervisors are responsible for authorizing any overtime and notifying employees as far in advance as possible.

7-5 Time Reporting

All employees will be responsible for preparing and signing a Time Sheet for each pay period. The time sheet is formatted for a bi-weekly basis and should be used to record hours worked, paid time off, and holidays. Time sheets are to be completed at the end of each pay period, approved, and retained by each employee's supervisor.

Supervisors are responsible for compiling and submitting the Departmental Time Sheet to the Payroll section by **ten a.m. on the Monday** following the pay period. The departmental time sheet must be signed and dated by the department head or their authorized designee. The Payroll section will give notice by memo of changes in due dates for processing weeks that include holidays.

Prior to taking time off, employees are responsible for completing and submitting their time sheet to their supervisor. If an employee is absent on a time sheet due date (i.e. illness, injury, etc.), the employee's supervisor should complete and submit a time sheet. Once the employee has returned to work, the Payroll section should be notified of corrections.

7-6 Direct Deposits

Concurrent with the completion of all necessary payroll tax withholding forms, new County employees must sign-up with Human Resources for direct deposit of paychecks. The County's direct deposit is honored by all local savings and banking institutions. A minimum of two pay periods is required for the direct deposit election to become effective. During the interim period, employees will receive a paycheck on Friday.

Any change in the employee's banking status (i.e. change of account number or bank) should be reported to Human Resources immediately to ensure accurate and timely processing of payroll deposits.

7-7 Payroll Deductions

The County is required by law to deduct applicable federal and state withholdings and Social Security payroll taxes, employee retirement contributions, and wage garnishments. All permanent employees of the County must join the North Carolina Local Government Employees' Retirement System.

Employee contributions to this plan are six percent of gross salary. The county's matching contribution is determined annually by actuarial valuation. Voluntary deductions may include group health insurance premiums, credit union savings, United Way pledges, or contributions to a 401(K) plan.

7-8 Pay Adjustments

If an employee notices an error in their paycheck, they should review the matter with their supervisor. Changes in an employee's federal or state payroll tax withholding should be done by filing a new W-4 form with Human Resources.

7-9 Gifts, Prizes, and Awards

IRS regulations explain, except for limited exclusions, prizes or awards given to employees are a taxable benefit. Cash or cash equivalent awards (such as gift cards and gift certificates) are always a taxable benefit. The value of the award or prize given is taxable to an employee as wages, included on Form W-2, and subject to federal and state income tax withholding, social security, and Medicare.

Any gift cards or prizes (i.e. sporting event tickets) awarded or given to an employee are to be reported to payroll so the appropriate taxes can be withheld. This includes gift cards given out for the wellness activities or given to employee(s) by individual departments (i.e. for employee of the month). This rule does not include award and prizes such as water bottles, umbrellas, etc. that have been pre-printed for specific programs or activities.

7-10 Garnishments

By law, the county is required to honor legal garnishments of employee's wages. The employee will be notified of any garnishment received by the County.

7-11 Lost Paychecks

Employees should report any lost or missing payroll check to the Payroll section immediately so that a stop payment order may be initiated.

7-12 Final Paychecks

The final paycheck for a resigning/terminated employee will be made available on the regularly scheduled payday for the time accrued. Any accrued vacation will be included in the final paycheck.

7-13 Use of County Vehicle for Commuting

IRS rules require that commuting by employees in County vehicles (subject to certain exemptions) be treated as a taxable fringe benefit, even though the County requires the employee to drive the vehicle home. Under current IRS rules, a \$1.50 imputed benefit for vehicle usage per one-way commute is reported as employee wages.

Approximately two weeks prior to the end of each quarter, the payroll section will send out forms to any department that has employees subject to the commuting rules. It is the responsibility of each department to insure that all affected employees complete the quarterly report and that full compliance with IRS requirements is maintained. Using the data obtained from employees, the Payroll section will add total commuting benefits to employee wages. Commuting benefits are subject to FICA withholding only: no income taxes are withheld.

7-14 Payroll Reports

The Payroll Leave Report and the Departmental Time Sheets for the next pay period are distributed by the Payroll section to each department every pay period. There are two other reports, the Payroll Detail Report and the General Ledger Posting Account Report, that are available upon request.

The Payroll Leave Report includes the employee name, date hired, leave classification, current hours, type of leave (vacation or sick), beginning balance for leave, leave accrued and taken for the pay period, ending balance and leave taken year-to-date. Supervisors or department heads should review the printouts and report any discrepancies to the Payroll section.

7-15 Verification of Employment

Requests for employment verification should be directed in writing to the Payroll section. The Payroll section will only confirm current income, salary history and date of employment. The Payroll section will not respond to any question that requires a subjective answer.

7-16 Adverse Weather Leave

Adverse weather leave may be granted to on-duty full-time probationary and permanent employees during periods when the County Manager has closed the county offices because of adverse weather conditions. Employees who are not scheduled to work or who have scheduled vacation, compensatory, sick leave, or leave without pay prior to the occurrence of adverse weather are not considered to be on-duty or eligible for adverse weather leave.

On-duty employees who fail to report to work or leave early during adverse weather conditions when the county offices are open shall be required to take vacation leave, compensatory leave, or leave without pay for the time missed. Employees of departments, which cannot close, will not receive adverse weather leave.

Please refer to the Personnel Policy as the official document regarding adverse weather leave policy or contact Human Resources.

7-17 To Complete Time Sheet Form

Name – Employee must sign their name here

Department – Where the employee works

Time Period From – The starting day of the time period

Time Period To – The last day of the pay period

Week 1 – runs Saturday to Friday and the employee will enter the number of hours worked for each day. On the weekend or scheduled day off the employees will enter an E in the block for that day. If the employee uses a sick day or takes a vacation day the code S or V will fill in that block for that day. If the employee takes a day without pay, a 0 will be entered in that block. If the employee uses compensation time on a day, enter the number of hours used and a C beside the time. For a holiday the employee would need to enter an H in the time block. When an employee uses sick, vacation or compensation time for a partial day, the number of hours taken should be entered with the s, v, or c placed beside it.

Week 2 – same as Week 1.

Regular Hours – enter Total Hours – The employee will enter the total hours worked for the two week time period.

The employee regular hours for the time period. For most County employees the regular hours will be 80 hours.

Overtime Hours – enter the amount of overtime that the employee has worked for the time period. The system calculates the overtime after keyed by the timekeeper. For non-exempt employees the overtime is calculated at 1-½ times.

Sick Hours – enter the amount of sick time that the employee used in the time period.

Vacation Hours – enter the amount of vacation time used in the time period.

Prior Comp Balance – enter the previous current comp balance from the last pay period here.

Comp Earned – enter any compensation time earned here for the time period. For non-exempt employees, the compensation time is calculated at 1-½ times if the time is not taken the week it is earned. Exempt employees earn compensation time at the regular rate (1 hour for 1 hour).

Comp Used – enter any compensation time used for the time period.

Current Comp Balance – add the comp earned and prior comp balance and deduct the comp used to compute the current comp balance.

Approved – the supervisor or department head must sign the time sheet for the employee to verify the time sheet.

Section 8 Additional Policies

These are additional policies that employees and officials are expected to follow.

Please click the link to navigate to the respective policy.

8-1 Rockingham County Travel Policy

[Travel Policy](#)

8-2 Rockingham County Debt Policy

[Debt Policy](#)

8-3 Rockingham County Fund Balance Policy

[Fund Balance Policy](#)

8-4 Rockingham County Investment Policy

[Investment Policy](#)