

DIAMOND CITY, BOONE COUNTY, ARKANSAS

ORDINANCE 10-2022

AN ORDINANCE ADOPTING AND DECLARING AN EMERGENCY TO CLARIFY AND FOLLOW AR 14-59-105 ON DISBURSEMENTS OF MUNICIPAL FUNDS.

WHEREAS: ALL MUNICIPAL FUNDS ARE TO BE MADE WITH PRENUMBERED CHECKS AND TO ESTABLISH ELECTRONIC DISBURSEMENT AND ELECTRONIC TRANSFERS PER THIS POLICY.

THEREFORE: THE CITY COUNCIL HAS BEEN NOTIFIED BY THE AUDIT DONE IN 2022 THAT A POLICY NEEDS TO BE IN PLACE.

Section 1

A. All disbursements of municipal funds, except those described in this section and as noted in § 14-59-106, petty cash funds, are to be made by prenumbered checks drawn upon the bank account of that municipality.

B. The checks shall be of the form normally provided by commercial banking institutions and shall contain as a minimum the following information:

C Date of issue;(2) Check number;3) Payee;(4) Amount; and(5) Signature of two (2) authorized disbursing officers of the city.

D. Disbursements of municipal funds used for payment of salaries and wages of municipal officials and employees may be made by electronic funds transfer provided that the municipal employee or official responsible for disbursements maintains a ledger containing at least the:

(1) Name, address, and Social Security number of the employee receiving payment of salary or wages;

(2) Routing number from the bank in which the funds are held;

(3) Account number;

(4) Accounts clearing house trace number pertaining to the transfer;

(5) Date and amount transferred; and

(6) Proof that the employee has been notified of direct deposit of his or her salary or wages by electronic funds transfer.

(d) Disbursements of municipal funds used for payments to federal or state governmental entities may be made by electronic funds transfer.

E. Disbursements of municipal funds, other than for payments under subsections (c) and (d) of this section, may be made by electronic funds transfer provided that:

(1) The governing body of the municipality shall establish by ordinance an electronic funds payment system directly into payees' accounts in financial institutions in payment of any account allowed against the municipality;

F. The Treasurer will make any electronic transfer on line and will make a copy of each transfer made for each account. Any needed comments are added, dated and signed by the Treasurer. A copy is filed in the folder by account name.

G. Each electronic funds payment system established under this subsection shall comply with the information systems best practices approved by the Legislative Joint Auditing Committee before implementation by the municipality.

H. A single electronic funds payment may contain payments to multiple payees, appropriations, characters, or funds.

I. A disbursement of municipal funds shall have adequate supporting documentation for the disbursement.

Section 2. The provisions of the ordinance are hereby declared to be severable and if any provision shall for any reason held illegal, such holdings shall not affect the validity of the remainder of the ordinance.

Section 3. EMERGENCY CLAUSE; It is deemed by the City Council that the adoption of this Ordinance is immediately necessary to be in compliance with the Arkansas State Laws and to protect the City, so this emergency is declared to be made in full force and effect from and after the passage.

Passed this _27th day of September, 2022



Recorder/Kathy Pate



Mayor/ Jaime Nuessner