

RESOLUTION NO. 2024-28

A RESOLUTION TO AMEND CITY OF FRANKLIN DISBURSEMENTS POLICY

WHEREAS, the City of Franklin implemented a Disbursements Policy on June 28, 2016; and

WHEREAS, the Board of Mayor and Aldermen approved Resolution 2018-39 June 26, 2018, to update the Disbursements Policy; and

WHEREAS, the Disbursement Policy needs to be amended again to address ACH and Wire Fraud Protection, De Minimis Amounts, Impact Fee Payment Certification, Local Business Meals, Lodging by Contractors, Rounding on Tip Calculations, Tips for Ride-share Apps, Retainage, and Sales Tax Permitted on Restaurant Meal Receipts; and

WHEREAS, the board believes it in the best interest of the City to amend the Disbursement Policy to address the issues below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

The following new sections shall be added to Disbursement Policy at the end of each existing section:

Section 14: ACH and Wire Fraud Protection:

Upon receipt of a change of ACH or Wire information for AP, the City will always call the vendor, business partner, or colleague directly to verify the payment information. Previously known numbers we know are correct and not the numbers provided in an email or text request. The City will not initiate any changes based only on email or text communications.

Section 15: De Minimis Amount:

The City strives for payments to have complete backup. In some cases, backup may have minor deficiencies. This typically has been seen in the payment of small amounts for reimbursable expenses permitted in a contract. A de minimis amount of up to \$50 by Accounts Payable or up to \$100 by the City Comptroller may be authorized to be paid if the amount appears reasonable based on the type of payment.

Section 16: Impact Fee Payment Certification:

The City strives for payments to have complete backup. In the case of impact fee payments, documentation from subcontractors may not be to the same level of detail that might be available from primary contractors. A payment will be allowable if documentation can be assembled that provides reasonable assurance that the amount is accurate along with certification by the appropriate City impact fee administrator.

Section 17: Local Business Meals:

If an employee is away from their regular work station for longer than a half day, a business meal is anticipated.

Section 18: Lodging by Contractors:

If a contractor is paid for local lodging, a rate should be obtained from a nationally recognized travel website. A two-star hotel or a three-star hotel at a comparable price should be used in most cases.

Section 19: Rounding on Tip Calculations:

To simplify calculation, the meal cost may be rounded up to the nearest dollar before calculation of the tip.

Section 20: Tips on Rides by Ride-sharing app:

Tips may be added to rides obtained through a ride-sharing app. The tip should not exceed 20% on either the ride amount or the ride amount rounded up to nearest dollar.

Section 21: Retainage:

Unless required by state law or the City's agreement, the City does not withhold retainage from vendor payments. Retainage is withheld from progress payments on the total project the vendor is to complete. Requesting invoices below \$500,000 or

marking sub-parts of the project as completed work do not change retainage requirements. When withheld, retainage is vital tool to ensure the full project is complete. Also, the City may become obligated to finish the remainder of a project if vendor is being provided credit for complete work (to avoid retainage) prior to full completion.

Section 22: Sales tax Permitted on restaurant meal receipts within Tennessee:

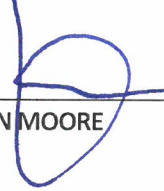
Consistent with the travel policy, sales tax is permitted for meals purchased from either in-state fast food restaurants and in-state sit-down restaurants. However, the sales tax exemption certificate is to be presented for in-state catering from either a fast food or sit-down restaurant.

It is so resolved and done on this 25th day of June, 2024.

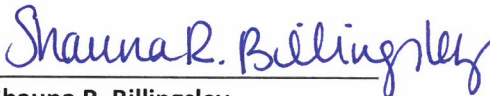
ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: 
Angie Skarp
City Recorder

By: 
DR. KEN MOORE
Mayor

Approved as to Form:


Shauna R. Billingsley
City Attorney