

**CITY OF GUSTAVUS, ALASKA  
RESOLUTION CY19-12**

**A RESOLUTION ESTABLISHING POLICY AND PROCEDURE  
FOR GENERAL INTERNAL FINANCIAL CONTROLS**

**WHEREAS**, the City of Gustavus wishes to maintain an adequate system of internal control;  
and

**WHEREAS**, Title 2.50 requires further guidance on internal controls for the City  
administration and the City departments and committees; and

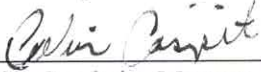
**WHEREAS**, fiscal control, consistency, transparency, accuracy and economy are essential to  
the sustainability and reputation of the City of Gustavus; and


**WHEREAS**, the City of Gustavus last updated its general internal financial controls policy and  
procedure effective December 8, 2014; and


**WHEREAS**, formal action is needed to update procedures for incoming mail and payments  
received.

**NOW THEREFORE, BE IT RESOLVED**, the Gustavus City Council adopts this current Policy  
and Procedure for general internal financial controls.

**PASSED** and **APPROVED** by the Gustavus City Council this 13<sup>th</sup> day of May, 2019, and  
effective upon adoption.

  
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Calvin Casipit, Mayor

  
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Attest: Karen Platt, City Clerk

  
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Attest: Phoebe Vanselow, City Treasurer  
Tom Williams City Administrator

# CITY OF GUSTAVUS

## Policies and Procedures

Title: Internal controls

### **POLICY:**

It is the policy of the City of Gustavus to establish and implement internal financial controls in accordance with accepted accounting practices to achieve the following goals:

- Safeguard City of Gustavus assets – well-designed internal controls protect assets from accidental loss or loss from fraud.
- Ensure the reliability and integrity of financial information - Internal controls ensure that the City Treasurer and City Council have accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- Ensure compliance - Internal controls help to ensure the City of Gustavus is in compliance with the many Federal, State of Alaska, and local laws and regulations affecting the operations of our municipality.
- Promote efficient and effective operations - Internal controls provide an environment in which department managers and City Treasurer can maximize the efficiency and effectiveness of their operations.
- Accomplishment of goals and objectives - Internal controls provide a mechanism for the City Council to monitor the achievement of operational goals and objectives.
- Effective internal controls assure public confidence in how their City government is being run and how their tax money is being spent and support a strong positive reputation for our City government and community with vendors, outside agencies, and other important stakeholders.

Management Responsibility: The City Treasurer is responsible for recommending internal control policy and procedures to the Mayor and City Council, for maintaining an adequate system of internal control, and for implementing the internal controls set forth by the City Council.

Note: This procedure addresses general financial controls. Internal controls specific to grant administration are addressed in a separate policy and procedure document.

### **PROCEDURE:**

#### Internal controls over cash disbursements

1. The City Clerk or City Treasurer opens mail arriving at City Hall, including hand-delivered items, then date stamps as received and routes items to the appropriate person. In absence of the City Clerk or City Treasurer, the Mayor shall assume or delegate the responsibility for receiving, date-stamping, logging and distribution of mail.
2. Invoices are directed to the City Treasurer.
3. The City Treasurer matches invoices to the appropriate Purchase Order.
4. The City Treasurer records invoices into QuickBooks as an Accounts Payable and appropriate Expense.

5. The City Treasurer verifies the deposit before it is mailed to the bank and a copy of the deposit slip is filed. When receipt of deposit is received, the City Treasurer matches the receipt to the original cash receipts, deposit slips and QuickBooks detail report to ensure accuracy.
6. The deposit receipt is attached to the copies of deposit slip receipts and filed into monthly bank files for the applicable fiscal year.
7. Bank statements are reconciled monthly and reviewed by the Mayor or City Administrator. Petty cash is reconciled monthly with copies from the cash receipts log attached showing all incoming cash is accounted for. This reconciliation is also reviewed by the Mayor or City Administrator.

Internal controls over journal entries

1. Journal entries entered by the City Treasurer are printed and attached to supporting documentation, when applicable.
2. Journal entries and support are reviewed and signed or initialed by the Mayor. Journal entries and support are filed into a journal entry file for the applicable fiscal year.

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Signed

City of Gustavus Mayor

Date