

STATE OF SOUTH CAROLINA

ORDINANCE NUMBER 14-19

COUNTY OF DORCHESTER

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, DORCHESTER COUNTY, SOUTH CAROLINA, TO REPEAL CHAPTER 2, ARTICLE V, DIVISIONS 1 AND 2 AND SUBSTITUTE IN LIEU THEREOF NEW DIVISIONS 1 AND 2

WHEREAS, Dorchester County Council wishes to amend the Code of Ordinances, Dorchester County, South Carolina, to repeal Chapter 2, Article V, Divisions 1 and 2 and to substitute in lieu thereof new Divisions 1 and 2.

NOW, THEREFORE, be it ordained by Dorchester County Council, duly assembled, that Chapter 2, Article V, Divisions 1 and 2 are hereby deleted in their entirety and the below Divisions 1 and 2 are hereby substituted in lieu thereof:

**ARTICLE V. FINANCE
DIVISION 1. GENERALLY**

Sec. 2-429. Budget; adoption and inspection.

The county council shall adopt an annual budget ordinance before June 30 of each year, which shall be available for public inspection.

Sec. 2-430. Accounting standards.

Except as now or hereafter provided by law or ordinance to the contrary, all budgeting, accounting, and other applicable systems and procedures of county government shall be done according to generally accepted accounting principles as enumerated by the Governmental Accounting Standard Board or its successor standards-setting body. The county shall prepare financial statements in accordance with Generally Accepted Accounting principles no later than six months after the completion of the fiscal year.

Secs. 2-431—2-458. Reserved.

DIVISION 2. FINANCIAL PROCEDURES

Sec. 2-459. Budget preparation.

- (a) The provisions of this section prescribe the method by which the county shall prepare its annual budget.

- (b) The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Agency means those boards, commissions, committees and agencies, public or private nonprofit, funded in whole or in part by the county council.

County administrator means the person employed by the county council to be the administrative head of the county government or his designees under the council-administrator form of government (S.C. Code 1976, §§ 4-9-610 to 4-9-670).

Department means a division of county government funded primarily by county funding and providing basic governmental services to citizens of the county. This category includes all departments headed by elected officials and all commissions and boards whose members are appointed solely by county council.

- (c) The annual budget shall be composed of line item accounts by department or agency by revenue fund. No department or agency funded by the county shall under any circumstances spend or obligate any funds in excess of the amount budgeted for each respective account. The county treasurer shall not pay any funds in excess of those collected for any fund without express approval by appropriate ordinance of county council.
- (d) All budget requests for an upcoming fiscal year shall be provided to the county administrator on forms provided by the chief financial officer on the schedule to be established by the county administrator. The county administrator may require such reports, estimates, statistics or any other financial information from any fund recipient as may be necessary to perform his duty in assisting county council to carry out its function as the responsible fiscal body of the county.
- (e) Every agency receiving funds from the county shall provide the chief financial officer with a copy of their audit as soon as the audit is available, but not later than January 1 of the following year. If the agency does not normally have an audit performed, then part of the agency's county appropriation will be used to fund that portion of the county audit which concerns that agency's appropriation. Each agency shall notify the office of the administrator in writing no later than June 1 of each year of the arrangements which the agency has made to have an audit prepared for the upcoming fiscal year.
- (f) All agencies shall be funded quarterly no more than 25 percent of their total budget as adopted or amended by county council unless otherwise approved by the county administrator for emergency situations. Such disbursements may be made on an advance basis.
- (g) All departments shall be funded for their normal operation within the limits of funding as budgeted by county council. The county administrator is authorized to

take actions necessary including, but not limited to, denial of purchases, a hiring freeze, and suspension of projects should cash flow necessitate such action.

- (h) The chief financial officer shall monthly review actual revenue received and the most current projections of anticipated revenue. The chief financial officer shall report monthly to the county administrator and county council concerning revenues received compared to anticipated revenues. The chief financial officer shall adjust revenue projections at designated times during the fiscal year to reflect changes in revenue patterns, as approved by county council.
- (i) There shall be no reduction of county assets without the approval of the county administrator, except as may be required by legally mandated tax sales.

Sec. 2-460. Transfers and internal controls.

- (a) Council budgets all fund recipients on a line item account basis, which represents the maximum amount to be expended in each account. Each fund recipient (department heads of county departments, and agency heads) must monitor expenditures and exercise caution not to overexpend budgeted amounts in each account. Monthly reports which give account balances shall be furnished to fund recipients by the chief financial officer or his designee. Primary responsibility for monitoring expenditure is on the fund recipient. Accounts in each budget area shall be assigned annually by the chief financial officer. No purchase order shall be written, and no check shall be drawn or signed in any amounts singly or in the aggregate, for more than has been appropriated for the specific purpose for which the expenditure is requested.
- (b) Department/agency transfers. Upon written request by any department/agency head, the county administrator or his designee may authorize a transfer of funds at his discretion. The county administrator or designee shall designate the account from which the transfer shall be made and may select any line item account in any department/agency budget as a transferor account, provided that the transfer of funds from the account would not cause the account to be insufficiently funded for the balance of the fiscal year. The county administrator shall be authorized to transfer budgets between departments that have the same director. These transfers will not affect the total appropriation of the county. The county council may place additional restrictions on transfers in the annual budget ordinance.
- (c) It is the responsibility of the chief financial officer to review expenditures of each fund recipient by account. For this purpose and in conjunction with the county administrator and purchasing director, the chief financial officer shall establish controls on the centralized computer purchase order system to reject the issuance of purchase orders which would cause an overrun of expenditure authority for the year. If, in the judgment of the chief financial officer or county administrator, the requested expenditure will not cause a possible annual over-expenditure of allocated funds in that account, the chief financial officer or county administrator

may override the purchase order hold. The administrator or chief financial officer may require the department head to explain in writing the current expenditure request and its impact on the amount appropriated. If, in the judgment of the administrator or the chief financial officer, after explanation, there is still a probability of an annual over-expenditure, the department or agency head shall be notified of two options:

- (1) Department/agency transfer, if available.
 - (2) Council appropriation from contingency funds, if available.
If the department head elects not to follow any of the two options and continues to issue requisitions against the account, the chief financial officer shall freeze the account and refuse to pay an obligations in that account. The chief financial officer shall immediately notify the county administrator that the account is frozen. The county administrator shall notify the department head to appear at the next council session to discuss methods of correcting the account's over expenditure..
- (d) The county council is hereby authorized to borrow the funds appropriated in the annual budget and to pledge therefore the taxes to be collected for that fiscal year. The council shall award the loan authorized by this section to the lowest bona fide bidder, after advertising for open bids in one or more newspapers, published in the county, at least ten days prior to awarding bids, and at the same time notify each bank in the county in writing the terms and conditions under which the bids are reviewed.
- (e) Before depositing any funds of the county in any bank, the bank of banks shall secure the safe deposit of such funds by depositing with the county treasurer a trust receipt certifying that securities in the amount of such deposit or deposits have been duly set aside in some bank or trust company and are being held in trust for the county to secure such deposit; provided, further, that securities shall be as one of these described in S.C. Code 1976, § 12-45-220.

Sec. 2-461. Purchasing rules and regulations.

- (a) All purchases made by the county shall be made in accordance with article VI of this chapter.
- (b) Any county officer or employee who has a substantial financial interest in any business which contracts with the county for sale or lease of land, materials, supplies, equipment or services or who personally engages in such matters shall make known that interest and refrain from voting upon or otherwise participating in his capacity as a county officer or employee who willfully violates the requirements of this section shall be deemed guilty of malfeasance in office and upon conviction shall forfeit his office or position. Violation of this section with the knowledge express or implied of the person or corporation contracting with or

making a sale to the county shall render the contract or sale voidable by the county governing body.

Sec. 2-462. Financial reporting and accounting.

Under the mandate of the Home Rule Act (S.C. Code 1976, § 4-9-30 et seq.), the council, in order to provide for an accounting and reporting system whereby public funds are received, safely kept, allocated and disbursed, in order to accurately budget revenues and to administer those revenues shall maintain an accounting and reporting system. The accounting and reporting system shall provide information that shall enable the county to prepare annual financial statements in accordance with generally accepted accounting principles. The county hereby adopts the following organizational, accounting and reporting functions:

- (1) The council shall designate the various funds and line item accounts in the budget and any amendments thereto. The treasurer and his personnel shall be familiar with and follow the fund designations. The treasurer of the county shall allocate public monies received, including interest earned on investment, separately by fund.
- (2) The treasurer shall report to the office of the chief financial officer on a monthly basis, within 15 working days of the end of each month, the amount of all monies collected for and on account of the county and the character of such monies. The treasurer shall maintain documentation approved by the chief financial officer for automated entry into the general ledger and subsidiary account of the county. The transaction record shall identify the source of the funds, the amount and the purpose for which funds were received.
- (3) The county treasurer is hereby directed to invest all available public funds with the financial institutions in the county in the manner most advantageous to the fund recipients. The treasurer shall report to the chief financial officer on a monthly basis his investments of public funds.
- (4) The county treasurer is hereby directed to report to the county council on an annual basis, the distribution by fund of all earned and accrued interest for the preceding year no later than 30 days after the close of the preceding fiscal year.
- (5) The chief financial officer with concurrence of the administrator shall provide the treasurer with an annual forecast of anticipated cash needs for expenses of county operating funds. As changes arise or are anticipated, the chief financial officer, with the concurrence of the county administrator, shall promptly revise the cash needs forecast and advise the treasurer.

(6) The following procedures should be followed in the disbursement of county funds:

- a. The treasurer shall disburse funds for purposes only pursuant to warrant from the county administrator or his designee receiving funds from the direct levy of tax millage other than municipalities. All funds shall only be disbursed on like warrants with like requirements regardless of agency.
- b. The warrant from the designee shall bear the appropriate countersigned verification of the county administrator or his designee and shall direct the treasurer to disburse county funds pursuant to the warrant.
- c. The chief financial officer or designee shall forward to the treasurer a warrant covering the total amount of checks to be processed. The treasurer shall forward a receipt covering the amount requested for disbursement to the finance department. The checks are then processed by the finance department to the treasurer and submitted for signing by the county treasurer. A copy of all receipts shall be forwarded to the finance department daily.
- d. The treasurer shall sign checks for each item on the warrant within 24 hours of receipt of the warrant, provided that warrants received on Friday or holidays shall be signed by 3:00 p.m. the next business day. If the treasurer is not available, an authorized designee recognized under state law must be available to sign the checks in his absence. The treasurer shall return the signed checks to the finance director for mailing. Payroll checks submitted early for pre-holiday employees shall be signed and returned prior to 3:00 p.m. on the next to the last day of work before the holiday.
- e. The finance department shall deliver checks in payment of county expenses to vendors.
- f. The chief financial officer may request the treasurer initiate or withdraw stop payments. The treasurer as signatory on county accounts shall take prompt action to initiate or withdraw stop payments and respond to any other communications from depositories. The treasurer shall notify the chief financial officer upon completion of any administrative action taken in regard to county accounts.
- g. The treasurer shall designate banks to be used as checking depositories of county funds based on bid proposals most advantageous to the county and shall notify the county council at

least 90 days in advance of changing county checking accounts. Accounts shall remain in the same bank for the current fiscal year.

Sec. 2-463. Miscellaneous.

- (a) All local statutes, ordinances, laws and resolutions in conflict with the ordinance from which this division is derived are hereby repealed or amended to the extent of such conflict.
- (b) Should any section or provision of this division be, for any reason, held void or invalid, it shall not affect the validity of any other article, section or provision hereof which is not itself void or invalid.
- (c) Subject to the provision of this article, council policies adopted pursuant thereto, and the Home Rule Act (S.C. Code 1976, § 4-9-630), the county administrator shall direct and supervise the operation of a computerized financial system under which authorization and use of all computer programs and program changes are subject to his written approval.

Secs. 2-464—2-494. Reserved.

Except as specifically amended herein, the Dorchester County Code of Ordinances shall remain in full force and effect.

Approved and this 1st day of December, 2014.



William R. Hearn, Jr., Chairman
Dorchester County Council

First Reading: November 3, 2014
Second Reading: November 17, 2014
Public Hearing: December 1, 2014
Third Reading: December 1, 2014

ATTEST:



Sally K. Hebert, Clerk to Council