



## **CASH AND INVESTMENTS MANAGEMENT**

1. The city's funds will be managed in a prudent and conservative manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order. Investments will NOT be made based upon speculation or in high-risk ventures.
2. The City's disbursement of funds will be timed to match receipts in an effort to meet a goal of balanced budgeting. Monthly payment of bills will be made in a timely manner to maximize the City's investment return. One time annual premiums or payments shall be made where it makes sense if discounts made available by vendors provide a better financial advantage than the interest earned on cash balances.
3. The Mayor and Finance Director will make recommendations to the Depository Board in accordance to Arkansas law as governed in ACA 19-8-101 through 19-8-107 "Deposits of Public Funds".
4. The City will maintain written guidelines on cash handling, accounting, segregation of duties, and other financial matters. All bank accounts will be reconciled to the city's books in accordance to ACA 14-59-108 "Reconciliations of Bank Accounts" and a copy of this reconciliation will be reported monthly to the City Council. All out of balance situations will be corrected as soon as they are made known.
5. The City's Finance Director will review all voided checks and make sure outstanding checks older than 45 days are researched and adjustments made to cash balances as required by regulatory accounting standards.
6. The City's Compliance Director, as designated by the Mayor, will conduct or shall cause to occur, periodic reviews of the city's internal controls and cash handling procedures. The review will ensure compliance with cash policies and procedures. Periodic random audits will be conducted to test compliance, on any cash funds held under the City's name.
7. The City's Finance Director will review the annual financial statements of all banks where City funds are kept. A report of this analysis shall be prepared and reported to the Depository Board and City Council.