

STATE OF MISSISSIPPI



OFFICE OF THE STATE AUDITOR STACEY PICKERING AUDITOR

MANAGING CASH FLOW IN AN UNCERTAIN ECONOMY & TERM OF OFFICE TRANSITION

MML 2008 SMALL TOWN CONFERENCE

VICKSBURG CONVENTION CENTER
VICKSBURG, MISSISSIPPI
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I. PROGRAM INFORMATION

OBJECTIVES: The objective of this program is to educate participants about the legal responsibilities and personal liability of public officers when exercising duties related to managing public funds and property. Emphasis will be on accounting for and substantiating activities.

HOURS: Presentation time will be approximately one hour.

FIELD OF STUDY: Accounting and Auditing

INSTRUCTOR: The instructor is the primary author of the presented written material.

PROGRAM MATERIAL:

The written material represents requirements of the State Auditor's Office as the agency authorized by state law to prescribe accounting and auditing procedures. All program material is reviewed by the Department of Technical Assistance, State Auditor's Office. See program cover page for telephone number, address and additional information.

INSTRUCTIONAL METHOD:

Program will be presented orally and supported by detailed written material to coincide with presentation.

EVALUATION: Through out the program the instructor will recap presented material; and participates will be given opportunity to ask questions, comment and evaluate understanding. Participates may also contact the State Auditor's Office (Technical Assistance) to ask additional questions, further comment on, and offer additional evaluate the program.

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III INTERNET WEB SITES

- LEGISLATIVE BILLS: <http://billstatus.ls.state.ms.us>
- MISSISSIPPI CODE AND
ELECTION INFORMATION: <http://www.sos.state.ms.us/pubs/MSCode/>
- STATE AUDITOR'S OFFICE: <http://www.osa.state.ms.us>
- ATTORNEY GENERAL OPINIONS: <http://www.agopin.state.ms.us>
- ETHICS COMMISSION OPINIONS: <http://www.ethics.state.ms.us/ethics/ethics.nsf>
- DFA TRAVEL REGULATIONS: <http://www.dfa.state.ms.us/Purchasing/Travel.htm>
- ARCHIVES RECORDS: <http://www.mdah.state.ms.us/locgov/localgov.html>
- STATE RETIREMENT SYSTEM: <http://www.pers.state.ms.us/>
- STATE OF MISSISSIPPI: <http://www.ms.gov/>
- GOVERNOR: <http://www.governorbarbour.com/>
- SECRETARY OF STATE: <http://www.sos.state.ms.us/>
- MISS. EMERGENCY MANAGEMENT: <http://www.msema.org/>
- MISSISSIPPI MUNICIPAL LEAGUE <http://www.mmlonline.com/>
- MUNICIPAL GOVERNMENT IN MISS.** PUBLICATIONS, TRAINING, ETC.
(Center for Governmental Training and Technology, Extension Service,
Miss. State University) <http://msucares.com/community/governmental/>
(Latest Website) http://cgt.msstate.edu/list_of_pub.html

IV. MANAGING CASH FLOW IN AN UNCERTAIN ECONOMY

Under normal circumstances a cash flow plan is developed when the budget is prepared. This plan recognizes when budgeted revenues will come in and matches the receipt of the revenue cash with the budgeted expenditures.

In an uncertain economy revenues may not materialize as expected. In these circumstances it may be necessary to cut spending and/or generate revenue from other sources.

A. GENERATING ADDITIONAL REVENUE:

1. ADVANCE SETTLEMENTS:

If the problem is short term cash flow, an advance settlement of collections may get you over the hump. Some municipal revenues are collected by third parties; such as the county tax collector, municipal court clerk, etc..

An advance from the county tax collector is the most likely to produce enough money to help with a typical cash flow problem. Tax collectors collect municipal ad valorem taxes for a calendar month and have until the 20 th of the following month to settle the collections (Section 27-29-11). The tax collector may make a payment of collections early and take credit when the required settlement is made.

Money may also accumulate in the municipal court clerk's account until the clerk's monthly report to the municipal clerk is made and the municipal clerk can distribute the money into the funds it is due to. The municipal court clerk and municipal clerk could make a reasonable estimate of money in the court clearing account to be advanced.

2. MUNICIPAL RESERVE FUND DRAWDOWN:

During the budget process a municipality may establish a "Municipal Reserve Fund" (Section 21-35-22). A municipal reserve fund is a fund to hold money in reserve for other funds for a fiscal year's unanticipated expenditures. This means money that would have been budgeted in the other fund(s) if you could anticipate the emergency or other circumstance. A reserve fund is financed with the revenues of the fund it is designed to support.

These funds may only be spent by board order for reserve purposes; and as limited by the source of the reserve fund revenue. Interest earned on fund investments must be credited to the reserve fund.

B. CREATE ADDITIONAL REVENUE:

If a cash flow problem exist in a fund the assets and revenue sources of the fund should be reviewed.

1. Transfer Surplus Funds:

Section 27-105-367 allows the transfer of money remaining in a fund after the purpose of the fund has been satisfied. This may only be used in the next fiscal year; unless the municipality advertises its transfer intent for three weeks and there is a public petition for an election on the issue.

Bond proceeds must be transferred to the debt service fund and debt service funds may only be transferred if there is sufficient money to pay of the debt.

Section 21-27-57 allows surplus utility revenues (windfall collections) to be transferred for the best interest of the municipality. This means when there is an unanticipated balance in the monthly collection.

Section 21-27-61 allows a surplus utility system operation and maintenance fund balance to be transferred. This means an there is a balance after providing for anticipated operating costs, all future bonded debt and rates were set in good faith and to with the intent of creating a surplus (unauthorized tax, Sec. 21-17-5).

2. Sale investments.

Section 21-33-323 allows municipalities to invest surplus funds. Investments belonging to a fund may be sold at any time.

3. Increase fee revenues.

Fees for ordinance related services may be imposed to recover the costs of the service to the beneficiary of the service. This includes such things as inspections and authorizations.

Care should be taken to assure fee is not a tax not authorized by law (Sec. 21-17-5).

Utility fees [Sec. 21-27-23 (e)] may be increased within one mile (Sec. 77-3-1) of municipal limits by board order. This can be done to benefit the utility system fund. However, utility rate increases may only be for the benefit of the utility system; otherwise the increase would be a tax not authorized by law.

Note: any ordinance based fee will require 30 days to increase (Sec. 21-13-11).

4. Sale Something.

Personal Property: Section 21-17-1 allows municipalities to sale personal property by negotiations (no bids required). Care should be taken that the amount receive is fair value (reasonable) Sec. 21-17-5, Ms. Code & Sec. 66, Ms. Constitution.

Real Property: Section 21-17-1 & 57-7-1 explain how municipal real property may be sold. Sec. 57-7-1 allows property sold for commercial or industrial purposes to be sold by negotiation (no bids required).

5. Authorize Acceptance of Donations:

Pass a board order authorizing the municipal clerk (or other bonded employee) to accept donations for general or specific functions of the municipality. This will allow the clerk to accept the money (Sec. 25-1-43) for municipal expenditure.

6. Solicit Federal Grants and Loans:

Section 21-17-1 (11) allows municipalities to receive, spend and administer any grants, gifts, matching funds, loans or other money authorized by federal law. This provision also allows the municipality to exercise any function authorized for this money and not contrary to state law. This is similar to the Section 43-35-503 authority for HUD type grants.

The Mississippi Development Authority and your local Planning and Development District should be helpful with identifying and applying for this assistance.

C. BORROWING ADDITIONAL REVENUE:

A municipality must have specific authority to borrow money. Section 21-17-5 makes clear a municipality may not issue bonds of any kind without specific legal authority. Bonds are defined in Section 1-3-3 to mean all form of debt.

Most debt authority is for long term benefit purposes only, such as construction. In emergency situations or when timing of funding is a problem there are some options.

1. AD VALOREM TAX ANTICIPATION LOANS:

Section 21-33-325 allows a municipality to borrow money in anticipation of its ad valorem tax collections. This type loan may be made from any ethical source and is limited to 50 % of anticipated collections. This money may even be borrowed from another fund that won't need the money before the repayment date. The loan may be made at any time starting in October of the fiscal year (Sec. 21-35-3), but must be repaid from the anticipated ad valorem tax collections by March 15 of the fiscal year.

This type loan is intended to assist with cash flow problems until the bulk of real property ad valorem tax collections are due.

2. FEDERAL/STATE GRANT/LOAN ANTICIPATION LOANS:

Section 21-33-326 allows a municipality to borrow money in anticipation of confirmed loans or grants to be made from the federal government or state of Mississippi. This type loan may be made from any ethical source (including another fund) for up to the amount of the anticipated loan. The minutes of the board should document on its minutes the confirmation of the loan or grant when the anticipation loan is made. The minutes should also state the proceeds of the loan must be expended as limited by the referenced loan or grant. Further, the anticipation loan must be repaid from the proceeds of the anticipated loan or grant within a reasonable time after receipt of such proceeds.

3. REVENUE SHORTFALL LOANS:

Section 27-39-333 allows a municipality to borrow money by issuing notes to make up for lost funds in the current year's budget. This loan may only be made when it is determined that a local source revenue (ad valorem taxes, property sale, etc.) will not materialize. Also, this type loan is limited to 25 % of the total budgeted amount the short fall revenue item would have produced. The method of sale (public, negotiated, etc.) of the notes may be determined by local policy.

A revenue shortfall loan must be repaid in equal instalments over the three years following the year the loan is made. For repayment of the maturing notes, the board must levy an ad valorem tax starting with the next tax levy.

The proceeds of the loan count as ad valorem taxes for the purpose of calculating the limitation on ad valorem tax increases.

4. ALTERNATIVE LOAN AUTHORITY:

Section 17-21-51 (1)(a) provides municipalities with special authority to issue notes as an alternative to other loan authorities. This means for a loan to be made under this law, the municipality must reference another law that would have allowed money to be borrowed for the same purpose as intended for this loan. For example, where a municipality may issue general obligation bonds to buy a fire truck [reference Section 21-33-301 (1)], it may as an alternative issue notes under this law. This is a sensible alternative when the amount of money involved is relatively small.

The total amount that may be outstanding at any one time for this type loan may not exceed \$ 250,000 or 1 % of the assessed value of the property in the municipality.

Section 17-21-53 requires specific procedures to make an alternative loan.

Generally, these procedures include:

The board must adopt an order declaring necessity, purpose, dates of repayment, amount, nature (notes, etc.), etc. of the loan.

The mayor must certify the resolution.

Negotiable notes or certificates of indebtedness pledging the full faith and credit of the municipality must be issued.

The notes must be sold to the best bidder at public sale.

The public sale must be made after 10 days advertisement in the newspaper.

The notes must be repaid in no more than five annual payments.

Repayment of the notes must be budgeted from available funds. If funds are not available, a special ad valorem tax debt service levy must be made.

5. (blank item)

6. PUBLIC SAFETY VEHICLES LOANS:

Section 17-21-51 (1)(c) allows municipalities to borrow money by issuing notes to fund the purchase of public safety vehicles.

The amount limitations and procedures for the alternative loan authority discussed above also apply to this type loan.

7. DISASTER RELIEF LOANS:

Section 17-21-51 (1)(b) allows municipalities to borrow money by issuing notes to fund costs resulting from natural disasters. The proceeds of this loan may be used as matching funds for federal or state disaster relief assistance.

This type loan is also subject to the amount limitations and procedures for the alternative loan authority discussed above.

8. BUDGET EMERGENCY LOANS:

Section 21-35-19 and 21-35-21 allows money to be borrowed to fund budget emergencies.

A budget emergency must satisfy the conditions in Section 21-35-19.

Generally, these conditions are the existence of an emergency as defined in this law, a unanimous vote of present board members, and a resolution recorded on the minutes stating the facts constituting the emergency.

9. LEASE PURCHASES OF EQUIPMENT FUNDING:

Section 31-7-13 (e) allows funding the lease purchase of equipment.

If the total amount to be paid out under the lease total an amount that would require bidding, offers must be solicited as with other purchases of equipment.

The life of the lease may not exceed the life for depreciation under IRS rules.

These type contracts may also be terminated by subsequent boards.

10. LEASE OF REAL PROPERTY FUNDING:

Section 31-8-1 allows rental and leases of real property (buildings, land and associated equipment). These lease may be for up to 20 years; except for associated equipment must be limited to the life of the equipment.

Leases pledging the full faith and credit of the municipality are not limited by time and may be binding. However, such leases will require advertising of the intent to lease with the option for public demand for an election on the issue.

V. TERM OF OFFICE TRANSITION

1. BUDGET ISSUES:

A. **LAST QUARTER OF TERM EXPENDITURE LIMIT: OUT GOING BOARD:**

Section 21-35-27 limits expenditures and obligations to one fourth of the budget during April, May and June during an election year. This law excludes purchases which are subject to the purchase solicitation law (Section 31-7-13) and [NEW LANGUAGE] purchases/expenditures which are seasonal in nature.

This means projects that will require a lot of service and salary money should be completed from October to March.

[Suggestion: Be prepared to provide reasons if less than one fourth of budget is left for the next board.]

B. **FIRST QUARTER BUDGET REVISION LIMIT: INCOMING BOARD:**

Section 21-35-25 limits a newly elected board's authority to revise the budget during its first three months in office. This is because the incoming board will inherit the former board's budget and projects. The incoming board is limited to only one revision of the budget. This one revision can only be made if a deficit is indicated; and no later than the first regular meeting in August.

This means (unless absolutely necessary) the incoming board should wait until the first meeting in August to make its revision. Being their only revision, they are locked into these budget numbers for the balance of the fiscal year; unless there is a budget emergency as defined in Section 21-35-19.

2. **ETHICS ISSUES:
INCOMING BOARD:**

State ethics laws limit the authority of a municipality to contract with its officers, employees and their relatives. A review of municipal contracts and activities should be made to determine if incoming officers or employees relationships will require changes.

If a questionable situation is determined, the Miss. Ethics Commission should be contacted for direction on how to proceed. See Section 109 Ms. Constitution, Miss. Code 25-4-105 and <http://www.ethics.state.ms.us/ethics/ethics.nsf> legal reference.

3. **END OF TERM REVIEW –
OUT GOING OFFICIALS:**

Municipal elected officials (mayor, board members, clerks, etc.) are elected or appointed for four year terms of office. The out going officials only have authority through June.

This means their actions are not binding upon the incoming officials. An "end of term review" of appointments, contracts and policies should be made to determine if any business is outstanding.

A. **STATUS OF CONTRACTS:**

Contracts do not have to expire on June 30. However, the incoming officials may cancel, change or acknowledge the existing agreements.

This means you should clean up documentation of your actions; and complete any business you don't want left to the next board's discretion.

B. STATUS OF OFFICERS AND OTHER APPOINTMENTS:

Section 25-1-7 and 25-1-1 authorize an officer to continue in office until a successor is appointed (or elected). Section 25-1-37 makes the acts of an officer in possession of an office valid, even if he/she does not legally hold the office. This means the current appointed officers and employees continue with their duties as currently assigned; until the new board takes an official action to make a change.

An incoming board should have a list of who does what, and the source of their authority. This means the list should provide the names, titles (duties), and minute book reference to the order granting the authority.

4. INCOMING OFFICIAL'S ISSUES:

A new set of elected official exist at the beginning of a term of office, even if the same people are reelected. This means each member must take a new oath of office and where required post a new bond. A review of the status of municipal affairs should be made to assure proper and legal continuation of municipal services. This review should at a minimum include the following areas of responsibility.

A. OFFICERS AND EMPLOYEES STATUS:

(1) APPOINTMENT OF OFFICERS:

New officer appointments should be made at the beginning of each term of office, even if the same person is being reappointed.

Officers are Statutory Positions with Official Duties.

Most officer positions are required to be filled by state law (note the use of the word "shall" in the appointment laws).

Failure to appoint someone to a mandatory position could result in liability of the appointing authority for failure to perform its duties (Sec. 25-1-45). For example, if a city clerk is not appointed and money is lost during the period of vacancy, the board could be liable. Note: there is no provision for an "Acting" officer; an appointment is absolute, even if it is intended to be for a short period of time.

Section 21-3-17 requires the mayor and clerk to sign all appointments and approve all bonds.

List of Appointed Officers (Code Charter):

| | |
|---|-----------------------------|
| City Clerk, Police Chief, etc.: | Sec. 21-3-5 |
| Special Appointments: | |
| Municipal Judge: | Sec. 21-23-3 |
| Prosecuting Attorney: | Sec. 21-23-3 |
| Court Clerk: (is city clerk or may be police chief or other) | Sec. 21-23-11 |
| Fire Marshall: (may be mayor, police chief or board member) | Sec. 21-25-1 |
| Street Commissioner (may be board member): | Sec. 21-3-23 Sec. 21-3-5 |
| Chief Administrative Officer: | Sec. 21-3-25 |
| Police Officers (by board): | Sec. 21-21-3 |
| Police Officers (by mayor): | Sec. 45-5-9 |

(2) APPOINTMENTS OF EMPLOYEES TO LEGALLY ASSIGNED OR DELEGATED RESPONSIBILITIES:

DEPARTMENT HEAD APPOINTMENTS:

Most important of assigned duties is the appointment of Department Heads. This is to make clear who is responsible for each budgeted department, and who is liability if the department's budget is exceeded (budget liability law Sec. 21-35-17).

Some department heads are determined by virtue of being an elected or appointed officer. For example, the chief of police and city clerk are the heads of their respective departments [see Budget Section I in the Municipal Audit and Accounting Guide (MAAG) <http://www.osa.state.ms.us/downloads.htm>].

OTHER ASSIGNED OR DELEGATED DUTIES:

State laws allow assignment or delegation of certain duties. Assuming these duties without board authorization may create questions of legal authority and liability.

Travel : Who may authorize travel and travel advances – Sec. 25-3-41 and MAAG

Petty Cash: Who may have a petty cash fund and for what purpose – Sec. 7-7-60 and MAAG

Purchasing Law: Who may authorize emergency purchases, contact changes, use state contracts, accept quote offers, approve specifications and advertising, etc. – Sec. 31-7-13 and "Purchase Law Summary" at <http://www.osa.state.ms.us/downloads.htm>

Contracting: Who may enter contracts, how will claims be verified (purchase orders, etc.), etc. – Sec. 25-3-43

Leave: Who may authorize leave - Sec. 25-11-103 (h)

Overtime: Who may authorize overtime – Sec. 21-3-5

(3) REVIEW OF EMPLOYEES DUTIES:

While employees may not have statutory duties, their functions may be essential to the continuation of municipal services. A determination should be made that public safety, health and other functions of municipal government are not compromised. For example, outgoing elected officials (such as a mayor) may have been performing additional work (department head or task) the new official does not intend to continue.

B. STATUS OF POLICIES AND PROCEDURES:

A review of all municipal policies and procedures should be made. With the start of the new term of office, the incoming officials become responsible for the activities (or failure to act) of the municipality. Determination should be made regarding what has to be done, how things are done, and that they are done legally.

[Note: Just because something has "always been done that way" does not mean the procedure is best or legal.]

RECOMMENDED POLICIES AND PROCEDURES TO REVIEW:

(1) Board Meeting Procedures

How are motions made, how are votes taken, may the public speak, what detail is recorded in the minutes, who approves the minutes per Sec. 21-15-33, etc.

(2) Purchasing and Contracting Procedures

Who may contract/purchase, how is the contract (purchase order, etc.) documented, who may declare emergency purchases, etc.

(3) Employee Personnel Policy

How leave is earned and used, what holidays are paid and who works on holidays, how hourly pay is documented, how are employees hired and fired, etc.

(4) Claim Verification Procedure

(1) Does the city owe this claim? **(2)** Who contracted the bill?
(3) Were the services received? **(4)** Were purchase laws followed?
(5) Is the payment within the budget, etc.

(5) Budget Procedure

Do procedures follow state law (Miss. Code, MAAG, etc.), who prepares a budget, do departments know what information to provide, who works out a timing schedule for publications and hearing, who calculates the necessary tax levy, etc.

(6) Disaster Procedures

Has the MEMA plan been adopted, who does what, are there contact points, where are resources available, are FEMA assistance requirements understood, what state laws have to be followed, etc. See "Emergency Accountability Plan for Local Governments" under downloads at the State Auditor's web site: www.osa.state.ms.us

(7) **No Policy?????**

If the legislative branch (the board) fails to adopt procedural policies, the executive branch (mayor, other officers) should develop these policies (in writing). Policies of authority must be board authorized.

(8) **Form and Understanding of Policies**

All policies should be in writing, distributed to those affected, and those affected should sign an acknowledgment of receipt and understanding.

5. TRANSFER OF RESPONSIBILITY:

PERSONAL PROPERTY - CONDUCT AN INVENTORY:

An inventory of municipal property should be made at the end of the term of office. Should property be missing or misrepresented in the records, this inventory will document when the problem happened (which term); and allow the current board an opportunity to officially address the problem. [May hire CPA to advise and observe].

CASH - CONDUCT CASH COUNTS AND RECEIPT CUT OFFS:

All cash should be accounted for by official cash count at the end of the term of office. The last receipt issued should be documented for verification. As with other property, this is a verification that the cash was or was not there at the end of the term [May hire CPA to advise and observe].

6. CLEAN UP THE LOOSE ENDS – OUT GOING OFFICIALS:

You cannot fix a problem after you leave office, so do it now.

Prepare documents that were over looked. Authorizations, appointments, etc. found by the "end of term review" to not be properly documented.

"Nunc Pro Tunc" is a legal term that means "now for then".

This term is used in Attorney General's opinions describing the authority of a board to clarify prior actions. An example of a Nunc Pro Tunc opinion is Opinion No. 94-0066 and may be found at the Attorney General's web site at www.ago.state.ms.us . This type order should be used by the outgoing board to clarify any actions or policies that may be misinterpreted after its term of office has ended.

7. STATUS REPORT – OUT GOING OFFICIALS:

It is highly recommended that the out going officers prepare a "status report" for the incoming officers. This report should provide necessary information for a smooth transition. The report should document understandings regarding the issues suggested in this material, and address any other outstanding activities of the municipality.

The "end of term review" should be helpful as a source of information (employee duties, etc.) to develop and support the "status report".

8. INDEPENDENT VARIFICATIONS AND RECOMMENDATIONS:

Before the term ends the out going board may contract with CPAS, attorneys or others to verify inventories, cash or other status statements.

After the new term begins, the incoming board may also contract with CPAs to conduct other audit verifications. The new board may also contract with any qualified person to develop recommendations for future actions (such as personnel policies).

**9. OFFICE QUALIFICATION – INCOMING OFFICIALS:
[Official Bond and Oath of Office]**

Incoming officials must take the oath of office prior to the date he/she is to take office. Sec. 268, Ms. Constitution provides the oath of office, and Section 11-1-1 list who may administer an oath of office (includes a mayor).

Some incoming officers must also post official bonds. Section 25-1-15 presents the language of official bonds; and requires they be for the whole term of office. Section 25-1-19 requires bonds be approved by the governing authority and filed in the office of the municipal clerk.

The following list provides bond requirements for most municipalities. Other requirements may apply to special charter municipalities and officers in other positions.

Board or Council Members (Sec. 21-17-5)

- Lesser of \$ 100,000 or 5 % of Tax Collections

Officers and Employees Handling Money

- see statutes governing the form of government

(i.e., Section 21-3-5 for Code Charter, Sec. 21-8-23 for Mayor Council, Sec. 21-9-21 for Council Manager and Charter for Special Charter)

Municipal Clerk, City manager, Administrator, Chief Financial Officer (Section 21-15-38)

Deputy clerk (Section 21-15-23)

Chief of police (Section 21-21-1)

Deputy police (Section 45-5-9) (if hired under this law)

Mayor – No Bond Requirement

The new board should be aware that their oath and bond commits them to faithfully perform their duties subject liability upon their bond. They should be prepared to show they made a "Faithful Performance" effort to learn their duties.

10. TRAINING – INCOMING OFFICIALS:

The incoming board and officers (mayor, city clerk, police chief, fire chief, etc.) should be aware of their training opportunities and obligations. For example, Judicial College Training is required for court personnel and the municipality is prohibited from paying a court clerk whose training certification is not filed on the board's minutes (Sec. 21-23-12). Training is also required for law enforcement officers (Sec. 45-6-11).

- a. **Mississippi Municipal League** – offers training at conferences and conducts a Certified Municipal Officer program.
- b. **Center for Governmental Technology, MSU** – provides a Certified City Clerk program, and occasional designed training (new officials, etc.).
- c. **Miss. Association of Governmental Purchasing and Property Agents** – offers training for purchasing and property officers.
- d. **Miss. Judicial College, University of Miss.** – Trains court personnel.
- e. **Miss. Dept. of Insurance** – Trains fire fighters.
- f. **Board on Law Enforcement Officer Standards and Training** – establishes required training for law enforcement officers.
- g. **Other State Agencies – State Treasurer, Secretary of State, Dept. of Natural Resources, Health Dept., State Auditor, Attorney General, etc.** – offer training as required by law of need.
- h. **Other sources of Training** - (CPA firms, municipal organizations, federal government, etc.) also offer training beneficial to municipal personnel.
- I. **The State Auditor's Office** – may sponsor training programs and participates in programs sponsored by other.

11. TRAVEL AND EXPENSE AUTHORIZATION – INCOMING OFFICIALS:

The out going board may authorize training for incoming elected officials [Sec. 21-17-5 (4)]. This training may occur prior to taking office. Generally, the Miss. Municipal League holds its convention in early July of an election year for the benefit of the new officials.

The new board should know its travel to the convention must be officially authorized before travel reimbursable travel expenses are incurred (Sec. 25-3-41). Page III-A1 of the State Auditor's MAAG should be reviewed for travel procedures (<http://www.osa.state.ms.us/downloads.htm>).

12. INCOMING BOARD'S RESPONSIBILITIES:

Incoming officials are responsible for the faithful performance of their duties (Sec. 268 oath of office), effective when they take office. Potential liability also occurs at this point (Sec. 25-1-45).

This means the incoming board should review policies and contracts in effect when they take office. This review is to assure that operations are legal, and the conditions are right for the continued operation of the municipality.

The review should result in actions to (1) acknowledge the continuation of each policy or contract, (2) make changes to their terms, or (3) terminate the contract.

The review also includes inter local agreements (such as with the county to collect taxes/redemptions), continue or stop actions authorized by local and private bills, follow through with grant and loan initiatives, and pursue/change/terminate other government contracts.

Every effort should be made to identify all interest and positions of the municipality for evaluation.

Continued practice of business as usual may result in liability.

REVIEW AND VERIFY.