

**City of Hurley**  
**Resolution No. 16-07**  
**A RESOLUTION ENACTING AN INTERNAL CONTROL POLICY**

WHEREAS, the Hurley City Council wishes to implement an Internal Control Plan; and

WHEREAS, the Internal Control Plan will be utilized as a guide for the city's finances and controls as deemed appropriate by the City of Hurley.


NOW, THEREFORE, BE IT RESOLVED that the Hurley City Council hereby adopts, supports and will facilitate the Internal Controls Plan for the City of Hurley, including the following:

- 1) Classification of Employees
  - a. Tracy Hummel, City Clerk
  - b. Terry Johnson, Maintenance Supervisor
  - c. Marcy Hillman, Finance Officer
  - d. Marilyn Jorgensen, Librarian
  - e. Tom Nelson, Water meter reader
  - f. Seasonal employees
- 2) Internal Controls: Due to the size of the municipality the separation of duties to meet the guidelines of the OMB Circular A-133 are not met. The following are the internal controls used by the City of Hurley.
  - a. The City Clerk handles a majority of the incoming money through the Utility Billing (water/sewer) fees. In 2015, approximately 19% of the 191 active utility accounts have direct deposits of their payments, which reduces some of the money handled by the office. The money is deposited into the bank by the City Clerk, and the Finance Officer enters the receipt information and reviews the utility accounts monthly. The majority of any additional money (sales tax, county taxes) is deposited directly into the City's bank accounts by the County & State and is receipted by the Finance Officer.
  - b. Payroll – The Finance Officer prepares payroll, reviews each payroll report and cross-checks time cards. The Mayor and one city council member review and initial the payroll stubs and these amounts are added to the claims report, which is given monthly to the Mayor and each council member. Checks are delivered to each employee at the end of each payroll cycle.
  - c. Vendor checks – the City Clerk writes the vendor checks on a monthly basis and are reviewed and approved by the Mayor and City Council prior to mailing out. The City Council is given a report of all receipts and checks written monthly (claims listing), along with a list of each fund account and its' balance (Finance Report). This information is presented on a monthly basis. The Council also receives a Budget YTD monthly. Revenue/Expense report and an Expenditure Guideline by Department each month.
  - d. Petty Cash at City Hall is limited to \$100.00 for postage and small office supply purchases, reconciled by the Finance Officer. The only City employees allowed to remove cash are the City Clerk and Finance Officer. This petty cash is also used to make change for those paying their utility bills with cash.
  - e. Petty Cash for the Maintenance Supervisor is limited to \$50.00, and is to be used for postage of water samples (if necessary) and other miscellaneous expenses that may come up.

IN WITNESS THEREOF, I have hereunto set my hand this 12<sup>th</sup> day of December, 2016.  
CITY OF HURLEY

ATTEST:

  
\_\_\_\_\_  
Linda Nelson, Mayor

  
\_\_\_\_\_  
Tracy Hummel, City Clerk

(SEAL)

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