

**Prepared by:**  
**William F. Smith III**  
**City Attorney**  
**Russellville, AR 72801**  
**203 S. Commerce Ave.**  
**Sponsor: City Attorney**  
**NB#X**

**TITLE            CITY CODE FOR FISCAL AFFAIRS**  
**[Adopted by Ordinance No. 2520]**

**ARTICLE I            GENERAL**

**CHAPTER 1            GENERAL**

**ARTICLE II            FISCAL AFFAIRS**

- CHAPTER 1            RESERVED**
- CHAPTER 2            COMPETATIVE BIDDING CODE**
- CHAPTER 3            BUDGET LINE ITEM TRANSFERS CODE**
- CHAPTER 4            CAPITAL AND FIXED ASSETS CODE**
- CHAPTER 5            PROFESSIONAL SERVICES CODE**
- CHAPTER 6            ELECTRONIC FUND TRANSFER CODE**

## **TITLE - CITY CODE FOR FISCAL AFFAIRS**

### **ARTICLE I – GENERAL**

#### **CHAPTER 1 – GENERAL**

##### **SECTION 1: TITLE**

- 1.1** This Code shall be known as, referred to and cited as “The City of Russellville, Arkansas, Code for Fiscal Affairs.” Any reference to the word “Code” in this Chapter shall mean this Title and all Articles contained therein.

##### **SECTION 2: PRIOR ACTS OF THE CITY ELECTED OFFICIALS, CITY EMPLOYEES AND SAVINGS**

- 2.1** The repeal of any prior ordinance or portion thereof by adoption of this Code shall not affect or impair any act done or right vested or accrued before such repeal takes effect but every such act done or right vested or accrued shall remain in full force and effect to all intents and purposes as if such repeal had not taken place. No act or duty performed in the past by any City officials or employees shall be deemed invalid while the City officials or employees were operating under the authority of state law, prior ordinances or part thereof that are repealed by this Code. All acts prior to the passage of this Code viewed within all respects as if such prior ordinances or part thereof had not been repealed.
- 2.2** The repeal or amendment of prior ordinances does not release or extinguish any penalty, forfeiture, or liability incurred or right accruing or accrued under prior ordinances, unless the repealing or amending act so provides expressly. Those prior ordinances shall be treated as remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of the right, penalty, forfeiture, or liability.
- 2.3** The repeal of an ordinance shall not revive any ordinances in force before or at the time the ordinance repealed took effect. The repeal of an ordinance shall not affect any punishment or penalty incurred before the repeal took effect, nor any suit, prosecution or proceeding pending at the time of the repeal, for an offense committed under the ordinance repealed.

##### **SECTION 3: SEVERABILITY**

- 3.1** If any Code, Article, Chapter, Section, Subsection, Provision, Paragraph, Sentence, Clause, or Phrase of this Code is declared unconstitutional or invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining parts of this Code.

##### **SECTION 4: AMENDMENTS TO CODE.**

- 4.1** All ordinances passed subsequent to this Code which amend, repeal or in any way affect this Code, may be numbered in accordance with the numbering system of this Code and printed for inclusion herein. In the case of repealed titles, chapters, sections or subsections or any part thereof, by subsequent ordinances, such repealed portions may be excluded from the Code by omission from reprinted pages affected thereby.

- 4.2** Amendment to any of the provisions of this Code shall be made by amending such provisions by specific reference to the section number of this Code in the following language: "That section of the City of Russellville, Arkansas, Code for Offenses Involving Public Safety Code is hereby amended to read as follows:..." The new provisions shall then be set out in full.
- 4.3** In the event a new section not heretofore existing in this Code is to be added, the following language shall be used: "That the Code for Offenses Involving Public Safety is hereby amended by adding a section (or Codes or chapter) to be numbered which said section (or Code or chapter) reads as follows: The new provisions shall then be set out in full.
- 4.4** All sections, codes, chapters or provisions desired to be repealed must be specifically repealed by section, code, or chapter number, as the case may be.

## **SECTION 5: REPEALER**

- 5.1** Ordinance Nos. 939, 1216, 1595, 1783, 1926, 1986, 2032, 2051, 2099, 2199 and 2395 and Resolution Nos 801, 834, 1287 and 1823 are all hereby repealed in their entirety.

## **SECTION 6: DEFINITIONS**

The following definitions shall apply throughout this Title and Code:

- 6.1** "A.C.A." mean the abbreviation "A.C.A." means the Arkansas Code of 1987 Annotated, as amended or revised in the future.
- 6.2** "City", "municipal corporation" or "municipality" means the City of Russellville, Arkansas, a municipal corporation organized and incorporated under the laws of the State of Arkansas.
- 6.3** "City Council" or "Council" means the term "city council" or "council" means the City Council of the City of Russellville, Arkansas, organized as a Mayor-Council form of city government.
- 6.4** "Code" means a Code or all the various Codes contained in this Title.
- 6.5** "County" means Pope County, Arkansas.
- 6.6** "Person" means any individual person or a corporation, association, partnership, limited liability company, business trust, legal representative, organized group of individuals, or other entity, institution or organization, natural, business or legal, and commonly recognized by law as a unit.
- 6.7** "State" means the State of Arkansas.
- 6.8** "Title" means all of the Articles, Chapters, Subchapters, Sections and Subsections within this document.

## **SECTION 7: INTENT AND PURPOSE OF ARTICLE I AND CHAPTER 1**

- 7.1** It is the specific intent and purpose of the City that all of the Sections and terms found in Article I and Chapter 1 are to be applied throughout this Title and Code

to each Article, Chapter, Subchapter, Section, Subsection and every provision contained within this Title and Code.

## **SECTION 8: PROVISIONS CONSIDERED CONTINUATION OF EXISTING ORDINANCES**

- 8.1** The provisions of this Title and Code, so far as they are the same as ordinances existing at the time of adoption of this Title and Code, shall be considered as a continuation of such ordinances and not as new enactments.

## **SECTION 9: INTERPRETATION**

- 9.1** Unless otherwise provided herein, or by law or implication required, the same rules of construction, definition, and application shall govern the interpretation of this Title and Code as those governing the interpretation of state law.

## **SECTION 10: REFERENCE TO OFFICES, ETC.**

- 10.1** Reference to a public office or officer shall be deemed to apply to any office, officer, or employee of this municipality exercising the powers, duties, or functions contemplated in the provision, irrespective of any transfer of functions or change in the official title of the functionary.

## **SECTION 11: ERRORS AND OMISSIONS**

- 11.1** If a manifest error is discovered, consisting of the misspelling of any words; the omission of any word or words necessary to express the intention of the provisions affected; the use of a word or words to which no meaning can be attached; or the use of a word or words when another word or words was clearly intended to express such intent, such spelling shall be corrected and such word or words supplied, omitted, or substituted as will conform with the manifest intention, and the provisions shall have the same effect as though the correct words were contained in the text as originally published. No alteration shall be made or permitted if any question exists regarding the nature or extent of such error.

## **SECTION 12: ORDINANCES UNAFFECTED**

- 12.1** All ordinances of a temporary or special nature and all other ordinances pertaining to subjects not embraced in this Title and Code shall remain in full force and effect unless herein repealed expressly or by necessary implication.

## **SECTION 13: RULES OF CONSTRUCTION**

- 13.1** In the construction of this Title and Code, the following rules shall be observed, unless such construction would be inconsistent with the manifest intent of the City.
- 13.1.1** *Acts by assistants.* When a statute or ordinance requires an act to be done which, by law, an agent or deputy as well may do as the principal, such requisition shall be satisfied by the performance of such act by an authorized agent or deputy.
- 13.1.2** *Conjunctions.* In a provision involving two or more items, conditions, provisions or events, which items, conditions, provisions or events are

connected by the conjunction "*and*," "*or*" or "*either...or*," the conjunction shall be interpreted as follows, except that the terms "*and*" and "*or*" may be interchangeable when the context so requires:

**13.1.2.1** "*And*" indicates that all the connected terms, conditions, provisions or events apply.

**13.1.2.2** "*Or*" indicates that the connected terms, conditions, provisions or events apply singly or in any combination.

**13.1.2.3** "*Or, And.*" "*Or*" may be read "*and*", and "*and*" may be read "*or*" if the sense requires it.

**13.1.2.4** "*Either...or*" indicates that the connected terms, conditions, provisions or events apply singly but not in combination.

**13.1.3** *Delegation of authority.* A provision that authorizes or requires a city officer or city employee to perform an act or make a decision authorizes such officer or employee to act or make a decision through subordinates.

**13.1.4** *Gender.* Words of one gender include all other genders and to firms, partnerships, and corporations.

**13.1.5** *Generally.*

**13.1.5.1** When provisions conflict, the specific prevails over the general. All provisions shall be liberally construed so that the intent of the city council may be effectuated.

**13.1.5.2** Words and phrases shall be construed according to the common and approved usage of the language, but technical words, technical phrases and words and phrases that have acquired peculiar and appropriate meanings shall be construed according to such meanings.

**13.1.5.3** Provisions shall be interpreted and applied so as to be the minimum requirements adopted for the promotion of the public health, safety, comfort, convenience and general welfare.

**13.1.5.4** Grammatical errors shall not vitiate, and a transposition of words and clauses may be resorted to when the sentence or clause is without meaning as it stands.

**13.1.6** *Include, including.* The term "*include*," "*including*" or any other similar term of inclusion means without limitation or restriction.

**13.1.7** *May.* The term "*may*" is to be construed as being permissive and not as being mandatory.

**13.1.8** *May not.* The term "*may not*" has a prohibitory effect and states a prohibition.

**13.1.9** *Must.* The term "*must*" is to be construed as being mandatory and not as being permissive.

- 13.1.10** *Number.* Words used in the singular include the plural, and the plural includes the singular number.
- 13.1.11** *Oath.* The word "oath" shall be construed to include an affirmation in all cases in which, by law, an affirmation may be substituted for an oath, and in such cases the words "swear" and "sworn" shall be equivalent to the words "affirm" and "affirmed".
- 13.1.11** *Other City Officials or Officers.* Whenever reference is made to officials, boards, commissions, departments, etc., by title only, i.e., "clerk-treasurer", "police chief", etc., they shall be deemed to refer to the officials, boards, commissions and departments of the City.
- 13.1.12** *Shall.* The term "shall" is to be construed as being mandatory.
- 13.1.13** *Tenses.* The present tense of a verb includes the past and future tenses. The future tense includes the present tense, if applicable.

#### **SECTION 14: ALTERING CODE**

- 14.1** It shall be unlawful for any person to purposefully change or amend by additions or deletions, any part or portion of this Title and Code, or to insert or delete pages, or portions thereof, or to alter or tamper with said Title and Code in any manner whatsoever except by ordinance of the city council, which shall cause the law of the City to be misrepresented thereby.

#### **SECTION 15: REFERENCE TO OTHER SECTIONS**

- 15.1** Whenever in one section reference is made to another section hereof, such reference shall extend and apply to the section referred to as subsequently amended, revised, recodified, or renumbered unless the subject matter is changed or materially altered by the amendment or revision.

#### **SECTION 16: AUTHORITY**

- 16.1** The provisions contained within this Title and Code formerly, currently or hereinafter enacted are based upon, derive authority from and are enacted pursuant to any and all of the power and authority conferred upon cities by the Arkansas Constitution and by the Arkansas General Assembly through its statutes, including, but not limited to, all of Title 14 Local Government of the Arkansas Code specifically including but not limited to Subchapter 6, Power Over Municipal Affairs of Chapter 43 Government of Cities of the First Class, Chapter 54 Powers of Municipalities, Chapter 55 Ordinances of Municipalities, Chapter 58 Fiscal Affairs of Cities and Incorporated Towns Title 19 Public Finance Chapter 11 Purchasing And Contracts, Subchapter 8 - Procurement of Professional Services and any and all other state statutes or constitutional provisions that provide any authority to the City to enact ordinances, codes, or regulations within or referenced by the Title and Code. No specific reference to authority within any Title and Code Chapters or Section excludes the general authority of all state law and this Section.

## **ARTICLE II – FISCAL AFFAIRS**

### **CHAPTER 1 – RESERVED**

### **CHAPTER 2 – COMPETATIVE BIDDING CODE**

#### **SECTION 1: TITLE OF CHAPTER**

- 1.1** The title of this Chapter shall be known as, referred to and cited as “The City of Russellville, Arkansas Competitive Bidding Code (“Competitive Bidding Code”).”

#### **SECTION 2: FINDINGS, PURPOSE AND INTENT**

- 2.1** The General Assembly enacted Act 435 of 2021 (“Act 435”) which amended A.C.A. §14-58-303(b) raising the competitive bidding requirement of purchases of any purpose or contract by a municipality from twenty thousand dollars (\$20,000.00) to thirty-five thousand dollars (\$35,000.00).
- 2.2** Act 435 allows a governing body of a municipality to now waive the bidding requirement by resolution instead of by ordinance.
- 2.3** Act 435 also has a procedure which will refigure the competitive bidding requirement level every five (5) years based upon a percentage of the Consumer Price Index (“CPI”) that the Arkansas Department of Finance and Administration will provide each city of the first class of the new updated level.
- 2.4** Pursuant to the authority vested in the City of Russellville (“City”) by the State of Arkansas (“State”), it is the purpose and intent of this Code to declare that the City shall use competitive bidding on all purchases or contracts over \$35,000.00 or as the threshold is adjusted in the future by the CPI and that are not exempted by A.C.A. §14-58-104 or A.C.A. §19-11-801 *et seq.*, or controlled by A.C.A. §22-9-201 *et seq.*

#### **SECTION 3: AUTHORITY**

- 3.1** This Fiscal Affairs Code is approved, passed and established pursuant to the authority granted to the City of Russellville by the State of Arkansas under A.C.A. §§14-43-502, 14-43-601, 14-43-602, 14-54-103, 14-55-101, 14-55-102, 14-58-303 and 14-59-101 *et seq.*

#### **SECTION 4: PURCHASING AUTHORITY AND POLICY**

- 4.1** In accordance with the provisions of A.C.A. §14-58-303, the Mayor, or his or her duly authorized representative shall have exclusive power and responsibility to make purchases of all supplies, apparatus, equipment, materials, and other things requisite for public purposes in and for the City and to make all necessary contracts for work, labor to be done, or material or other necessary things to be furnished for the benefit of the City, or in carrying out any work or undertaking of a public nature therein
- 4.2** A.C.A. §14-58-303(b)(1)(A) directs the municipal governing body to provide by ordinance for the procedure of all purchases which do not exceed the sum of thirty-five thousand dollars (\$35,000.00).

**4.2.1** Therefore, it is the policy and procedure of the City of Russellville that the Mayor, or his or her duly representative, shall have exclusive power and responsibility of making purchases of all supplies, apparatus, equipment, materials and other requisite for public purposes for the City of Russellville where the total expenditure therefore is equal to or below the sum of thirty-five thousand dollars (\$35,000.00).

**SECTION 5: COMPETITIVE BIDDING; WHEN REQUIRED.**

**5.1** Where the amount of expenditures for any purpose or contract exceeds the sum of thirty-five thousand dollars (\$35,000.00), the Mayor or his or her duly authorized representative, shall invite competitive bidding thereon by legal advertisement in any local newspaper.

**5.1.1** Bids received pursuant to the advertisement shall be opened and read on the date set for receiving the bids in the presence of the Mayor, or his or her duly authorized representative.

**5.1.2** The Mayor, or his or her duly authorized representative, shall have exclusive power to award the bid to the lowest responsible bidder, but may reject any and all bids received.

**5.1.3** The governing body, by resolution, may waive the requirements of competitive bidding in exceptional situations where this procedure is deemed not feasible or practical by the City Council.

**SECTION 5: BILLS, DEBTS OR LIABILITIES.**

**5.1** The Mayor, or his or her duly authorized representative, may approve for payment out of any funds previously appropriated for that purpose, or disapprove any bills, debts or liabilities asserted as claims against the City, when funds of hand are adequate to pay such bills, debts or liabilities.

**5.2** The payment or disapproval of any bills, debts or liabilities not covered by a previous appropriation shall require confirmation of the governing body.

**SECTION 6: SELL OR EXCHANGE OF MUNICIPAL SUPPLIES, MATERIALS, OR EQUIPMENT WITHOUT COMPETITIVE BIDDING.**

**6.1** The Mayor, or his or her duly authorized representative, may sell or exchange any municipal supplies, materials, or equipment without competitive bidding if such supplies, materials or equipment have a value of less than twenty thousand dollars (\$20,000.00). No supplies, materials or equipment shall be sold without receiving competitive bids if the value thereof exceeds the sum of twenty thousand dollars (\$20,000.00); provided, however, if the Mayor shall certify in writing to the governing body that, in his or her opinion, the fair market value of such items or lot (to be disposed of in one unit) is less than twenty thousand dollars (\$20,000.00), the same may be sold by the Mayor without competitive bidding.

**SECTION 7: REVERSE INTERNET AUCTIONS**

**7.1** A.C.A. §14-58-303(c) allows for a city of the first class to participate in a reverse Internet auction for purchases which are not excepted by A.C.A. §14-58-303(a)

and (b) and §22-9-203 and which state by ordinance the procedures for participation in a reverse Internet auction.

**7.2** Therefore, it is the policy and procedure of the City of Russellville to participate in a reverse Internet auction for City purchases that provide the following:

**7.2.1** City bidders shall be provided instructions and individually secured passwords for access to the reverse Internet auction by either the City or the reverse Internet auction vendor;

**7.2.2** The bidding process shall be timed, and the time shall be part of the reverse Internet auction specification;

**7.2.3** The reverse Internet auction shall be held at a specific date and time;

**7.2.4** The reverse Internet auction and bidding process shall be interactive, with each bidder able to make multiple bids during the allotted time;

**7.2.5** Each bidder shall be continually signaled his or her relative position in the bidding process;

**7.2.6** City bidders shall remain anonymous and shall not have access to other bidders or bids; and,

**7.2.7** The governing body shall have access to real-time data, including all bids and bid amounts.

## **SECTION 8: COMPETITIVE BIDDING THRESHOLD ADJUSTMENT BY CPI**

**8.1** Beginning January 1, 2025, and on each January 1 at subsequent five (5) year intervals, the competitive bidding requirement level shall be adjusted to reflect the percentage increase in the Consumer Price Index for All Urban Consumers or its successor, as published by the United States Department of Labor for the five (5) years immediately preceding the percentage increase, and rounded to the nearest whole number.

**8.2** Following a percentage increase, the Arkansas Department of Finance and Administration (“DFA”) shall provide each city of the first class and Arkansas Legislative Audit (“ALA”) with the percentage increase and the corresponding updated level.

**8.3** Upon receipt of the percentage increase and corresponding updated competitive bidding requirement level from the DFA, the new competitive bidding requirement level shall take effect immediately, supersede the previous competitive bidding requirement level and become the new lawful competitive bidding requirement level for the five (5) year period for which the new competitive bidding requirement level was issued.

## **SECTION 9: SUBMITTED BIDS COLLECTED, KEPT AND OPENED**

**9.1** Every Department or Office of the City of Russellville which advertises for the invitation of bids for the purchase of services, goods or equipment when required to do so by state law or city ordinance shall state in any bid advertisement or

announcement for bidders to submit the proposed bids to: Director of Finance, 203 South Commerce Avenue, Russellville, Arkansas 72801.

- 9.2** The Director of Finance shall collect and keep all proposed bids for advertised or announced projects until the time for the opening of bids arrives. As such time at the place designated by the bid advertisement or announcement, the Director of Finance shall open the bids in presence of any and all bidders present, if they so wish, along with the director or official with which the department or office that solicited the bidding, and the Mayor or the Mayor's designee if they so choose.

## **CHAPTER 3 – BUDGET LINE ITEM TRANSFERS CODE**

### **SECTION 1: TITLE OF CHAPTER**

- 1.1** The title of this Chapter shall be known as, referred to and cited as “The City of Russellville, Arkansas Budget Line Item Code (“Budget Line Item Code”).”

### **SECTION 2: FINDINGS, PURPOSE AND INTENT**

- 2.1** The City Council of the City of Russellville finds that it is in the best interest of the City to allow City Departments and Offices to be able to transfer between line items listed in the Departments’ and Offices’ Operation and Maintenance Budget without Council approval to provide more flexibility for said Departments and Offices and to reduce City Council approval of routine transactions within an already approved budget.

### **SECTION 3: AUTHORITY.**

- 3.1** This Budget Line Item Code is approved, passed and established pursuant to the authority granted to the City of Russellville by the State of Arkansas under A.C.A. §§14-43-502, 14-43-601, 14-43-602, 14-54-103, 14-55-101, 14-55-102 and 14-59-101 *et seq.*

### **SECTION 4: DEFINITIONS**

The following definitions shall apply throughout this Code:

- 4.1** “*Capital Budget*” or “*Capital Fund*” - A budget or fund that plans for the purchase, maintenance, or improvement of the City’s fixed assets such as buildings, parks, and roads. This budget is a component of a capital improvement program or plan and includes significant expenses that are typically spread over several years.
- 4.2** “*Fiscal Year*” - A 12-month period used for accounting purposes and preparing financial statements. The City’s fiscal year aligns with the calendar year per state law.
- 4.3** “*Operation and Maintenance (“O&M”) Budget Section*”- The part of a Department’s or Office’s budget where revenue is allocated by the City Council to pay for the costs of materials, supplies and services that are normally used within the fiscal year such as the upkeep of property; the restoration required when assets are damaged but not replaced; utilities’ costs; inspecting and locating trouble areas, cleaning, contract labor and preventive work, replacement of minor parts and materials. O&M work is required to preserve or restore buildings, grounds, utilities, and equipment to its intended running condition so that it can be effectively used for its intended purpose.
- 4.4** “*Personnel Services Budget Section*” - The part of a Department’s or Office’s budget where revenue is allocated by the City Council to pay a Department’s or Office’s associated costs of providing the staff necessary to provide the desired levels of City services, including salary, retirement and benefits.
- 4.5** “*Revenue*” - The income that the City receives, which can come from various sources such as taxes, fees, grants, and interest on investments.

**4.6** “*Special Fund*” - Funds used to account for specific revenue sources that are legally restricted to expenditure for particular purposes. For example, revenue from the state for city streets fund may only be used for street improvements.

**4.7** “*Transfer*” - Transfers refer to the movement of money between different funds within the City’s financial accounts. These transfers are usually made to allocate resources appropriately, manage cash flow, support specific projects and ensure funds are available where they are needed most.

**SECTION 5: LINE ITEM TRANSFERS PERMITTED**

**5.1** All City Departments and Offices may transfer between line items listed in the Departments’ Operation and Maintenance Budget with approval by the Mayor but without the need of City Council approval.

**5.2** The Offices of Mayor, City Attorney, City Clerk-Treasurer, and District Court shall not need approval by the Mayor or City Council to transfer between line items listed the Offices’ Operation and Maintenance Budgets.

**SECTION 6: LINE ITEM TRANSFERS NEEDING CITY COUNCIL APPROVAL**

**6.1.** The following line item transfers shall need City Council approval before the Finance Department can transfer the propose transaction:

**6.1.1** Any line item transfer between line items within the Personnel Services of a Department’s or Office’s Budget.

**6.1.2** Any line item transfer from a Department’s or Office’s Personnel Services section of their Budget to their Operation and Maintenance section of their Budget.

**6.1.3** Any line item transfer from a Department’s or Office’s Operation and Maintenance section of their Budget to their Personnel Services section of their Budget.

**6.1.4** Any line item transfer a Department’s and Office’s Capital Budget or Special Funds Budget.

**6.2** Any transfer needing City Council authorization made without such authorization shall be hereby deemed null and void.

## CHAPTER 4 – CAPITAL AND FIXED ASSETS CODE

### SECTION 1: TITLE OF CHAPTER

- 1.1 The title of this Chapter shall be known as, referred to and cited as “The City of Russellville, Arkansas Capital and Fixed Assets Code (“Capital and Fixed Assets Code”).”

### SECTION 2: FINDINGS, PURPOSE AND INTENT

- 2.1 The Governmental Accounting Standards Board (“GASB”) is the recognized authoritative standard setting body for establishing generally accepted accounting principles for government.
- 2.2 The Governmental Accounting Standards Board previously issued a new statement (GASB #34) requiring local governments to account for infrastructure in the comprehensive annual financial report beginning with the fiscal year 2003 for the City to follow.
- 2.3 The City desires to comply with established governmental generally accepted accounting principles in the most cost-effective method that is practical.
- 2.4 The City also must comply with A.C.A. 14-59-107 pertaining to fixed asset records.
- 2.5 It is the desire of the City Council of the City of Russellville to define the term “Capital Assets”, and create a special fund called “Capital Assets Fund” to be used for the funding of capital assets and improvements as defined by this Ordinance

### SECTION 3: AUTHORITY.

- 3.1 This Capital and Fixed Assets Code is approved, passed and established pursuant to the authority granted to the City of Russellville by the State of Arkansas under A.C.A. §§14-43-502, 14-43-601, 14-43-602, 14-54-103, 14-55-101, 14-55-102 and 14-59-101 *et seq.*

### SECTION 4: DEFINITIONS

The following definitions shall apply throughout this Code:

- 4.1 “*Capital Asset*” – a long-term, tangible asset expected to be held for more than one year; depreciating over time; to be held for business or municipal use; not expected to be converted to cash in the current or upcoming fiscal year; and which meet a minimum monetary threshold amount as set out below in more detail. Capital Assets are land, land improvements, easements, infrastructure, equipment, vehicles, machinery, furniture, construction in process, buildings, and building improvements. The minimum monetary threshold amount to qualify as a capital asset is as follows:

Land	\$12,500	Infrastructure	\$ 50,000
Land improvements	\$12,500	Machinery	\$ 2,500
Easements	\$12,500	Equipment	\$ 2,500
Buildings	\$25,000	Vehicles	\$ 2,500

Building improvements \$25,000 Furniture \$ 1,000  
Construction in Progress \$25,000

- 4.2** “*Fixed Asset*” – for the purposes of A.C.A. §14-59-107, a fixed asset means an asset with a threshold value of \$5,000.00 or higher and a minimum lifespan of one (1) year or longer. [**Amended by Ordinance No. 2543-raised limit to \$5K**]
- 4.3** “*General Fund*” - The primary fund used by the city for which revenues and expenditures are not legally restricted for use.

**SECTION 5: REQUIREMENT TO INVENTORY, MAINTAIN AND ACCOUNT FOR A FIXED ASSET**

- 5.1** It is the policy of the City that any City Department or Office with a fixed asset as defined within this Code is required to inventory the fixed asset on a list to be submitted to the Finance Department. Said fixed asset is to be maintained and accounted for by the Department or Office to which the fixed asset in under the day to day management or ownership of until disposed of by the City Department or Office in accords with A.C.A. §14-54-302.
- 5.2** The financial accounting for fixed assets does not relieve department heads from the responsibility of controlling and accounting for materials and equipment that are valued under \$5,000.00. [**Amended by Ordinance No. 2543-raised limit to \$5K**]

**SECTION 6: PROCEDURE FOR REMOVAL OF FIXED ASSET FROM FIXED ASSET INVENTORY [Amended by Ordinance No. 2544-Added provision]**

- 6.1** In accounting terms, depreciation is the process of allocating the cost of tangible property over a period of time rather than deducting the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal original cost less salvage value. Good accounting and financial management practices require that a government entity take both the cost expiration and the declining value of an asset into consideration. The cost expiration of a government entity's assets must be recognized if the cost of providing services is to be realistically reported. Also, the decline in the value of those assets must be considered if the government entity's net assets are to be stated correctly.
- 6.2** To calculate depreciation on a fixed asset, the following five (5) factors must be known:
- 6.2.1** The date the asset was placed in service
  - 6.2.2** The asset's cost or acquisition value
  - 6.2.3** The asset's salvage value
  - 6.2.4** The asset's estimated useful life, and
  - 6.2.5** The depreciation method.
- 6.3** The fixed asset’s estimated useful life to be used for all fixed assets can be found in at [https://www.dfa.arkansas.gov/wp-content/uploads/p2\\_19\\_4\\_1503.doc](https://www.dfa.arkansas.gov/wp-content/uploads/p2_19_4_1503.doc). A

department shall consult the Finance Department for any fixed asset not found in the table to acquire the useful life time period to use for depreciation. The depreciation method that shall be used to depreciate all fixed assets is the straight line method.

- 6.4** Once a department's fixed asset's value depreciates below \$5,000.00, which is the threshold fixed asset inventory, the department may petition the Finance Department in writing to remove the fixed asset from the Fixed Asset Inventory by certifying that the fixed asset has depreciated below \$5,000.00 value.
- 6.5** The Finance Department shall verify the depreciation calculations from the Department and if verified as accurate, forward the petition to the Mayor for approval and then to the City Council for approval in the form of a resolution directing the removal from the City's Fixed Asset Inventory.
- 6.6** The fixed asset shall be removed from the City's Fixed Asset Inventory by the Finance Department and petitioning department once approval of the resolution by the City Council.
- 6.7** Any fixed asset on the City's Fixed Asset Inventory that is sold by the City shall be removed from the City's Fixed Asset Inventory upon completion of the transaction and delivery of the fixed asset to the buyer.

#### **SECTION 7: ESTABLISHMENT OF A CAPITAL ASSET FUND**

**[Amended by Ordinance No. 2544]**

- 7.1** The Finance Department is directed to establish and maintain a special fund named "Capital Assets Fund." The Finance Department on April 15, 2004, by Ordinance No. 1825 was directed to transfer the money from the \$500,000 no penalty for early withdrawal CD that is currently designated as part of the Emergency Reserve into the Capital Assets Fund to start the Fund.

#### **SECTION 8: USE OF CAPITAL ASSET FUND**

**[Amended by Ordinance No. 2544-Renumbered]**

- 8.1** All capital assets for the City of Russellville which meet the definition of capital assets as defined in this Code shall only be paid from the Capital Assets Fund upon authorization from the City Council.
- 8.2** Any action authorizing payment for any capital improvements from any other fund including the City General Fund shall be null and void.

#### **SECTION 9: ALLOCATION OF CAPITAL ASSET FUND**

**[Amended by Ordinance No. 2544-Renumbered]**

- 9.1** The Capital Assets Fund shall be funded during the annual budget process or during the fiscal year after the budget is passed by the allocation of funds from the City General Fund.

#### **SECTION 10: INTEREST ACCRUED FROM CAPITAL ASSETS FUND**

**[Amended by Ordinance No. 2544]**

- 10.1** Interest accrued from the Capital Assets Fund shall be transferred to the General Fund by the Finance Department.

## **CHAPTER 5 – PROFESSIONAL SERVICES CODE**

### **SECTION 1: TITLE OF CHAPTER**

- 1.1** The title of this Chapter shall be known as, referred to and cited as “The City of Russellville, Arkansas Professional Services Code (“Professional Services Assets Code”).”

### **SECTION 2: FINDINGS, PURPOSE AND INTENT**

- 2.1** It is the policy of the State of Arkansas and its political subdivisions that political subdivisions shall follow the procedures stated in this section, except that competitive bidding shall not be used for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.
- 2.2** A political subdivision of the state may elect to not use competitive bidding for other professional services not listed in subsection 2.1 of this section with a two-thirds (2/3) vote of the political subdivision's governing body.
- 2.3** The City previously declared financial bonding services and real estate appraisal services professional services by the two-thirds (2/3) vote and passage of Resolution Nos. 1287 and 1823, respectively.

### **SECTION 3: AUTHORITY.**

- 3.1** This Professional Services Code is approved, passed and established pursuant to the authority granted to the City of Russellville by the State of Arkansas under A.C.A. §§14-43-502, 14-43-601, 14-43-602, 14-54-103, 14-55-101, 14-55-102 and 19-11-801 *et seq.*

### **SECTION 4 PROFESSIONAL SERVICES DECLARED**

- 4.1** The City Council hereby declares upon a  $\frac{2}{3}$  vote of the Council that financial bonding services is a professional service as defined in A.C.A. §19-11-801 *et seq.*, and that the City may forego the use of competitive bidding for financial bonding services based upon the passage by a two-thirds ( $\frac{2}{3}$ ) vote of the City Council.
- 4.2** The City Council hereby declares upon a two-thirds ( $\frac{2}{3}$ ) vote of the Council that real estate appraisal services is a professional service as defined in A.C.A. §19-11-801 *et seq.*, and that the City may forego the use of competitive bidding for real estate appraisal services based upon the passage by a two-thirds ( $\frac{2}{3}$ ) vote of the City Council.
- 4.3** The City Council hereby declares upon a two-thirds ( $\frac{2}{3}$ ) vote of the Council that economic development services and projects are professional service as defined in A.C.A. §19-11-801 *et seq.*, and that the City may forego the use of competitive bidding for real estate appraisal services based upon the passage by a two-thirds ( $\frac{2}{3}$ ) vote of the City Council. **[Added by amendment via Ordinance No. 2524]**

**CHAPTER 6 – ELECTRONIC FUND TRANSFER CODE**  
**[Adopted by Ordinance No. 2547]**

**SECTION 1: TITLE OF CHAPTER**

- 1.1** The title of this Chapter shall be known as, referred to and cited as “The City of Russellville, Arkansas, Electronic Fund Transfer Code (“EFT Code”).”

**SECTION 2: FINDINGS, PURPOSE AND INTENT**

- 2.1** Act 138 of 2019, §2, amended A.C.A. §14-59-105(e)(1)(C) which requires municipalities of the state to develop written policies and procedures to ensure that the electronic funds payment system provides for internal accounting controls and documentation for audit and accounting purposes.
- 2.2** The City previously passed Resolution No. 1840 which adopted the written policies and procedures to ensure that the electronic funds payment system provides for internal accounting controls and documentation for audit and accounting purposes.
- 2.3** The Finance Department has proposed the policies adopted by Resolution No. 1840 be adopted by ordinance as recommended by the state legislative audit.
- 2.4** These policies are to ensure Electronic Funds Transfers (EFTs) and Bank Wire Transfers are approved before they are initiated and executed with all of these processes being conducted in a secure manner.
- 2.5** A wire transfer of funds in payment of an obligation of the City of Russellville will only be used when the situation requires immediate funds to settle a transaction. A Wire Transfer Request form must be approved by the Mayor or his designee before the bank transaction can be enacted. A second authorization is required by the Director of Finance.

**SECTION 3: AUTHORITY.**

- 3.1** This EFT Code is approved, passed and established pursuant to the authority granted to the City of Russellville by the State of Arkansas under A.C.A. §§14-43-502, 14-43-601, 14-43-602, 14-54-103, 14-55-101, 14-55-102 and 14-59-101 *et seq.*

**SECTION 4: PROCESS.**

- 4.1** The Wire Transfer Approval Form will be prepared by the Staff Accountant. Documentation required to be attached to the form is the approved invoice or payment request.
- 4.2** The Staff Accountant presents to the completed form to the Director of Finance. Once that approval signature is received, the documentation is presented to the Mayor or designee for approval.
- 4.3** Once authorization is received, the Staff Accountant travels to the bank to complete the wire transfer.

- 4.4 The Staff Accountant signs the wire transfer when completed and enters the check number for the transaction to confirm the activity has been entered into the accounting system.
- 4.5 The completed form and all of the documentation will be stored with the payable check documents for the date the wire transfer was completed.

**SECTION 5: FORM.**

- 5.1 The form to be used for all wire transfer approvals shall be the following:

**CITY OF RUSSELLVILLE**  
**Wire Transfer Approval**

I, \_\_\_\_\_, Mayor of Russellville Arkansas or my designee, authorize the following wire transfer from City Bank Account on the following date:\_\_\_\_\_.

I, \_\_\_\_\_, Director of Finance for the City of Russellville, Arkansas, authorize the following wire transfer from City Bank Account on the following date:\_\_\_\_\_.

This wire transfer transaction is required because immediate payment is required to complete a purchase transaction and the circumstances prohibit creation of a physical check.

Payee: \_\_\_\_\_ Bank: \_\_\_\_\_  
Amount: \_\_\_\_\_ Bank Account: \_\_\_\_\_

I, \_\_\_\_\_, Accountant for the City of Russellville Arkansas confirms the wire transfer has been completed. The wire transfer has been entered as check number in MIP Accounting system.

**When completed:**

- Attach a copy of the wire transfer form completed by the bank.
- Attach a copy of the approved invoice/payment request is attached.
- Attach a screen shot of the wire transfer transaction from on line banking data.
- Attach a copy of the check entered into MIP.

**SECTION 6: REPEALER.**

- 6.1 Resolution No. 1840 and any other prior resolutions or ordinances in conflict with this EFT Code are hereby repealed in their entirety.