

# DOWNTOWN MANISTEE

— *michigan* —

*The Mission of the Manistee Downtown Development Authority is to foster the development and promotion of an identifiable and attractive downtown area that will strengthen business and a sense of community ownership.*

Manistee DDA Banking and Accounting Controls and Procedures

## **Rules Governing the Manistee, Michigan Downtown Development Authority (Board)**

### **Article VIII: Books and Records**

#### **Section 1. Books and Records**

The Authority shall keep correct and complete records of books and accounts and minutes of the meetings. The records shall be kept at the principal office of the Authority, which will have a record of the names and addresses of the members of the Authority. All books and records of the Authority shall be open to the public. An annual audit by an independent certified public accountant will be conducted.

The Manistee Downtown Development Authority is a government entity under a local government under Michigan Law Act 197 of 1975. The Manistee Downtown Development Authority is directed by a board of nine (9) members in which all direction and decision must be made through operations under the City of Manistee and the State of Michigan. All financial decisions are made by the Manistee Downtown Development Authority (Board) and executed through staff and contracted parties.

#### **Financial Procedures and Processes for the Board:**

- City Council is responsible for approving the updated Development Tax Increment Financing Plan indicating projects for funding.
- City Council approval includes two separate public hearing and work session decisions.
- City Council is responsible for the Board's annual budget.
- The Board's approval of the annual budget includes a public hearing.
- The Board is responsible for approving an annual budget.
- The Board is responsible for approving the monthly financial statements.

- All amendments to the budget must be approved by the Board.
- The Executive Committee must include a voted-on Treasurer.
- The Executive Committee is made up of four members: Chair, Vice Chair, Treasurer, and Secretary. These members are voted on by the board and must have updated signature cards prepared for each bank account for each change made to the committee. These members are the only four members authorized to sign checks and authorize payment through these signatures.
- Each Committee must submit budget updates. Event Committees at one year out, and six months out for board review. Organizational committees have a budget review each month at the monthly board meeting.
- If the board has authorized a contracted party, has an event committee or designated committee responsible for a particular project, in which the Manistee DDA has allocated funds, the project manager responsible for the project or committee chair MUST authorize payment indicating proper RFP procedures, received service or product. Only projects and events authorized by the board are eligible for this process. The project manager or committee chair must indicate to the Executive Director that the invoiced amount of product or service has been executed and the amount or financial authorization. No project manager or committee chair has powers to authorize funds over the board's budgeted amount.
- The Executive Director must record all financial information for pay authorizations including Name, address, amount, account number, reason requested, invoice number, invoice date, requested by party, Executive Director review with statements. The Executive Director is responsible for sharing the pay authorization information with the Board accountant for recording and check creation.
- The Executive Director must record all financial information for deposits including check number/cash, amount, reason, check date, account number, class, received by, Executive Director review with statements.
- The accountant is a Certified Public Accountant.
- All bank accounts are reconciled without interference with the accountant. Accountants have access to most accounts online for inputs and recording.
- The accountant is responsible for check creation from the direction of the Executive Director.

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## **Policy 001 Travel & Training Expense Reimbursement**

The DDA Travel and Training Expense Reimbursement Policy shall govern all employees, Board Members, and volunteers on official business for the DDA. It is the intent of this policy not to restrict travel for DDA business, but to clearly define reimbursable costs associated with travel.

All travel and training expenses will be on a reimbursement basis or a pre-approved Travel and Training Form must be completed and approved by the Board. Sound business judgment should be used when incurring travel or training expenses. While it is recognized that expenses will vary with each trip or meeting, any display of extravagance in dining or other expenses should be avoided. Current tax laws do not allow for “lavish or extravagant business meals and entertainment.” Expense reports should not include any personal expenses.

**Receipts:**

Original receipts must be furnished. If a receipt has been lost or not available, a written explanation by the employee, Board Member or volunteer substantiating the expenditure and explaining the lack of receipt shall be provided. The DDA Chair must sign off on lost receipts. Receipts should be detailed as possible.

**Non-allowable items for reimbursement:**

Only authorized DDA business expenses will be reimbursable. The following items are not considered reimbursable: fines for traffic or parking violation; personal mileage; personal vehicle expense such as gas, oil changes, etc.; spouse’s travel unless approved by the DDA Board; meals in the home area of the Manistee DDA office unless attending an authorized business meeting or conference.

**Charging expenses to the DDA:**

No employee, Board Member or volunteer shall charge directly to the DDA any expenses incurred while traveling. No employee, Board member, or volunteer shall send lodging, car rental, air fare bills to the DDA for payment. All expenses should be paid for by the individual and obtain reimbursement from the DDA upon submission and approval of an expense report. An exception is made for conference expenses.

**Travel**

**Mileage:**

The DDA does not have a company vehicle and use of a personal vehicle for DDA business will be reimbursed at the current IRS rate based upon submission of actual receipts.

**Meal Reimbursement:**

The DDA will provide a reimbursement to cover the actual cost of meals incurred for DDA business. Eligible expenses include meals where the employee, Board Member, or Volunteer attendance is necessitated by their DDA position. Reimbursement of meals will be based upon submission of actual receipts. Alcoholic beverages are not reimbursable. The amount spent for meals should be in keeping with what the employee, Board Member or volunteers would spend if they were traveling on personal matters. The cost of meals should be reasonable.

**Lodging:**

The maximum expense for lodging will be the single occupancy room rate per day. Lodging must be reasonable for the location. Only the actual lodging expenses paid are reimbursable with a receipt. Long distance calls should be made by cell phone and not charged to the hotel room. If the hotel phone must be used for long distance calls, only Those charges related for business purposes only will be reimbursed.

### **Conference Expenses:**

Many conferences include meals and lodging in a package, as part of the conference expense. These amounts will be prepaid by the DDA as part of the conference registration package and are not eligible for reimbursement. A copy of the conference registration and agenda are required when submitting a reimbursement request due to attendance of a conference. Anyone attending a conference with the expectation of expenses incurred to be reimbursed by the DDA must have a Travel and Training Request form filled out and approved by the Board.

### **Travel and Training Eligibility:**

Training for employees, Board Members and volunteers requires Board approval. All Out of State travel by the DDA employees, Board Members or volunteers shall be approved by the DDA board in advance. DDA board members and DDA volunteers are eligible to participate in training sessions related to DDA activities with advanced approval by the DDA board. All training and travel requiring Board approval must fill out a Travel & Training Request Form to be approved by the Board.

### **Air Travel:**

Any air travel must be pre-approved by the Board and will only be reimbursed for coach seats. If no coach seats are available or other flights which cannot be scheduled without delay or disruption of the business event, approval from the DDA Chair must be obtained to book non-coach seats.

## **Policy 002 -Purchasing Goods or Services for Organization**

It is the general intent and purpose of this policy to assure that purchasing of goods and services for the DDA results in the most economical and/or advantageous procurement in accordance with sound purchasing principles. All purchases, regardless of size, shall be covered by this principle. It is also the intent of this policy that the DDA will attempt to purchase goods and services from businesses located within the City limits when the price, quality, service and other relevant factors relating to the goods and services are comparable with out-of-town businesses.

### **Budgetary Control:**

All purchases must be in accord with approved budgetary allocations and policies.

### **Interpretation of Policy Provisions:**

It is recognized that on occasion, there may be a question as to the application of this policy to a particular purchasing situation or circumstance. In these cases, the affected committee chair shall consult with the DDA Director to determine the appropriate course of action.

### **Internal Purchasing Procedures:**

The DDA Director shall establish the necessary practices and procedures to ensure that the general intent and specific provisions of this policy are adhered to.

### **Purchasing Practices and Methodologies:**

This policy recognizes the need to use a variety of purchasing techniques in order to obtain the product or service that is in the best interest of the DDA. Depending on the situation, one or more of the following techniques may be used:

- a. A General-Purpose Purchase (GPP) is a purchase arising in the normal course of day to day operations. These purchases should be evaluated based on the price, quality, service,

and other relevant factors. If the relevant purchasing threshold is met quotes may be required, as specified below.

- b. A Request for Bids (RFB) is a technique whereby the DDA develops detailed specifications for a particular good or service and solicits sealed bids from vendors.

Committee Chairs or DDA Director shall prepare plans and specifications which identify the goods or services desired in sufficient detail to permit the receipt of competitive bids. Copies of the bidding documents shall be mailed or sent electronically to a reasonable number of known vendors who provide this good or service. Sealed bids will be accepted until the date and time specified in the bid documents. Bids will be opened by the DDA Director. A record of all bids received shall be kept and filed with the paid invoice in the DDA office.

**Purchasing Approval Levels:**

- a. Purchasing Goods or Services of \$1,000 or Less. Committee Chairs and DDA Director are authorized to purchase goods and services with a budgeted value of \$1,000 or less exercising sound judgment in the best interest of the DDA. Such purchases will generally be made in the local market area.
- b. Purchasing Goods or Services between \$1,000 to \$2,000 Committee Chairs and DDA Director are authorized to purchase goods or services with a budgeted value between \$1,000 to \$2,000 based on quotes received from known vendors. At least three quotes must be solicited unless fewer known vendors supply the required goods or services. The quote deemed most advantageous to the DDA, considering price, quality, service, and other relevant factors will be accepted. While written quotes are generally required, it is recognized that verbal or telephone quotes are sometimes necessary. In that event, the verbal or telephone quotes shall be recorded in writing. All quotes received, whether written or recorded verbal, will be submitted to the DDA office and filed with the paid invoice.
- c. Purchasing Goods or Services More Than \$2,000. Any acquisition anticipated by the DDA with an estimated value of \$2,000 or more shall be subject to an extended purchasing practice, unless otherwise addressed in this policy. The DDA Director shall determine the preferred extended purchasing practice in consultation with the affected Committee.

**Budgeted Goods or Services:**

For those items that are specifically identified in the DDA budget, the DDA Director may purchase those goods or services without DDA Board approval even if it exceeds \$2,000. Purchasing thresholds established in above will still be required. If through the purchasing thresholds process the goods or services exceed \$2,000 and is more than 10% above the budgeted amount, DDA Board approval will be required.

**Vendors of Record:**

It is recognized that it can be advantageous to the DDA to enter into long-term, negotiated agreements with vendors to supply goods and services. The DDA Director shall recommend to the DDA Board which goods or services should be procured in this fashion. A Vendor of Record (VOR) shall be chosen through an extended purchasing practice. All VOR agreements shall be reviewed by the DDA Director Attorney prior to consideration by the Board. The VOR agreement shall specifically identify what goods and services will be provided, and when the DDA may go outside of the VOR agreement for these goods and services.

**Awarding of Bids and Contracts:**

DDA Board shall award all purchases, bids and contracts which exceed \$2,000 and all Vendor of Record Agreements regardless of value. The DDA reserves the right to accept any or all quotes or bids and/or waive any irregularity or defect if deemed to be in the best interest of the DDA.

**Emergency Purchases:**

In case of an emergency which requires the immediate purchase of supplies or contractual services, the DDA Director shall be empowered to purchase on the open market, under the most advantageous arrangement, for any necessary contractual services or supplies. Emergencies are generally, but not exclusively, limited to those situations that threaten the health, welfare, safety and well-being of the community. A full report of the circumstances of an emergency purchase shall be provided to the DDA Board and be filed with the paid invoice.

**Exceptions to Purchasing Thresholds:**

The following items and situations are exempt from the specific guidelines established under the purchasing thresholds. However, all exempt purchases are expected to comply with the general intent of the policy:

- Emergency purchases
- Purchases of goods & services as specified under a Vendor of Record agreement
- Utilities, including but not limited to, electricity, gas, phone, water,
- Insurance renewals
- Change orders, additions or extensions to existing contracts where the DDA Director determines that such action is reasonably necessary to meet the intent of the contract to be performed, and the amount is within 10% of the project or up to \$5,000, whichever is less.
- Vendor specific software or hardware maintenance agreements and additional modules on existing software

**Policy 003 - Strategic Planning Retreat for Board**

Every year the DDA Board will hold a strategic planning meeting to discuss upcoming projects and events of the coming fiscal year and set strategic objectives. The Mission and Vision Statement will be reviewed to verify that both are accurate to the current program and that the organization is on course to achieve the vision and mission set by the strategic objectives.

**Date:**

The date for the Strategic Planning Retreat will be held in January of the current fiscal year to set the next fiscal year objectives, goals and events. The strategic goals will be distributed to the committees in February to form action plans and budget development.

**Location:**

To be determined by the current DDA Director and Chair.

**Attendants:**

All DDA Board members are required to attend. The board may elect to have stakeholders of the downtown community including but not limited to business and property owners; City Council Members and/or Staff; County Commissioners and/or Staff; DDA committee members; interested community members; and residents of the downtown.

## **Policy 004 - DDA Annual Budget process**

The fiscal year of DDA shall coincide with the City of Manistee's fiscal year which is from July 1st to June 30th. The budget shall be created mainly from the work plans generated by the four committees. The DDA Director is responsible for completing and submitting an annual budget to be approved by the Board of Directors. The approved DDA budget should be submitted to the City of Manistee finance director by mid-April to be included in the Manistee City Council budget packet. Work Plans: In December, the committees will receive the next fiscal year objectives and plans from the strategic planning session held by the DDA Board. Each committee will create work plans to support the strategic plan and their committee objectives. The work plans will then be forwarded to the DDA Director by February 1st. The DDA Director will accumulate the plans into the budget to be submitted to the DDA Board for review at their February meeting. The DDA Board will then approve projects and events based on expected revenues in the coming fiscal year.

### **Budget:**

The DDA Director at the direction of the Board Treasurer shall create and update the budget from the DDA Board approved work plans. In addition to the work plans the budget will utilize the prior year's financial reports, contracts, other known expenses, ect to develop the upcoming year budget. The DDA Director will submit the budget to be reviewed by the DDA Board of Directors at their March meeting. The DDA Directors must have an approved budget to be submitted to Council by mid-April.

### **Council Meeting:**

The DDA Director, Chair and Board members are required to attend the Council Meeting in which the DDA budget will be discussed.

Policy 005 - Communication of the Organization to Public - Approved

Policy 006 - Committee Chairs serving as Board Members - Approved

Policy 007 - Revenues of Fundraising Projects and Events - Approved

Policy 008 - Use of River Street Community Forum - Approved

Policy 009 - Use of Manistee Main Street DDA Logo - Approved

Policy 010-Website Updates and Programs -Approved

Policy 011 - Facebook and other social Media outlets – Approved

## **Policy 012 - DDA Sponsored Food Events**

Events that serve foods to the public must be compliant with Michigan Food Law. Generally, foods need to be prepared and served in/from a licensed/inspected food service preparation facility by trained individuals. However, Michigan law allows for “home prepared foods” as an exemption, under the following conditions:

- 1) The food is provided by a not for profit organization. (As a governmental entity, the DDA is considered a not for profit organization)
- 2) The event must be a fundraiser.
- 3) The not for profit organization assumes liability for the food being served.

DDA Food Events need to be conducted in the following manner in order to be compliant with the law. Each event with “home prepared food” shall:

- 1) Have a sign describing the “fundraising” event at each food location) Have a donation bucket for receiving donations at each food location
- 2) Have a publicly displayed list of all ingredients for each food item served (i.e. allow the public to avoid items they may be allergic/sensitive to)
- 3) Have the DDA Board’s approval (and therefore acceptance of the liability) for the “home prepared food” fundraising event

**Policy 013 – DDA Standing Committees** Standing Committees are an integral part of how the Manistee DDA operates. It is the intent of this policy to provide guidance as to how standing committees are structured and function. The committees shall be reviewed and priorities established by the Board at the annual Strategic Planning Meeting. The standing committees shall include: The Design Committee, Re-development Committee, Business Development Committee, and the Marketing & Promotions Committee.

No fewer than five (5) committee members shall serve on each committee. No more than three (3) Board members of the Board shall serve on one committee with the understanding there is an open invitation to the Board Chair to join the committee. The Chairperson of each committee shall be a Board Member. The Executive Director shall act as a permanent consultant to each committee and shall be in regular attendance to all committee meetings.

The Chairperson of each committee shall be nominated by the DDA Board Chair and approved by the DDA Board. Committee Chairs shall be reviewed and approved in conjunction with the review of committees at the annual Strategic Planning Meeting. Committee members may be anyone residing in the immediate Manistee area and must express an interest in participation in strengthening the downtown district. Committee members shall be appointed by each Committee Chair with the consent of the DDA Chair. It is the responsibility of the Committee Chair of each committee to keep a record of approved committee members, which shall be kept on file with the Executive Director. Meeting shall be open to the public.

Standing committees shall determine and schedule their meeting times, dates (minimum of monthly) and locations; consult with outside sources; interface with other city appointed Boards and Commissions for an exchange of ideas that would then be presented to the Board prior to any action of the Board.

The duties of the committees are to notify the Executive Director and DDA Chairperson of all meeting times, dates and locations; keep written minutes of each meeting to be filed with the Manistee DDA; keep the Executive Director informed of the events of each meeting; fulfill charges of and answer to the Manistee DDA Board of Directors; present monthly committee reports at board meetings; act in the best interest of the Manistee DDA at all times.

### **Policy 014 – Liquor License Process**

- 1) Contact the Michigan Liquor Control Commission (MLCC), per their request, and document that the applicant has attempted to secure an on-premise escrowed license or quota license issued under section 531 of the Liquor Control Act.



- 2) Submit Redevelopment Liquor License Application and demonstrate investment into the property of at least \$75,000 and minimum seating of 25 people to the DDA with a \$500.00 reimbursable check.
- 3) DDA Director documents total investment within the DDA district over the preceding 5 years and obtains a certified affidavit from the City Assessor, original affidavit of resolution establishing the district, and a map of the DDA district.
- 4) DDA Director submits an application to the Public Safety Director for review.
- 5) DDA Director submits resolution to City Council.
- 6) A copy of the resolution is sent to the applicant and to the MLCC.
- 7) The applicant then submits an application for a Class C License with the resolution to the MLCC and the MLCC advises the applicant on next steps.
- 8) After a period of one year the \$500.00 check is reimbursable.

### **Policy 015 – Fund Balance**

The intent of the DDA Board is to maintain a minimum of 20 percent of the next fiscal year's budgeted revenues as fund balance. Additionally, the DDA Board will use a separate banking account to hold designated funds; for example, Land Acquisition funds, Façade Grant funds, Revolving Loan funds, and Downtown Dollars.