

# TUALATIN VALLEY FIRE AND RESCUE

## BUDGET and FINANCE

### SECTION 3

<u>SECTION</u>	<u>PAGE</u>
3.1	Adoption of Financial and Budget Policies .....3
3.2	Formulation of District Budget .....4
3.3	Budget Committee - Membership and Responsibilities .....5
3.4	Budget Administration .....6
3.5	Depositories and Disbursement of Funds .....8
3.6	Investment Policy Statement for Short Term Operating Funds and Capital Funds ...9
3.7	Purchase and Sale of Real Property.....14
3.8	Power of District to Sell Bonds / Borrow Funds .....15
3.9	Fund Balance Policy and Flow of Resources .....16
3.10	System of Accounts .....17
3.11	Audit .....18
3.12	Property Inventory .....19
3.13	Property Appraisal .....20
3.14	Disposal of Surplus Property .....21
3.15	Risk Management and Insurance Program .....22
3.16	Agent of Record .....25
3.17	Credit Cards .....26
3.18	Business Travel .....27
3.19	Pension Plan Administration .....28

## SECTION 3 (Continued)

3.20	Volunteer LOSAP Administration .....	29
3.21	Deferred Compensation Administration .....	30
3.22	Reimbursement Plan Authorization Under IRC Section 125 Plan .....	31
3.23	Right to Discipline Acts of Fraud .....	32
3.24	Policy Approval .....	33

## SECTION 3.1

## ADOPTION OF FINANCIAL AND BUDGET POLICIES

- A. The District shall be responsible to develop and maintain policies in the following areas:
  - 1. Financial planning and budget policies
  - 2. Revenue policies
  - 3. Expenditure policies
- B. Such policies shall be reviewed annually and adopted or affirmed by the Board of Directors during the budget process.

### REFERENCES:

National Advisory Council on State and Local Budgeting  
Government Finance Officers Association

DATE: December 14, 2004

REVISED: March 16, 2010

REVIEWED: June 24, 2025

## SECTION 3.2 FORMULATION OF DISTRICT BUDGET

- A. The adopted budget document shall serve as the financial plan of operation and provide guidelines for carrying out the goals and objectives of the District.
- B. Within the budget process, the Board shall:
  - 1. Designate the District budget officer. (ORS 294.331)
  - 2. Approve budget committee members. (ORS 294.414)
  - 3. Conduct the budget hearing. (ORS 294.453)
  - 4. Adopt the budget, make appropriations, declare and categorize property tax amounts or rates. (ORS 294.456)
- C. The District's budget shall be prepared and adopted in full compliance with State of Oregon local budget law.
- D. The District's balanced budget policy is that a budget is considered balanced when the funds' total resources of beginning fund balance, revenues, and other financing sources are equal to the total of expenditures, other financing uses, and ending fund balance.
- E. The District shall develop its budget based on a responsible financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, cash management, and investment policies, programs and assumptions.
  - 1. Adopted budgets for the District shall be structured to achieve actual and forecasted results of operations that will meet long-term financial plans. The District's ending fund balance in the General Fund shall remain sufficient to meet five months of operating costs. District management will monitor revenues and budgeted expenditures during the year to ensure sufficient ending reserves are maintained.
  - 2. District staff shall ensure that sufficient reserves exist in each fund to equal or exceed the balances needed to meet or exceed requirements of that fund. This includes the reserve of at least five months of the current year's estimated expenditures in the General Fund.
  - 3. Fund balances in other funds must meet the demands of current and future obligations of each fund, including, but not limited to:
    - a. Projected capital replacement including apparatus, building construction, and repair and maintenance.

### LEGAL REFERENCES:

ORS 294.305 to ORS 294.565

SECTION 3.2 FORMULATION OF DISTRICT BUDGET (continued)

DATE: September 24, 1996

REVISED: June 25, 2013

REVIEWED: June 24, 2025

## SECTION 3.3

## BUDGET COMMITTEE - MEMBERSHIP AND RESPONSIBILITIES

- A. The Budget Committee shall consist of the five members of the Board of Directors and five appointed community members. Appointed members shall be citizens from the community and shall not be affiliated with the District as an employee, volunteer or immediate family member of an employee or volunteer. (ORS 294.414[2,4])
- B. The Budget Committee shall receive no compensation for their services as members of the committee. (ORS 294.414[3])
- C. Terms of the appointed community members shall be three years, and shall be staggered. (ORS 294.414[5])
- D. At its first meeting after appointment in each budget year, the Budget Committee shall select a chairperson from its membership. (ORS 294.414[9])
- E. The Budget Committee shall hold one or more meetings to:
  - 1. Receive the budget message and document (ORS 294.403), and
  - 2. Provide the citizens of the District an opportunity to comment and ask questions on the budget. (ORS 294.426)

## LEGAL REFERENCES

ORS 294.414  
ORS 294.403  
ORS 294.426

DATE: September 24, 1996

REVISED: June 25, 2013

REVIEWED: June 24, 2025

## SECTION 3.4 BUDGET ADMINISTRATION

- A. The adopted budget is the financial plan developed to carry out the programs supporting the District's goals and objectives. No greater expenditure of public money shall be made for any specific purpose other than the amount appropriated, unless authorized by the Board of Directors. (ORS 294.456)
- B. The District shall expend monies only in compliance with ORS 294.305 to ORS 294.565. (ORS 294.338, ORS 294.456)
- C. Transfers of appropriations from one fund to another or within a fund shall take place only when authorized by board resolution or adoption of a supplemental budget. (ORS 294.463)
- D. Loans from one fund to another should be made only with authorizing resolution of the Board of Directors. (ORS 294.468)
- E. The Board of Directors authorizes the Fire Chief, or the Fire Chief's designee, to enter into public contracts without prior approval of the Board, provided such contracts do not exceed \$100,000 and are within budget parameters. The Board shall be informed at the next regularly scheduled board meeting if a public contract exceeds the \$100,000 limit solely as a result of change orders, when the contract is not one described in F. below.
- F. Purchases and contracts that are not subject to competitive bidding requirements, including contracts entered into by direct appointment or extended as allowed by the contract, and that are within budgeted parameters, may be entered into by the Fire Chief, or designee, without further approval by the Board. These items include, but are not limited to, employee insurances, including Workers' Compensation, Union Health Trust, medical, dental, or life; taxes and PERS payments; investments purchases as authorized by Board Policy 3.6, or other adopted investment policies; personal service contracts within contracted amounts for legal services, medical supervision services, dispatch data, video and voice connectivity; and property and liability insurance purchases. The Board of Directors shall be informed at the next regularly scheduled Board meeting of any expenditures in excess of \$100,000 made under this paragraph in these areas that are not expected to be within budgeted parameters.
- G. The Board will be provided financial reports on a regularly scheduled basis in which revenues and expenditures will be compared with budgeted appropriations.

SECTION 3.4 BUDGET ADMINISTRATION (continued)

- H. In the event of an emergency, natural disaster or calamity, expenditures or authorization to borrow money not contemplated in the budget shall be authorized by:
1. The Board of Directors by resolution, or
  2. The Fire Chief, the Fire Chief's successor by written order, or the Fire Chief's designee in the event prompt action is necessary to protect the public health or safety following such an emergency, when it is not practical to convene a meeting of the Board of Directors. (ORS 294.481)
  3. The Fire Chief, the Fire Chief's successor, or the Fire Chief's designee shall have authority to approve and execute contracts in any amount without approval of the Board; provided, however, that the Fire Chief or the Fire Chief's successor shall make all reasonable efforts to obtain approval of the Board President before entering into a contract in excess of \$100,000.

LEGAL REFERENCES

ORS 294.338  
ORS 294.456  
ORS 294.463  
ORS 294.468  
ORS 294.481

DATE: September 24, 1996

REVISED: May 25, 2021

REVIEWED: June 24, 2025



## SECTION 3.5

## DEPOSITORIES AND DISBURSEMENT OF FUNDS

- A. The depositories for the District shall be designated by the Board. Funds shall be drawn out only by those person(s) authorized by the Board of Directors to sign checks and make disbursements. (ORS 478.460) Payments may be authorized to be made by check, electronic funds transfer, wire transfer or other transfer as determined to be appropriate and in consideration of establishing banking, funds transfer, and accounting practices by those person(s) authorized by the Board of Directors to make disbursements. (ORS 291.001[2])
- B. All receipts, other than pre-payments for records requests, will be deposited to the proper account as soon as possible after they are received. Bank deposits will be made no less than three times a week; Monday, Wednesday, and Friday, as needed. Any receipts not deposited into the bank upon day of receipt will be kept in the locked safe in the Finance Office.
- C. All accounts receivable invoices will be generated from the financial accounting software where internal controls are already in place. This is a preventative internal control designed to track transactions early in the accounting cycle.

### LEGAL REFERENCES

ORS 478.460

ORS 291.001[2]

DATE: September 24, 1996

REVISED: July 23, 2019

REVIEWED: June 24, 2025

## SECTION 3.6

### INVESTMENT POLICY STATEMENT FOR SHORT TERM OPERATING FUNDS AND CAPITAL FUNDS

- A. This policy applies to the investment of short-term operating funds and capital funds including bond proceeds. Investments of employees' retirement funds, deferred compensation plans, and other funds are not covered by this policy.

Funds available for investment under this policy are generally expected to be in the range of \$5,000,000 to \$100,000,000 during the course of a fiscal year, depending upon the time of year and property tax calendar.

- B. The District's investment objectives are:

1. Preservation of capital and the protection of investment principal.
2. Conformance with federal, state, and other legal requirements.
3. Maintenance of sufficient liquidity to meet operating requirements.
4. Avoidance of imprudent credit, market, or speculative risk. Attainment of a market rate of return throughout fiscal and economic cycles.

- C. Delegation of Authority. The Chief Financial Officer is designated as the investment officer of Tualatin Valley Fire and Rescue and is responsible for investment decisions and activities under the direction of the Board of Directors. In the absence of the investment officer, the Controller, in conjunction with the Fire Chief, shall perform such duties in the case of an emergency or other unforeseen event, but shall directly report in writing all transactions to the Chief Financial Officer. The investment officer is responsible for setting investment policy and guidelines subject to review and adoption by the Board of Directors and, if required, the Oregon Short Term Fund Board. Further, the Chief Financial Officer will be responsible for the day-to-day operations of the investment process, which includes but is not limited to choosing what to buy or sell, from whom investments will be purchased, executing the buy/sell orders, producing the necessary reports, and supervising staff. In addition to the active management of the investment portfolio, the Chief Financial Officer is responsible for the maintenance of other written administrative procedures consistent with this policy and the requisite compliance. To further optimize the total return of the investment portfolio, the Chief Financial Officer will administer an active cash management program, the goal of which will be to maintain historical cash flow information, i.e., debt service; payroll; revenue receipts, and any extraordinary expenditures. Finally, the Chief Financial Officer shall be responsible for committing adequate financial support for staffing, training, telecommunications and computer hardware, systems and software, and any other necessary resources deemed appropriate for incremental benefit to the investment and cash management programs.

- D. Prudence. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

- E. Ethics and Conflicts of Interest. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS 244.
- F. Suitable and Authorized Investments. The Chief Financial Officer will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities.

(Definitions of terms and applicable authorizing statutes are listed in the "Summary of Investments Available to Municipalities" provided by the State Treasurer).

1. Investment Types. The following investments are permitted by this policy and ORS 294.035 and 294.810.
  - a. Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government. Maximum percent of portfolio

allocation is 100%. No more than 40% of the portfolio in any one agency, instrumentality, or sponsored enterprise.

- b. Certificates of Deposit (CD) from commercial banks in Oregon and insured by the Federal Deposit Insurance Corporation (FDIC). Maximum percent of portfolio allocation is 50%. Investments in Certificates of Deposit invested in any one institution shall not exceed 25% of the total available funds and 15% of the equity of the financial institution.
- c. Repurchase Agreements (Repos) purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met. The repurchase agreement must be in writing and executed in advance of the initial purchase of the securities that are the subject of the repurchase agreement.
  - 1. ORS 294.035 (3)(j) requires repurchase agreement collateral to be limited in maturity to three years and priced according to percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board.
  - 2. ORS 294.135 (2) limits the maximum term of any repurchase agreement to 90 days.
  - 3. Acceptable collateral:
    - (i) US Treasury Securities: 102%
    - (ii) US Agency Discount and Coupon Securities: 102%

Maximum percent of portfolio allocation is 5%. The Chief Financial Officer shall not enter into any reverse repurchase agreements.

- d. Banker's Acceptances (BA) that are (i) guaranteed by, and carried on the books of, a qualified financial institution, (ii) eligible for discount by the Federal Reserve System, and (iii) issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category (A-1, P-1, F-1) by one or more nationally recognized statistical rating organization.

Qualified institution means a financial institution that is located and licensed to do banking business in the state of Oregon; or a financial institution located in the states of California, Idaho, or Washington that is wholly owned by a bank holding company that

owns a financial institution that is located and licensed to do banking business in the state of Oregon.

Maximum percent of portfolio allocation is 25%. Investments in Bankers' Acceptances invested in any one institution shall not exceed 2.5% of the total available funds and 15% of the equity of the financial institution.

- e. Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution. The combined total invested in corporate indebtedness may not exceed 15%. No more than 2.5% of the total portfolio with any one corporate entity.
  - 1. Commercial Paper (CP) rated on the trade date P-1 or better by Moody's Investors Service or A-1 or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization.
  - 2. Corporate indebtedness must be rated on trade date in a rating category of "Aa" or better by Moody's Investors Service or a rating category of "AA" or better by Standard & Poor's Corporation or equivalent by any nationally recognized statistical rating organization.
- f. Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon or its political subdivisions with a long-term rating in a rating category of "A" or an equivalent rating or better or the highest category for short term municipal debt.

Lawfully issued debt obligations of the States of California, Idaho or Washington or their political subdivisions with a long-term rating in a rating category of "AA" or an equivalent rating or better or the highest category for short term municipal debt. Maximum percent of portfolio allocation is 10%. No more than 10% of the total portfolio in any one issuing entity.

Such obligations may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a

period of five years next preceding the date of the investment, per ORS 294.040.

- g. State of Oregon Investment Pool. Maximum allowed per ORS 294.810, with the exception of pass-through funds (in and out within 10 days). A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The Chief Financial Officer shall perform a periodic review of:
  - 1. Pool's investment policy and objectives
  - 2. Interest calculations and how it is distributed
  - 3. How the securities are safeguarded
  - 4. How often the securities are priced
- h. Market Interest Accounts and Checking Accounts. TVF&R shall maintain necessary allocation needed for daily cash management efficiency.
  - 1. Callable securities. The maximum percent of callable securities in the portfolio shall be 35%.
- i. Summary of permitted investments

Investment Type	Maximum Maturity	Maximum Portfolio Allocation	Maximum Allocation Per Issuer	Minimum Rating
U.S. Treasuries	18 Months	100%	100%	-
Federal Agencies	18 Months	100%	40%	-
Time CDs	18 Months	50%	5%	FDIC Insured
Repurchase Agreements	90 days	5%	-	Collateralized
Banker's Acceptances	180 days	25%	2.5%	A-1
Corporate Notes	12 Months	15%	2.5%	AA
Commercial Paper	270 days	15%	2.5%	A-1
OR Munis	12 Months	10%	5%	A
ID, CA, WA Munis	12 Months	10%	5%	AA
Oregon Short Term Fund	-	Amount established by ORS 294.810	-	-
Market Interest and checking accounts	-	Amount necessary for daily cash management	-	-

- G. Investment Maturity. Maturity limitations shall depend upon whether the funds being invested are considered short-term operating funds or long-term funds.

Maturities shall not exceed 18 months. Maturities shall be structured to meet anticipated cash needs.

1. Short Term Operating Funds Portfolio. Generally, those funds in the General Fund, Debt Service, and Special Revenue Funds will be invested for periods less than 12 months. Identified budgeted fund balance carryovers in those funds may be available for investment periods up to 18 months.
2. Longer Term Portfolio. Instruments and diversification for the long-term portfolio shall be the same as for the short-term portfolio. However, investments with a maturity of 12 months or more shall be limited to US Agency or Treasury securities to minimize credit risk.

Capital projects funds will be invested according to projected cash flow utilization.

The Insurance Fund, which acts as an emergency fund for catastrophic claims, may have 50% of its investments invested in securities up to 18 months.

- H. Competitive Selection of Investment Instruments. When appropriate, the Chief Financial Officer shall obtain competitive bids and offers on investments for purchase and sale transactions. It will be the responsibility of the Chief Financial Officer to monitor the daily estimated returns of the Oregon Short Term Fund, Treasury bill returns, and make determination of the investment purchase and redemption process. If a specific maturity date is required, either for cash flow purposes or for conformity to maturity guidelines, offers will be requested for instruments, which meet the maturity requirement. If no specific maturity is required, a market trend (yield curve) analysis will be conducted to determine which maturities would be most advantageous.

The Chief Financial Officer will accept the offer that provides the highest rate of return within the maturity required and within the parameters of these policies.

- I. Qualified Institutions. All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295. The Chief Financial Officer shall maintain a listing of all authorized dealers and financial institutions that are approved for investment purposes. Any firm is eligible to make an application to the investment officer, and upon due consideration and approval, may be added to the list. Additions or deletions to the list will be made at the Chief Financial Officer's discretion. At the request of the Chief Financial Officer, the firms performing investment services for the District shall provide their most recent financial statements or Consolidated Report of Condition (call report) for review. The Chief Financial Officer shall monitor each active firm's creditworthiness to determine whether it should be on the authorized list.

- J. Safekeeping and Collateralization. Investment securities purchased by the District will be delivered by either Fed book entry or DTC, and held in third party safekeeping by a designated custodian. The trust department of a bank may be designated as custodian for safekeeping securities purchased from that bank. The purchase and sale of all securities will be executed on a delivery versus payment basis to ensure that securities are deposited in the District's safekeeping institution prior to the release of funds.

Deposit-type securities (i.e. certificates of deposit) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295. All securities will be evidenced by safekeeping receipts in the District's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

- K. Monitoring and Adjusting the Portfolio. The investment officer will routinely monitor the contents of the portfolio, compare the holdings to the available markets, changes in credit quality and benchmarks and the relative values of competing instruments. If there are advantageous transactions, the portfolio may be adjusted accordingly.
- L. Internal Controls. The investment officer shall maintain a system of written internal controls, which shall be reviewed annually by the independent auditors or reviewed upon any extraordinary event, such as the turnover of key personnel, or the discovery of any inappropriate activity. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, or imprudent actions.
- M. Accounting Method. The District shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP).
- N. Reporting Requirements. The investment officer shall be responsible for generating daily and monthly reports for management purposes. In addition, the Board of Directors will be provided quarterly reports, which will include data on investment instruments being held, portfolio activity, and market value as well as any narrative necessary for clarification that allows the Board of Directors to ascertain whether investment activities during the reporting period have conformed to the investment policy.
- O. Performance Evaluation. The performance of the District's portfolio shall be compared to the performance of the US Treasury Rates.
- P. Investment Policy Adoption. The District's investment policy will be formally adopted by the Board of Directors and reviewed for appropriate modifications on a biennial basis, as per the Board policy review process outlined in Board policy 1.7D. If investments exceeding a maturity of 18 months are contemplated, further review and comment by the Oregon Short Term Fund Board will be sought and thereafter this policy will be readopted annually even if there are no changes (ORS 294.135a). Any amendments shall be approved by the Board of Directors.



LEGAL REFERENCES

ORS 294.004

ORS 294.035 to ORS 294.053

ORS 294.125 to ORS 294.155

ORS 294.810

DATE: September 24, 1996

REVISED: July 23, 2019

REVIEWED: June 24, 2025

## SECTION 3.7 PURCHASE AND SALE OF REAL PROPERTY

- A. The purchase, lease, trade, or sale of all real property by the District must have the prior approval of the Board.
- B. The Fire Chief shall project site needs in advance and the Board, with advice and counsel of the Fire Chief, shall select sites prior to immediate need. Such sites shall be chosen to provide the best service of the residents and properties of the entire District and will be based on demographic data, growth projections, actual and projected emergency response times, availability, and cost of land.
- C. Sites that become surplus to the District's needs shall be declared as such by motion of the Board and shall be considered for sale, trade, lease, or gift pursuant to state statutes.
- D. The Public Contracting Code does not apply to acquisitions or disposals of real property or interest in real property (ORS 279A.025).

## LEGAL REFERENCES

ORS 279A.025  
ORS 307.010  
ORS 478.260 [2]

DATE: September 24, 1996

REVISED: May 23, 2017

REVIEWED: June 24, 2025

## SECTION 3.8 POWER OF THE DISTRICT TO SELL BONDS / BORROW FUNDS

- A. The Board or its designee may enter into rental or lease/purchase agreements required for fire protection purposes. (ORS 478.410[3])
- B. The District may borrow money and sell and dispose of general obligation bonds when such bonds have been authorized by a majority of voters, voting at an election called for that purpose. (ORS 478.410[2])
- C. The Board shall determine the limit for the total amount of short-term loans at the first business meeting of each fiscal year if they are anticipated.
- D. The District is authorized to contract for short-term loans for the purpose of meeting current expenses.

### LEGAL REFERENCES

ORS 478.410 [2] and [3]

DATE: September 24, 1996

REVISED: December 14, 2004

REVIEWED: June 24, 2025

## SECTION 3.9

## FUND BALANCE POLICY AND FLOW OF RESOURCES

- A. Fund balance measures the net financial resources available to finance expenditures of future periods.
- B. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The District's ending fund balance in the General Fund shall remain sufficient to meet five months of operating costs. The unassigned General Fund Balance may only be appropriated by resolution of the Board of Directors.
- C. When it is appropriate for fund balance to be assigned, the Board delegates authority to the Fire Chief or the Chief Financial Officer.
- D. Fund Balance of the District may be committed for a specific source by formal action of the Board of Directors. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Directors.
- E. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

DATE: February 28, 2012

REVIEWED: June 24, 2025

## SECTION 3.10      SYSTEM OF ACCOUNTS

The District shall adopt and maintain standardized accounting policies meeting the standards promulgated by the Governmental Accounting Standards Board (GASB).

DATE: September 24, 1996

REVISED: May 26, 2015

REVIEWED: June 24, 2025

## SECTION 3.11      AUDIT

- A.     The Chief Financial Officer will work with the Board-designated auditor (Section 2.9) each year to accomplish the objective of the annual audit.
- B.     The Chief Financial Officer shall be responsible for filing the audit report with the Secretary of State and shall be authorized to disburse from District funds all filing fees prescribed.
- C.     The Chief Financial Officer shall be responsible to ensure the auditor presents the audit report to the Board of Directors.

### LEGAL REFERENCE

ORS 297.425  
ORS 297.465  
ORS 297.466  
ORS 297.485

DATE: September 24, 1996

REVIEWED: June 24, 2025

## SECTION 3.12      PROPERTY INVENTORY

- A.     The District shall maintain a formalized program of accountability and controls over all inventory of furniture, fixtures, and equipment. The purpose of the inventory will be to satisfy reporting requirements for insurance coverage, to aid the administration in the management of equipment, to assist in budgeting for replacement, and to affix the control of responsibility for the custody of equipment.
- B.     The District shall conduct an annual inventory of all assets capitalized under general accepted accounting principles, currently \$5,000 or more per asset. Such inventory shall be reviewed annually by the Finance Division as part of preparation for the annual audit.
- C.     The District shall also maintain and conduct inventories of equipment as required to meet established safety standards.

DATE: September 24, 1996

REVISED: June 25, 2013

REVIEWED: June 24, 2025

## SECTION 3.13      PROPERTY APPRAISAL

- A.     To ensure an adequate level of insurance, the District shall maintain an appraisal of all buildings including improvements, fixtures, and fixed contents.
- B.     A physical re-appraisal of replacement values on property and improvements shall be conducted no less than each ten years. The values of all buildings shall be updated annually for insurance purposes.
- C.     The appraisal shall be conducted by an appraiser who is certified or has a history of successful experience in the field. This appraisal may be performed by the District's insurance agent of record or insurance company.

DATE: September 24, 1996

REVISED: May 26, 2015

REVIEWED: June 24, 2025



## SECTION 3.14 DISPOSAL OF SURPLUS PROPERTY

“Surplus Property” shall be defined as any personal property of the District that has been determined by the Fire Chief or designee as being of limited remaining life or use or value to the District. The Fire Chief or designee may dispose of surplus property as follows:

- A. The District will dispose of surplus property in such a manner that will not invite criticism.
- B. The District will dispose of surplus or non-usable property in such a manner that would net the most revenue (or least amount of cost) for the District for the time involved. The District shall consider expected revenue per type of sale in comparison with estimated staff time to prepare items for sale in determining the methodology of disposal of surplus. Methods of disposal for items determined as surplus property may include, but are not limited to trade-in, auction, selling as scrap, advertising for sale, third-party liquidator, and/or donation as provided in D and E below.
- C. The District may sell an item of surplus property with an estimated value of \$5,000 or less without a competitive process if the District determines that such a process will result in the most net revenue. The District may establish a selling price, schedule and advertise a sale date, and sell to the first qualified buyer meeting the sale terms.
- D. The District may transfer surplus property to another fire department, consistent with the requirements of ORS 279A.190.
- E. The District may donate or sell surplus property to another public agency or nonprofit organization provided that is the most efficient and cost-effective method of disposing of the property.
- F. The District shall maintain records of surplus transactions and notify the insurance company as needed of deletions.
- G. The District will evaluate the source of funding for property to be disposed to ensure compliance with any grant or bonded debt requirements arising from the initial purchase.

DATE: September 24, 1996

REVISED: May 23, 2017

REVIEWED: June 24, 2025

## SECTION 3.15 RISK MANAGEMENT AND INSURANCE PROGRAM

- A. The District shall provide for a program of risk management consistent with legal requirements and the limited financial resources of the District.
- B. The District shall purchase insurance or set aside reserves to self-insure. Coverage shall meet legal requirements or exceed those minimum requirements at the discretion of the Board as necessary to protect:

- 1. The District as a corporate body
- 2. The District's Board of Directors
- 3. The District's individual members
- 4. The District's appointed officers
- 5. District employees

The above are to be insured against financial loss arising out of any claim, demand, suit, or judgment by reason of alleged negligence or other act resulting in injury or death to any person, or damage to property while the above-named insureds are acting within the scope of their duties or employment with the District.

- C. The District shall, subject to meeting legal requirements and the discretion of the Board, purchase insurance to cover or self-insure:
  - 1. All real and personal property of the District
  - 2. Losses due to employee dishonesty, injury, or death
  - 3. Losses due to cyber related attacks
  - 4. Reimbursement of attorney fees and costs for employees performing Incident Command Staff duties or fire prevention inspections who are charged with a criminal offense in accordance with Sections "E" and "F" (below)
  - 5. A program of benefits for employees to the limits established from time to time by the Fire Chief
- D. Prior to the commencement of any work or services secured by contract with the District, the contractor shall procure and thereafter during the term of the contract continue to carry public liability and property damage insurance with a company or companies authorized to issue insurance in the State of Oregon, with limits provided

by the contract. Such insurance shall cover all risks arising directly or indirectly out of the contractor's activities or performance. Certificates evidencing such insurance, and bearing endorsements naming the District as an insured on such policy or policies of insurance shall be delivered to the District.

Additionally, contracts shall contain a provision by which the contractor shall indemnify and hold harmless the District from any claim, loss, or liability arising out of or related to any activity, performance, or non-performance of the contractor in connection with said contract.

- E. It is understood that employees who perform Incident Command Staff duties during emergencies are required to make strategic and tactical decisions while attempting to mitigate the incident. These events are dynamic and complex, and decisions have to be made without time for a complete risk-benefit analysis, therefore, undesirable outcomes are possible. In the event an employee performing Incident Command Staff duties is charged with a criminal offense for his or her actions during or related to an emergency event, and the cost of defense of the criminal action is not paid by insurance, the District may reimburse such employee for attorney fees and costs, subject to the following (such reimbursement is referred to herein as “Reimbursement”):
1. To qualify for Reimbursement, the employee must obtain the District’s prior approval of the employee’s criminal defense attorney and the fee agreement with the attorney.
  2. Any agreement or contract for legal services will be solely between the employee and the attorney. The District will not guarantee payment for such services and will have no liability to the attorney for the payment of such services.
  3. To qualify for Reimbursement, the employee must have been acting within the scope of their duties and employment, as determined by the District in its sole discretion.
  4. If the employee qualifies for Reimbursement, the District may provide Reimbursement, in its sole discretion; provided, however, all Reimbursement is subject to the following:
    - a. If the employee is found guilty of the charges (including submitting a plea of no contest or guilty), the District may, in its sole discretion, require the employee to repay the District for the Reimbursement.
    - b. Reimbursement shall immediately terminate if the District determines, in its sole discretion, that the employee lied during any part of the investigation, discovery, or trial process.

- c. Reimbursement may be denied or terminated if the District determines, in its sole discretion, that the employee's actions constituted willful or wanton misconduct.
  - d. Reimbursement shall immediately terminate if the District determines, in its sole discretion that the employee has refused or refuses to fully cooperate with any post-incident investigations.
  - e. The District shall not provide Reimbursement for attorney's fees and costs incurred in an appeal unless specifically authorized by the Board of Directors.
  - f. In order to receive Reimbursement, the employee shall provide the District with a statement of the attorney fees and costs incurred to date and proof of payment of such fees and costs. The District shall then determine, in its sole discretion, what fees and costs shall be reimbursed.
- F. The District may also provide reimbursement of attorney's fees and costs for employees who conduct fire prevention inspections and are charged with a criminal offense arising out of their actions or omissions during such inspections. Such reimbursement is subject to the provisions of Section E, 1-4, above.
- G. The provisions for insurance and indemnification in all contracts shall be reviewed and approved by the District's Chief Financial Officer or legal counsel.

DATE: September 24, 1996

REVISED: May 25, 2021

REVIEWED: June 24, 2025

SECTION 3.16      AGENT OF RECORD

- A.     The District may retain agents of record for the purpose of purchasing insurance for employee benefits, workers' compensation, and property and casualty insurance.
- B.     District staff shall ensure the District maintains a sound risk management program. Agents may assist in writing and servicing all necessary policies and statutory bonds.
- C.     The means of selection, the minimum qualifications and responsibilities of an agent of record are to be developed and evaluated by District management.

DATE: September 24, 1996

REVIEWED: June 24, 2025

## SECTION 3.17 CREDIT CARDS

The Board authorizes the use of District credit cards by employees or Board members conducting business for the District. The District is responsible for the development and maintenance of purchasing limits, distribution, overall debt limits, and policies and procedures regarding their usage.

DATE: September 24, 1996

REVIEWED: June 24, 2025

## SECTION 3.18 BUSINESS TRAVEL

- A. District employees shall be authorized to travel to activities that are of direct benefit to the Fire District.
- B. The Fire Chief shall notify the Board President or designee when his business travel will exceed three or more days absence from the District.
- C. The Fire Chief or designee shall approve business travel outside the states of Washington and Oregon for all other employees.
- D. The Fire Chief shall be responsible for administrative procedures relating to travel policies.

DATE: September 24, 1996

REVISED: September 23, 2008

REVIEWED: June 24, 2025

SECTION 3.19            PENSION PLAN ADMINISTRATION

- A.     The District shall maintain a pension plan for personnel retired prior to integration in the Oregon Public Employees Retirement System on July 1, 1981, or their beneficiaries.
- B.     The District's pension plan shall be administered by the District management who will be responsible to monitor the plan for compliance with all laws and regulations and who will also ensure appropriate tax filings are made. The Fire Chief/Administrator will ensure that the necessary annual adjustments are made to retirees' pensions as required.
- C.     The Board of Directors will serve as trustees of the pension plan.
- D.     The pension plan shall be reviewed actuarially on a periodic basis to ensure funding levels are appropriate.

DATE: September 24, 1996

REVISED: June 25, 2013

REVIEWED: June 24, 2025



SECTION 3.20 VOLUNTEER LOSAP ADMINISTRATION

- A. The District shall maintain a Length of Service Award Plan (LOSAP) for its Firefighter and Incident Support volunteers with one full calendar year or more of service to the District.
- B. The Fire Chief shall be designated as Administrator and Trustee of the Plan.

REFERENCE: Resolution 2012-06

DATE: November 16, 2004

REVISED: July 23, 2019

REVIEWED: June 24, 2025

## SECTION 3.21 DEFERRED COMPENSATION ADMINISTRATION

- A. The Board authorizes deferred compensation plans for employees under Internal Revenue Code sections 457(b) and 401(a).
- B. The Chief Financial Officer will be responsible to administer the plans to ensure tax law compliance, and periodically adopt any carrier amendments or revisions to the carrier agreements and investment selections necessary to update matching contributions, investment selections or perform other administrative functions.
- C. Employee hardship withdrawal requests and investment and performance carrier reviews shall be administered by a three-person committee comprised of an officer of Local 1660, the Director of Human Resources, and the Chief Financial Officer. A quorum is two.

### LEGAL REFERENCE

Sections 457 and 401(a) of the Internal Revenue Code

DATE: September 24, 1996

REVISED: June 25, 2013

REVIEWED: June 24, 2025

SECTION 3.22 REIMBURSEMENT PLAN AUTHORIZATION UNDER IRC SECTION 125 PLAN

- A. The Board authorizes a Section 125 plan to include Section 129 benefits for all employees.
- B. Operations of the plan shall be administered by the Chief Financial Officer as plan administrator.
- C. The plan shall be structured and administered to comply with applicable sections of the Internal Revenue Code.

DATE: September 24, 1996

REVIEWED: June 24, 2025

## SECTION 3.23      RIGHT TO DISCIPLINE ACTS OF FRAUD

- A.     The Board and management are committed to the highest level of moral and ethical behavior. Breaches of this behavior, especially through acts involving fraudulent means erodes the public's trust and confidence in the integrity of the District.
- B.     Management will be responsible to exercise a combination of preventative, detective and corrective controls to protect the assets of the District.
- C.     Management will also be responsible to discipline, up to and including prosecution, of any and all personnel found guilty of fraudulent use of District assets.

DATE: May 26, 2015

REVIEWED: June 24, 2025

SECTION 3.24          POLICY APPROVAL

This is to certify that Budget, Finance, and Business Operations, Section 3, policies 3.1 – 3.23, were duly adopted and approved by Board action on:

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Robert C. Wyffels, Vice President of the Board

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Clark I. Balfour, Secretary of the Board

APPROVED: June 24, 2025