TOWN OF CATHLAMET, WASHINGTON
ORDINANCE NO. 617-19

AN ORDINANCE AMENDING ORDINANCE NO. 440 and CMC 3.80, AUTHORIZING THE ISSUANCE OF WARRANTS OR CHECKS BEFORE APPROVAL BY THE TOWN COUNCIL AND ESTABLISHING PROCEDURE

WHEREAS, the Town Council has previously authorized the Town of Cathlamet to issue warrants or checks prior to approval by the Town Council under certain limited circumstances; and

WHEREAS, additional authority to issue warrants or checks is necessary for the orderly payment of claims owed by the Town; and

WHEREAS, the Town wishes to establish internal controls and procedures as set forth in this ordinance;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF CATHLAMET:

Ordinance 440, and CMC 3.80; is amended to read as follows;

Section 1. Authority.

RCW 35.27.345 a town, by ordinance, may adopt a policy for the payment of claims or other obligations of the town, which may be payable out of a solvent fund, by warrant or check, and;

Section 2. Issuance of checks and warrants in advance of council approval.

Checks and warrants are authorized to be issued in payment of claims prior to the Town Council approving the claims, according to law and subject to the process and procedures set forth in this ordinance and internal controls adopted by Council.

A. Electronic and ACH payments are authorized to be used in payment of claims and wherever reference is made to checks and warrants, such term shall include electronic and ACH payments where authorized for use by this section.

B. Each officer or employee designated to sign the checks or warrants shall be required to furnish an official bond for the faithful discharge of his or her duties in an amount not less than $50,000.

C. The town council shall provide for its review of the documentation supporting claims paid and for its approval of all checks or warrants issued in payment of claims at a regularly scheduled public meeting within one month of issuance.

D. In the event the town council shall disapprove any claim, the mayor and town clerk shall jointly cause the disapproved claims to be recognized as receivables of the town and shall pursue collection diligently

Section 3. Mayor's authority to sign.

The mayor is authorized to sign warrants or checks pursuant to this chapter once the mayor is bonded pursuant to CMC 3.80.010. The mayor is further authorized to designate others empowered to sign town checks or warrants pursuant to CMC 3.80.010 provided, that no designee may sign checks or warrants until he or she is bonded.

Section 4. Procedure Established.

RCW 35.27.340 provides that all demands against a town shall be presented to and audited by the council in accordance with such regulations as they may by ordinance prescribe.

1. Payrolls and associated payroll deductions and town payroll costs may be paid on established payroll dates prior to the approval of the Town Council. In addition to the approval of the Clerk-Treasurer, each payroll shall be approved by the Town Mayor, prior to the issuance of payroll.

2. That claims, other than payroll claims which are paid, require the approval and shall be processed by the Clerk-Treasurer.

3. In order to expedite the payment of claims owed by the town, the town may issue electronic or ACH payments in place of physical check or warrant and in advance of town council approval.

4. The claims, other than payroll claims which are paid, are limited to:
   A. Payments for debt service principal and interest.
   B. Payments that are scheduled to meet invoice payment dates such as net 30 or net 10th of month.
   C. Payments omitted in error and/or past due.
   D. Payments on obligations which have previously been approved and/or committed.

5. That claims paid under these rules shall be made by check or warrant and EFT or ACH and the Clerk-Treasurer shall submit a check register of all claims, other than payroll, paid using the authority established by ordinance and these internal controls to the Town Council at their next regular council meeting for their approval or rejection.

Section 5. Electronic and ACH Payments.

EFT (Electronic Funds Transfer) and ACH (Automatic Clearing House) payments will be processed by computer which assigns a check number to each claim payment and each claim payment shall be printed on the assigned physical check and voided by the printing of "Paid by EFT".

This ordinance shall be in full force and effect five (5) days after passage and publication as provided by law. Passed first reading: September 16, 2019. Passed second, third (final) reading: October 21, 2019.

ATTEST:

Sarah Clark, Acting Clerk-Treasurer

TOWN OF CATHLAMET, by:

Dale Jacobson, Mayor

Approved As To Form:

Fred Johnson, Town Attorney