

CITY OF GRISWOLD

Financial Policy/Procedure 001

Component Unit Financial Reporting

ADOPTION DATE: June 14, 2010

RESOLUTION NUMBER: 24-2010

REVIEW PERIOD: This policy is to be reviewed every three years or as needed.

STATEMENT OF POLICY

It is the policy of the City of Griswold to comply with Iowa Code Chapter 384.20 which states the following: "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose." The City's financial reports shall consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete.

APPLICABILITY

This policy shall apply to all component of the City of Griswold, including the Griswold Public Library, the Griswold Volunteer Fire Department, the Griswold Volunteer Rescue Department, and the Griswold Youth Sports Complex.

Should any of the above component units obtain 501(c)3 non-profit status, the entity would qualify as a blended component unit of the City. This policy would continue to apply to a blended component unit.

DEFINITIONS

The following definitions are provided by the Governmental Accounting Standards Board (GASB) Statement No. 14:

"Primary Government" is the financial reporting entity. Specific to this policy, the City of Griswold is the primary government.

"Component Unit" is a separate government unit, agency, or non-profit corporation that combined with other component units constitute the reporting entity in conformity with generally accepted accounting principles (GAAP). For this policy component unit will include

the Griswold Public Library, the Griswold Volunteer Fire Department, the Griswold Volunteer Rescue Department, and the Griswold Youth Sports Complex.

POLICY AND PROCEDURE

In order to present fair and accurate financial statements on an annual basis, all component units of the City of Griswold shall provide financial information to the City for inclusion in the State-required Annual Financial Report. Financial statements include all checking accounts, all savings accounts, and all investment vehicles including certificates of deposit (CDs) and money market accounts. Failure to report this information will result in the submission of an inaccurate annual financial report to the State of Iowa.

The component units of the City shall provide a copy of the checking, savings, and investment statements, as applicable, to the City no later than fourteen days following the end of the month. A copy can include a statement brought to City Hall by a member of the component unit or the inclusion of City Hall as the location for the component unit's bank to send a duplicate copy of the monthly statement. The City Treasurer will reconcile the statements monthly.

Each component unit will retain its own responsibility for the receipt and disbursement of funds as determined by each group's governing board and/or membership.