

TITLE 5**MUNICIPAL FINANCE AND TAXATION**¹**CHAPTER**

1. REAL PROPERTY TAXES.
2. PRIVILEGE TAXES GENERALLY.
3. WHOLESALE BEER TAX.
4. PURCHASING POLICY.
5. INTERNAL FINANCIAL CONTROLS POLICY.
6. CREDIT CARD POLICY.
7. DISPOSAL OF UNCLAIMED PROPERTY.

CHAPTER 1**REAL PROPERTY TAXES****SECTION**

- 5-101. When delinquent--penalty and interest.
5-102. Early tax payment merits discount.

5-101. When delinquent--penalty and interest.² All real property taxes shall become delinquent on and after the first day of March next after they become due and payable and shall thereupon be subject to such penalty and

¹Charter reference: art. VII.

By Ord. #664, adopted April 11, 1968, and approved by the voters May 21, 1968, the city adopted a local sales tax. However, the city's only tax was superseded when Roane County adopted a county-wide sales tax February 4, 1969.

By Ord. #807, adopted August 4, 1980, the city attempted to levy an additional city only one-half (½) percent local sales tax but the voters failed to approve the ordinance at a referendum held on August 7, 1980.

²Charter and state law reference

Tennessee Code Annotated, § 67-5-2010(b) provides that if the county trustee collects the municipality's property taxes, a penalty of 1/2 of 1% and interest of 1% shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

interest as is authorized and prescribed by the state law for delinquent county real property taxes.¹ (1970 Code, § 6-101)

5-102. Early tax payment merits discount. (1) A discount of two percent (2%) of the ad valorem real property taxes for the 2021 year shall be given a taxpayer, if such taxes are paid within thirty (30) days of the date of when the tax notice is postmarked for mailing.

(2) Nothing in this section shall be deemed to require early payment by any mortgagee, mortgage servicer, or escrow account holder, nor shall any mortgagee, mortgage servicer, or escrow account holder be required to notify any mortgagor or other party with respect to the availability of any such discounts. (as added by Ord. #04-1070, July 2004, and replaced by Ord. #12-24, Nov. 2016, Ord. #12-49, Nov. 2018 *Ch3_6-18-19*, Ord. #12-62, Oct. 2019 *Ch4_06-20-22*, Ord. #12-71, Sept. 2020 *Ch4_06-20-22*, and Ord. #12-80, Oct. 2021 *Ch4_06-20-22*)

¹Charter and state law references

A municipality has the option of collecting delinquent property taxes any one of three ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes.
- (2) Under Tennessee Code Annotated, §§ 6-55-201--6-55-206.
- (3) By the county trustee under Tennessee Code Annotated, § 67-5-2005.

CHAPTER 2

PRIVILEGE TAXES GENERALLY

SECTION

5-201. Tax levied.

5-202. License required.

5-201. Tax levied. Except as otherwise specifically provided in this code, there is hereby levied on all vocations, occupations, and businesses declared by the general laws of the state to be privileges taxable by municipalities, an annual privilege tax in the maximum amount allowed by state laws. The taxes provided for in the state's "Business Tax Act" (Tennessee Code Annotated, § 67-4-701, et seq.) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the City of Rockwood at the rates and in the manner prescribed by the act. (1970 Code, § 6-301, modified)

5-202. License required. No person shall exercise any such privilege within the City of Rockwood without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon the applicant's payment of the appropriate privilege tax. Violations of this section shall be punished under the general penalty provisions of this code of ordinances. (1970 Code, § 6-302, modified)

CHAPTER 3**WHOLESALE BEER TAX****SECTION**

5-301. To be collected.

5-301. To be collected. The recorder is hereby directed to take appropriate action to assure payment to the City of Rockwood of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6.¹ (1970 Code, § 6-401)

¹State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 17% on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

CHAPTER 4

PURCHASING POLICY

SECTION

4-401. Public advertising and bidding required for purchases exceeding \$10,000.00.

4-402. Purchases and contracts of \$4,999.00 or less.

4-403. Purchases and contracts between \$5,000.000 and \$10,000.00.

4-404. Purchases and contracts to exceed \$10,000.00.

4-405. Emergency purchases.

4-401. Public advertising and bidding required for purchases exceeding \$10,000.00. Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of ten thousand dollars (\$10,000.00), except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983. (as added by Ord. #12-1149, Jan 2012, and replaced by Ord. #11-86, May 2014)

4-402. Purchases and contracts of \$4,999.00 or less. All purchases and contracts of four thousand nine hundred ninety-nine dollars (\$4,999.00) or less may be procured by the appropriate city department head providing:

(1) The funds have been appropriated in the annual line item budget,
(2) The purchase or contract is approved by the city administrator, city recorder, or city finance officer, and

(3) A pre-numbered purchase order is utilized. (as added by Ord. #12-1149, Jan 2012, and replaced by Ord. #11-86, May 2014)

4-403. Purchases and contracts between \$5,000.000 and \$10,000.00. For all purchases and contracts that are expected to cost between five thousand dollars (\$5,000.00) and ten thousand dollars (\$10,000.00), three (3) itemized estimates must be obtained from independent vendors or suppliers, and a majority vote of city council must approve the purchase or contract. (as added by Ord. #12-1149, Jan 2012, and replaced by Ord. #11-86, May 2014)

4-404. Purchases and contracts to exceed \$10,000.00. All purchases and contracts expected to exceed ten thousand dollars (\$10,000.00) must be approved by a majority vote of city council prior to the solicitation of bids. The request for bids must be publicly advertised. The bids must be received, opened and evaluated at a public meeting, and city council must approve and award the purchase to the lowest qualified bidder. (as added by Ord. #11-86, May 2014)

4-405. Emergency purchases. In the event of an emergency, the department head may purchase materials and equipment in an amount that

does not exceed ten thousand dollars (\$10,000.00) without obtaining three (3) estimates and without city council approval, provided that such purchase is approved by the mayor and that documentation and justification for the purchase is provided to the city council at the next regularly scheduled city council meeting. (as added by Ord. #11-86, May 2014)

CHAPTER 5

INTERNAL FINANCIAL CONTROL POLICY¹

SECTION

- 5-501. Introduction.
- 5-502. Receipts and deposits of funds.
- 5-503. Check writing and disbursements.
- 5-504. Petty cash.
- 5-505. Conclusion.

5-501. Introduction. The City of Rockwood hereby adopts this internal financial controls policy to safeguard public funds and to provide clear instructions to city officers and employees as to how such funds should be processed and recorded. All city officers and employees handling city funds shall be subject to the requirements of this policy. This policy may be amended from time to time by the city council. (as added by Ord. #13-1160, Nov. 2012)

5-502. Receipts and deposits of funds. The city clerks(s) shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. These employees should also prepare a list of checks or payments and calculate the total amount of all money/checks received. In addition, any checks received without payment stubs, shall be receipted in duplicate. The list of payments received shall be signed by this employee and remitted along with the money/checks, stubs and receipts. All cash payments should be received by the city clerk(s) who shall be responsible for preparing a written receipt and duplicate for all such funds. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Anytime custody of money changes from one (1) employee to another the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks or other payments should be posted to the city's cash receipts journal by the finance director. The city clerk(s) shall be responsible for making sure deposits are made in a timely fashion. All efforts must be made to do daily deposits but NEVER any later than three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports. (as added by Ord. #13-1160, Nov. 2012)

¹The Internal Financial Control Policy of Rockwood, and any amendments thereto, may be found in the recorder's office.

5-503. Check writing and disbursements. All persons with authority to write and sign checks on the behalf of the City of Rockwood shall be approved by resolution of the governing body of Rockwood. The finance director who is responsible for reconciling the bank statements shall not be authorized to sign checks.

Two (2) authorized signatures are required for all checks. Before signing checks, each signator should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All debit/credit card statements should be reviewed by multiple persons, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges. All debit/credit card purchases shall be approved by the department head, the finance director and the city recorder. It shall further be reviewed by the check signers. So typically, every debit/credit card purchase is basically approved by five (5) persons. (as added by Ord. #13-1160, Nov. 2012)

5-504. Petty cash. The City of Rockwood does not keep petty cash for use. (as added by Ord. #13-1160, Nov. 2012)

5-505. Conclusion. All city employees are responsible for safeguarding public funds and the public trust. Any violations of this policy observed by any city employees shall be reported to the city recorder. Any employees found to have violated this policy may be disciplined up to and including termination. (as added by Ord. #13-1160, Nov. 2012)

CHAPTER 6

CREDIT CARD POLICY

SECTION

5-601. General.

5-602. Credit card audits and documentation of purchases.

5-603. Disputing a transaction.

5-604. Cardholder responsibility and purchasing guidelines.

5-605. Lost or stolen cards.

5-601. General. The City of Rockwood hereby adopts this credit card policy to safeguard public funds and to provide clear instructions to all employees that are authorized to use city credit/debit cards by the city recorder. For the purposes of this policy, all authorized officers and employees shall be referred to as "cardholders." This policy may be amended from time to time by the city council.

As a cardholder, the person assumes the responsibility for the protection and proper use of the card. Purchases with city credit cards must not conflict with the City of Rockwood Purchasing Policy. The card should only be used by the authorized and use of the card shall not be delegated to other persons. Cardholders are responsible for all charges on the cards authorized to them. Cards and card numbers must be safeguarded against unauthorized use.

All credit card transactions will be visible via secure internet reporting tools and all cardholders' purchasing activity will be monitored by the finance department and reviewed by the city auditors. Credit cards are not intended to be used for normal, recurring expenses associated with normal department operations. Business accounts should be set up for recurring activities. Receipts for all purchases by credit card shall be forwarded to the city recorder and/or the finance director.

It is the goal of the City of Rockwood to have all transactions sales tax exempt, when applicable. It is the cardholder's responsibility to notify the supplier, at the time of the transaction, if it will be exempt from sales tax.

The following situations are examples of misuse of the card:

- (1) Purchases for personal benefit of the cardholder or another employee;
- (2) Assignment or transfer of an individual card to another person;
- (3) Use of the card by an unauthorized employee;
- (4) Use of a card by a suspended or terminated employee;
- (5) Purchases that are not for legitimate City of Rockwood and public purposes;
- (6) Purchases in violation of the City of Rockwood Purchasing Policy;
- (7) Splitting a purchase to avoid a single-purchase limitation;

(8) Use of the card for commodities, goods, or services at vendors with City of Rockwood accounts; and

(9) Lack of proper and timely submission of all purchase receipts.

Any violations of this policy may subject to the employee to discipline, including termination. (as added by Ord. #13-1160, Nov. 2012)

5-602. Credit card audits and documentation of purchases. The City of Rockwood's Finance Director, auditor and/or state auditors will make periodic audits to verify that commodities, goods, and services purchased have been received and that policies and procedures are being followed. Adequate documentation must be maintained to record all transactions at the source. If a receipt is lost, a missing receipt affidavit must be filled out by the cardholder. (as added by Ord. #13-1160, Nov. 2012)

5-603. Disputing a transaction. If the cardholder believes a transaction is disputable, immediately notify your department head, the city recorder and the finance director of the disputed charge. The cardholder must agree to cooperate fully in dealing with the credit card company for all disputed purchases. (as added by Ord. #13-1160, Nov. 2012)

5-604. Cardholder responsibility and purchasing guidelines. It is important to remember that when using the card, the cardholder is expending taxpayer funds and that all credit card purchases must comply with City of Rockwood policies, including this policy, the purchasing policy and the internal financial controls policy. All expenditures are held to the highest degree of trust and accountability.

Cardholder privileges and procedures are contingent upon the following:

(1) You must obtain and preserve ALL receipts. Turn in all receipts to the city recorder or finance director immediately after use. Failure to produce adequate legible receipts will be subject to strict scrutiny by the finance department and city auditors. Proper forms of transaction documentation include an invoice with detail of items purchased, cash register receipt with detail of items purchased, sales slip with detail of items purchased, or handwritten receipt signed by an employee of the supplier/merchant that includes detail of items purchased. In the event a receipt is lost, you must submit a "missing receipt affidavit" in lieu of the receipt.

(2) If a cardholder fails to turn in a receipt, he/she must sign the document set forth on the following page of these policies.¹ Multiple failures to provide receipts may result in cancellation of the card and other disciplinary action.

¹The missing receipt affidavit appears at the end of this chapter.

(3) Cash back, cash refunds or rebates may not be received by the cardholder.

(4) Splitting of transactions is not allowable (making one (1) purchase into two (2) or more for the purpose of staying within your limits). (as added by Ord. #13-1160, Nov. 2012)

5-605. Lost or stolen cards. In the event of a lost, stolen or, mutilated card, cardholders should immediately notify the finance director and the city recorder. Please protect your card by keeping it in a safe place and away from other "magnetized" stripe cards. (as added by Ord. #13-1160, Nov. 2012)

MISSING RECEIPT AFFIDAVIT

I, _____ have either misplaced or not received a receipt for a card purchase.

This form is submitted in lieu of the original receipt.

Vendor Name: _____

Transaction Date: _____ Amount: \$ _____

Items Purchased: _____



I certify that the goods shown above were purchased for the City of Rockwood's operating purposes as outlined in the policies and procedures for card use.

Cardholder signature: _____ Date _____

Department Head _____ Date: _____

CHAPTER 7

DISPOSAL OF UNCLAIMED PROPERTY

SECTION

5-701. Sale or disposal of surplus property.

5-702. Unclaimed property.

5-701. Sale or disposal of surplus property. (1) The city administrator shall be responsible for the sale and disposal of all surplus personal property. The sale or disposal of any single item for an amount in excess of ten thousand dollars (\$10,000.00) shall be approved by city council.

(2) Real property owned by the city shall be sold or disposed of only with the approval of city council.

(3) Permissible methods to sell or dispose of surplus city property shall include, but are not limited to:

(a) Public auction;

(b) Solicitation of written bids;

(c) Negotiated sale to one (1) or more designated buyers;

(d) Transfer to another governmental entity or agency at or below reasonable market value; or

(e) Lease or loan. (as added by Ord. #12-63, Nov. 2019 *Ch4_06-20-22*)

5-702. Unclaimed property. (1) All personal property held for the owner by the city or any department thereof that has remained unclaimed by the owner for more than one (1) year is presumed abandoned.

(2) In the event that unclaimed personal property is not the type that would be accepted by the state treasurer in accordance with the Uniform Disposition of Unclaimed Property Act, Tennessee Code Annotated, § 66-29-101, et seq., then, in the discretion of the city administrator, the property may be:

(a) Disposed of in the same manner as provided for the sale of surplus property in § 5-701, above;

(b) Retained for use by the city; or

(c) Destroyed if the city administrator determines that the property is contraband, dangerous or of negligible value.

(3) Personal property which has been found by a citizen and deposited with the city or any department thereof may be returned to the finder if the property is not claimed by the owner within one (1) year after its receipt by the city.

(4) The city administrator may establish reasonable rates to be charged for the city's storage of personal property. (as added by Ord. #12-63, Nov. 2019 *Ch4_06-20-22*)