

## AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION	
<b>Audit Title:</b> Independence Avenue Community Improvement District Should Improve Accountability and Transparency	<b>Audit Release Date:</b> 04/26/2017
<b>Department:</b> Independence Avenue Community Improvement District	<b>Last Report Date:</b> First ARTS Report
<b>Department Director:</b> Bobbi Baker	<b>This Report Date:</b> 10/06/2017
<b>Contact Person/Phone:</b> Bobbi Baker 816-215-6813	<b>Expected Presentation Date:</b> 11/01/2017
SECTION II: RECORD OF IMPLEMENTED RECOMMENDATIONS	
1. In Progress	6. Implemented May 18, 2017
2. Implemented July 20, 2017.	7. Implemented April 19, 2017
3. Implemented May 18, 2017	8. Implemented September 21, 2017
4. Implemented May 18, 2017	9. Implemented May 31, 2017
5. Implemented July 20, 2017	10. Implemented May 31, 2017
SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS	
<b>Recommendation 1: The IACID Board should engage a qualified certified public accountant (CPA) knowledgeable in the principles of government accounting and auditing to conduct an annual financial audit, review all prior payments and reimbursements for adequate documentation and compliance with contracts, and identify improper payments for which the IACID should seek recovery.</b>	
<i>Status of Recommendation: In Progress</i>	
Engaged with Ralph C. Johnson & Company, Certified Public Accountants; audit is underway with an expected completion date of October 31, 2017, to be followed by a review by the Board of Directors at the November 2017 meeting.	
<b>Recommendation 2: The IACID Board should engage a qualified professional knowledgeable in internal controls and separate from the CPA engaged to conduct the annual financial audit to recommend improvements to the IACID's internal control structure and processes for board adoption.</b>	
<i>Status of Recommendation: Implemented</i>	
Jim Rice of Rice-Carter Communications reviewed the Financial Policy and made recommendations on July 14, 2017. Resolution 2017-06 approved July 20, 2017 accepted the amended Financial Policy. Please see attached credentials.	
<b>Recommendation 3: The IACID Board should ensure board minutes reflect all resolutions and actions taken by the board, including a record of the board members' votes.</b>	
<i>Status of Recommendation: Implemented</i>	
A Minutes Template is now used during Board Meetings to guide the voting procedure and efficiently document actions taken. Will amend if any issues arise.	
<b>Recommendation 4: The IACID Board should identify the individual members of the board, record the members present and not present in the board meeting minutes, and only accept motions, seconds to motions, and votes from board members.</b>	
<i>Status of Recommendation: Implemented</i>	
A Minutes Template is now used during Board Meetings to record all attendance and procedural matters. Will amend if any issues arise.	

**Recommendation 5: The IACID Board should ensure IACID officers, agents, and employees follow the IACID's bylaws by providing a written disclosure of the nature and extent of their interest related to IACID contracts or other services.**

*Status of Recommendation: Implemented*

Complete per Attorneys by Resolution 2017-07 approved at July 20 2017 Board meeting.

**Recommendation 6: The IACID Board should ensure the board chair/district manager complies with resolution 2015-05 by clearly recusing herself from all matters related to the managing agency.**

*Status of Recommendation: Implemented*

A Minutes Template is now used during Board Meetings to record all procedural matters including prompts to call for recusal by the District Manager when appropriate. Will amend if any issues arise.

**Recommendation 7: The IACID Board should submit to the city a slate of successor directors for appointment as directors' terms expire.**

*Status of Recommendation: Implemented*

Complete for this year. Will review annually and submit for mayoral review as terms expire.

**Recommendation 8: The IACID Board should revise its bylaws to be consistent with RSMo Section 67.1471.3 and approve its annual budget no later than 30 days before the first day of a fiscal year.**

*Status of Recommendation: Implemented*

Resolution 2017-08 approved at September 21, 2017 Board meeting is consistent with all State of Missouri requirements.

**Recommendation 9: The IACD Board should establish a regular meeting schedule, post it on the IACID website, and post changes to upcoming meetings as changes are known.**

*Status of Recommendation: Implemented*

The IACID Board has had a regular meeting schedule since its formation in 2013, beginning with quarterly meetings and later amended to the current schedule of bi-monthly Board meetings on the third Thursday of May, July, September, November, January, and March. This schedule is posted on our website. The Agenda for each Board meeting is posted on our website and physically at the IACID office and that of our attorneys, Husch Blackwell LLC.

**Recommendation 10: The IACD Board should ensure information posted on the IACID website is accurate and complete, and add IACID reports including, but not limited to annual reports and budgets, to the website.**

*Status of Recommendation: Implemented for 2017 and ongoing.*

The IACID has established a regular procedure for posting IACID Agendas and Minutes, and holds a weekly calendar meeting to ensure that events are announced to the public on the website on a timely basis. The IACID will post our annual reports and budget to the website.

#### **SECTION IV: ADDITIONAL OUTCOMES**

We appreciate the work of the City Auditor and, as a separate political subdivision of the State, share the priority placed on transparency and the delivery of quality services to our constituency. Many of the Auditor's recommendations were underway at the time of the audit and were delayed with the intention of hearing of any further best practices guidance from the Auditor's report. We are grateful to see so much alignment in our current approach and appreciate the further suggestions included as well.

We look forward to continuing to contribute to the growth, safety and cohesiveness of the Independence Avenue Corridor.

**James D. Rice  
5010 N. Monroe  
Kansas City, Missouri 64119  
816/523-6663**

**Lifetime Career Focus**

Highly responsible positions in community, government, and corporate management with emphasis in strategic planning, communications, public affairs and community relations.

**Professional Experience**

**President, Carter-Rice Communications, 2012 to present**

Carter-Rice Communications is a professional consulting firm specializing in general public relations, governmental relations, strategic planning, non-profit governance, planning, and community/neighborhood development.

Clients include: City of Kansas City, Missouri; Northeast Kansas City Chamber of Commerce, Independence Avenue Community Improvement District (CID); MainCor (community development corporation); Main Street CID; Broadway Area CID); Kansas City Museum; Rockhill Homes Association; Northland Regional Chamber of Commerce.

**Northland Neighborhoods, Inc., 2003 to 2012**

Appointed June, 2003 as Interim Executive Director. Appointed November, 2003 as Executive Director of this non-profit community development corporation serving Clay and Platte Counties. Responsible for overall direction of full-time, part-time and contract staff; strategic planning; fund development; board development. Introduced the new construction/purchase-rehab housing and Custom Solutions programs. Provided overall management of multi-million home repair programs, senior apartment development and an innovative demonstration project with Northland Habitat for Humanity. Named Chief Executive Officer in June 2008.

**Health Midwest, 1980 to 2003**

Appointed April, 1980, as Corporate Director of Public Relations, Research Health Services (later Health Midwest). Responsible for public relations program for Research Health Services System, specializing in community relations and public relations programming and consultation for affiliated hospitals and other health care organizations. Developed a comprehensive corporate identification system that was incorporated into all stationery, signage, uniforms, vehicles, publications and promotional material.

Appointed July, 1984, as Vice President, Public Affairs and Communications, Research Health Services. Responsible for system-wide publications, media relations, advertising and promotion, graphic design and public affairs/community relations. Created new functions of media relations, advertising, and graphic design. Supervised a staff of seven. With agency consultation, produced an award-winning television advertising program for Research Medical Center. Produced slide/video presentations for both community and internal organizations. Developed a strategic plan for redevelopment of the South Prospect Area Redevelopment Corridor; much of this plan was incorporated in the 1994 Partnership for Change Tax Increment Financing Plan. Developed a comprehensive corporate identification system for the new Health Midwest organization.

As with the earlier system for Research Health Services, this was incorporated into all stationery, signage, uniforms, vehicles, publications and promotional material.

Appointed October, 1993, as Vice President, Community Affairs, Health Midwest. Responsible for overall community involvement of Health Midwest, with emphasis on neighborhood enrichment and economic development. Served on the Partnership for Change (Health Midwest's Tax Increment Financing Plan) board and management staff. Provided all staff functions for the Health Midwest Contributions Committee, which contributed \$300,000 annually to non-profit and community-based organizations. Continued to produce approximately 30 slide/video presentations for both community and internal organizations.

#### **City of Kansas City, Missouri 1979 to 1980**

Appointed June, 1979, as Chief of Staff to Mayor Richard L. Berkley. Responsible for overall policy direction of Mayor's Office, liaison to City Council and City Manager.

Active engagement in the following issues:

- Public oversight of redesign and construction of the collapsed Kemper Arena roof
- Reorganization of the Kansas City Housing Authority
- Creation of the Metropolitan Ambulance Services Trust (M.A.S.T.)
- Reorganization of the appointment system for City Boards and Commissions
- 1980 Firefighter strike; liaison with Kansas City Police Department
- Primary speech writer

#### **Truman Medical Center, 1973 to 1979**

Appointed January, 1973 as Community Relations/Development Officer for the Kansas City General Hospital and Medical Center Corporation, responsible for enlisting community support through education, community contact and active news media programs.

Appointed March, 1975 as Administrator for Hospital Operations. Responsible for the maintenance, housekeeping, security, food service, laundry, pharmacy, central supply and rehabilitative services departments; provided liaison administrative support to the patient representative, medical records, auxiliary and volunteer groups, and social service staff. Media spokesperson. During transition from General Hospital to Truman Medical Center, developed a comprehensive corporate design and identification program. Appointed February, 1977, as Assistant Director of Planning and Development. This new division was responsible for corporate facilities and program planning, community relations, government relations and marketing. Chaired a task force that designed a Management-By-Objectives program. Subsequently designed and instructed a comprehensive MBO course for the management and nursing staffs. Chaired a task force that revised the patient food service system.

#### **City of Kansas City, Missouri 1964 to 1973**

Analyst in the Budget and Systems Division. Assisted in preparation and administration of the city budget. Developed an award-winning multi-media slide presentation entitled, "A City is for People."

Administrative Officer in the City Finance Department. Assisted with debt administration, accounting reform, purchasing-assessment-treasury management review.

Senior Budget and Systems Analyst. Carried out assignments in general systems analysis and development.

Appointed in 1970 as the first Assistant to the City Council in the history of Kansas City. Developed a core staff of assistants that became the model for the current practice in the Office of the City Council of Kansas City.

### **Academic Experience**

Adjunct Professor at University of Missouri-Kansas City School of Public Administration: Financial Accountability and Policy Development, 1974.

Instructor at Webster College Masters of Arts Program in Public and Health Administration:

- Program Planning and Budgeting, 1974, 1975, 1976
- Urban Policies and Problems, 1975, 1976
- Public Finance, 1976, 1977
- Organizational Behavior, 1976, 1977
- Issues in Health Management, 1978
- Organization and Management of Health Care Facilities, 1978
- Hospital Personnel Management, 1979
- Issues in Health Management, 1980

### **Education**

Bachelor of Arts, Rockhurst College, 1963

Masters in Public Administration, University of Missouri-Kansas City, 1970

### **Professional Associations**

Past Member, Board and Executive Committee, Urban Land Institute-Kansas City Council

Past President of the Greater Kansas City Chapter of the American Society of Public Administration

### **Civic Activities**

Member, Board of Directors, Bishop Sullivan Center

Past Member, Board of Directors, Starlight Theatre Association

Past Member, Board of Directors, Genesis School

Member and one of six co-founders, Southtown Council

Past President, Main Street Corridor Development Corporation

Past Member, Board of Directors, Metropolitan Crime Commission

Past Member, Board of Directors, Kansas City Film Commission

Current Member, Southtown Council Planning and Development Committee

Chair, FOCUS Kansas City Community Anchor Committee

Past Member, Urban League Achievement Matters Committee

Member, Community Policing Steering Committee (served as chair of two community policing task forces)

Northland Chamber of Commerce, Board member, member: Parks and Planning and Development Committees

Past member, Citizens Association Board of Directors

Forward Kansas City Board of Directors

Member, Municipal Revenue Commission, Kansas City, Missouri, 2011-2012

Member, 2003 and 2014 Charter Review Commissions, Kansas City, Missouri

**THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT**

**RESOLUTION OF THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT ("DISTRICT") APPROVING THE ACCOUNTING POLICIES AND PROCEDURES MANUAL.**

WHEREAS, the District, which was formed by Ordinance Number 130186 adopted by the City of Kansas City, Missouri, City Council, is a public body created under the authority of the "Missouri Community Improvement District Act," Sections 67.1401, *et seq.*, RSMo, as amended (the "Act"), and is transacting business and exercising the powers granted by the Act;

WHEREAS, the Board of Directors (the "Board") determined that it was in the best interest of the District to engage a qualified professional knowledgeable in internal controls to recommend improvements to the District's internal control structure and processes;

WHEREAS, the District has prepared an accounting policies and procedures manual (the "Manual") to ensure that financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency;

WHEREAS, the Board desires to approve the Manual, in substantially the form attached hereto as Exhibit A.


NOW, THEREFORE, BE IT RESOLVED by the Board of the District, as follows:

- Section 1. The Board approves the Manual, in substantially the form attached hereto as Exhibit A.
- Section 2. The Chairman is authorized and directed to take all further action necessary to carry out the purposes and intent of this Resolution.
- Section 3. This Resolution shall take effect immediately

Adopted this 20<sup>th</sup> day of July, 2017.

ATTEST:

  
William Dana, Secretary

  
Bobbi Baker-Hughes, Chairman

**EXHIBIT A**

**[SEE ATTACHED ACCOUNTING POLICIES AND PROCEDURES]**

**Independence Avenue Community Improvement District  
(IACID)  
ACCOUNTING  
POLICIES AND PROCEDURES**

**July 2017**



# Table of Contents

<u>I. Introduction</u>	3
<u>II. Division of Responsibilities</u>	3
<u>Board of Directors</u>	3
<u>CID Manager</u>	3
<u>Bookkeeper</u>	4
<u>CID Coordinator</u>	4
<u>III. Chart of Accounts and General Ledger</u>	4
<u>IV. Cash Receipts</u>	5
<u>V. Inter-Account Bank Transfers</u>	5
<u>VI. Cash Disbursements &amp; Expense Allocations</u>	6
<u>VII. Credit Card Policy and Charges</u>	7
<u>VIII. Accruals</u>	7
<u>IX. Bank Account Reconciliations</u>	7
<u>X. Petty Cash Fund</u>	8
<u>XI. Property and Equipment</u>	8
<u>XII. Personnel Records</u>	9
<u>XIII. Payroll Processing</u>	9
<u>XIV. End of Month and Fiscal Year-End Close</u>	10
<u>XV. Financial Reports</u>	10
<u>XVI. Fiscal Policy Statements</u>	10

## **I. Introduction**

The purpose of this manual is to describe all accounting policies and procedures currently in use at Independence Avenue Community Improvement District (IACID) and to ensure that the financial statements conform to generally accepted accounting principles; assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All IACID's staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed and revised as needed by the staff and approved by the CID Manager and the Board of Directors.

## **II. Division of Responsibilities**

The following is a list of personnel who have fiscal and accounting responsibilities:

### ***Board of Directors***

- Reviews and approves the annual budget
- Reviews annual and periodic financial statements and information
- Two members of the board will be appointed by the board to be authorized signers on the bank accounts
- Reviews and approves all contracts over \$10,000
- Reviews and approves all non-budgeted expenditures over \$10,000
- The Treasurer reviews all bank and credit card statements and monthly financial reports

### ***CID Manager***

- Reviews and approves all financial reports including cash flow projections
- Sees that a budget is developed annually
- Reviews and signs all issued checks and/or approves check signing procedures
- Reviews and approves all contracts under \$10,000
- Reviews and approves all grant submissions
- Approves inter-account bank transfers
- Is on-site signatory for all bank accounts
- Oversees the adherence to all internal controls

### ***Bookkeeper***

- Monitors program budgets
- Reviews and manages cash flow
- Reviews all reimbursements and fund requests
- Reviews all inter-account bank transfers and reviews bank deposits
- Assists CID Manager with the development of annual and program budgets
- Reviews invoices and vendor checks
- Reviews petty cash fund
- Monitors and manages all expenses to ensure most effective use of assets
- Monitors grant reporting and appropriate release of temporarily restricted funds
- Oversees expense allocations
- Monitors and makes recommendations for asset retirement and replacement
- Reviews, revises, and maintains internal accounting controls and procedures
- Prepares all monthly and year-end financial reports
- Responsible for records retention program
- Overall responsibility for data entry into accounting system and integrity of accounting system data
- Maintains general ledger
- Reconciles all bank accounts
- Manages accounts receivable

### ***CID Coordinator***

- Processes all budgeted program expenditures
- Prepares input for payroll and is responsible for maintaining all personnel files
- Processes all reimbursements and fund requests
- Processes all inter-account bank transfers and makes bank deposits
- Processes cash receipts
- Processes invoices and prepares documentation for vendor checks
- Assists CID Manager with the development of annual and program budgets
- Manages the petty cash fund
- Receives and opens all incoming accounting mail

## **III. Chart of Accounts and General Ledger**

IACID has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (program vs. fundraising vs. administration). The Bookkeeper is responsible for maintaining the Chart of Accounts and revising as necessary.

The general ledger is automated and maintained using accounting software. All input and balancing is the responsibility of the Bookkeeper with final approval by the CID Manager.

The Bookkeeper should review the general ledger on a monthly basis for any unusual transactions.

## **IV. Receipts**

Receipts generally arise from:

- Missouri state Sales & Use Tax
- Jackson County Assessment Tax
- Fees for services

The majority of receipts are electronic deposits from the State and County.

The principal steps in the receipts process are:

The CID Coordinator opens and distributes the mail. The CID Coordinator logs all checks, endorses each check "for deposit only," and makes copies of each check. The checks are kept in a locked cabinet until processing and deposit.

Weekly (or more often if necessary), the CID Coordinator processes the following: the endorsed checks, the deposit log, and the correct account allocation for each deposit, then processes the deposit and takes it to the bank for deposit. A copy of the deposit slip is attached to the deposit. The deposits are put in a file to attach to the bank statement.

All cash received will be counted, verified, and signed off by the CID Coordinator and another available staff member. The cash will immediately be posted using the appropriate allocation. A receipt will be given to the paying party and a copy kept for internal purposes. The cash will be kept in a locked, secure location and deposited with the next deposit.

## **V. Inter-Account Bank Transfers**

The Bookkeeper monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. The Bookkeeper recommends to the CID Manager when a transfer should be made to maximize the potential for earning interest. A copy of the transfer is kept by the Bookkeeper.

## VI. Cash Disbursements & Expense Allocations

Disbursements are generally made for:

- Payments to vendors for goods and services
- Taxes/license fees
- Staff training and development
- Memberships and subscriptions
- Meeting expenses
- Employee reimbursements
- Marketing/promotional materials

Checks are processed on the 15th and 30th of each month, or the next following business day when appropriate. Invoices submitted to the CID Coordinator previous to the 15th and 30th will be processed and paid on these days. Checks can be prepared manually within one day, but this should be limited to emergency situations.

Requests for cash disbursements are submitted to the CID Coordinator in three ways:

- Original invoice
- Purchase request (submitted on approved form)
- Employee expense report or reimbursement request

All invoices must be approved by the CID Manager prior to being submitted for payment prior to being paid.

Every employee reimbursement or purchase request must be documented in writing with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

**Lodging** - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

**Meals and Entertainment** - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

**Other Expenditures** - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

The CID Coordinator reviews all requests for payment and:

- Verifies expenditure and amount
- Prepares for payment if in accordance with budget
- Provides or verifies appropriate allocation information
- Provides date for payment taking into account cash flow projections

The Bookkeeper processes all payments and:

- Enters them into the Accounts Payable module
- Prints checks according to allocation and payment date
- Submits checks, with attached backup documentation, to CID Manager for approval and signature.

- Checks in excess of \$10,000 require a second signature from an authorized board member.
- Marks invoice "paid"
- Mails checks and appropriate backup documentation
- Files all backup documentation in the appropriate file
- Reviews accounts payable aging at the middle and end of each month

### **Expense Allocations**

Most non-salary expenses that benefit more than one cost center (administration, fundraising, and program) are spread across centers using a shared cost method. Under this method, the number of full-time equivalents (FTEs) within a program are divided by the total number of FTEs at the organization to determine the percentage of shared costs they should bear. This is done by the CID Coordinator and Bookkeeper as requested by the CID Manager. Occupancy expenses may be split between programs based on the percentage of square footage that is used by each program.

## **VII. Credit Card Policy and Charges**

All staff members who are authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes: personal expenditures of any kind; expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which IACID receives funds.

The receipts for all credit card charges will be given to the CID Coordinator within two (2) weeks of the purchase along with proper documentation. The Bookkeeper will verify all credit card charges with the monthly statements. A copy of all charges will be included with the monthly credit card statement when submitted to the CID Manager for approval and signing.

The CID Manager's credit card usage will be provided to the Board Treasurer.

## **VIII. Accruals**

To ensure a timely close of the General Ledger, IACID may book accrual entries. Some accruals will be made as recurring entries.

Accruals may include:

- Monthly interest earned on money market accounts, certificates of deposits, etc.
- Recurring expenses, including employee vacation accrual, IRAs, prepaid corporate insurance, depreciation, etc.

## **IX. Bank Account Reconciliations**

- All bank statements are provided monthly to the Board Treasurer and Bookkeeper for review for unusual balances and/or transactions.
- After review the Bookkeeper does a timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.

- **The Bookkeeper will investigate any checks that are outstanding over three months.**
- **The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.**
- **The reconciliation report will be reviewed and approved by the CID Manager.**

## X. Petty Cash Fund

Petty cash funds are maintained by the organization. The funds are to be used for miscellaneous or unexpected purchases and the same approval procedures apply as mentioned in the cash disbursement section.

- The petty cash fund will not exceed \$350 and is kept in a locked file cabinet at all times.
- The CID Coordinator oversees the petty cash fund.
- The Bookkeeper will review and record petty cash activity in the Ledger.
- All disbursements made from petty cash are acknowledged in writing by the receiving party.
- All money returned to the petty cash fund is counted and verified by the CID Coordinator and another staff member. Receipts for items purchased with petty cash must be included with the return and should include appropriate account allocations.
- The CID Coordinator and the CID Manager together will periodically count the cash in the petty cash fund.
- No checks will be cashed by the petty cash fund.

## XI. Property and Equipment

Property and equipment includes items such as:

- Office furniture and equipment
- Computer hardware
- Computer software
- Specialized program equipment (tool libraries, for example)
- Leasehold improvements
- Automobiles and maintenance equipment

It is the organization's policy to capitalize all items which have a unit cost greater than ten thousand dollars (\$10,000). Items purchased with a value or cost less than ten thousand dollars (\$10,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware	36 months
Office Equipment	60 months
Office Furniture	60 months
Computer Software	36 months
Specialized Program Equipment	36 months
Leasehold improvements	Length of lease
Commercial real estate	39 years

- A Fixed Asset Log is maintained by the Bookkeeper including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
- The Log will be reviewed by the CID Manager.
- Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
- The Bookkeeper shall be informed in writing of any change in status or condition of any property or equipment.
- Depreciation is recorded at least annually. Depreciation is computed using the straight-line



method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

## **XII. Personnel Records**

- All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, job description, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the CID Coordinator.
- All employees will fill out an I-9 form and submit the allowable forms of identification to the CID Coordinator.
- The completed I-9 forms will be kept in a secure location separate from the personnel files.
- All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.
- For further information, see the Personnel Policies and Procedures Handbook.

## **XIII. Payroll Processing**

- Timesheets are to prepared electronically. Employees will time in and out on provided equipment.
- The CID Coordinator will print out and verify hours worked as recorded in the electronic system on a bi-weekly basis and provide the information to the CID Manager for approval.
- Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form and signed by the CID Manager before the change can be made.
- The CID Manager will contract with an external payroll service for all preparation of payroll, record keeping, and tax reporting.
- The CID Coordinator will relay information to the payroll service. The payroll service will process the payroll and provide the cash requirements in advance of the pay date to the CID Manager.
- The Bookkeeper will record payroll expenditures and allocations monthly to the General Ledger.
- All quarterly federal and state payroll reports will be prepared and filed appropriately by the contracted payroll service.
- All W-2 statements are prepared by the contracted payroll service and issued to employees prior to January 31<sup>st</sup> of the following year for the prior calendar year.

## **XIV. End of Month and Fiscal Year-End Close**

- The Bookkeeper will prepare all month- and year-end journal entries.
- At the end of each month and fiscal year end, the Bookkeeper will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
- The income and expense accounts review will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
- Once the fiscal year-end financial statements are run, reviewed, and approved by the Bookkeeper and CID Manager, no more entries or adjustments will be made into that year's ledgers.
- At the end of the fiscal year, an outside CPA will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the CID Manager, the Board Finance Committee, and the Board Chair for their review and approval. The CID Manager will then file the return with the Internal Revenue Service by the annual deadline.
- All appropriate government filings including those required by the state tax board and attorney general's office will be completed by an outside CPA and/or appropriate legal representatives and filed with the appropriate agency.

## **XV. Financial Reports**

The Bookkeeper will prepare the monthly and annual financial reports. The reports will include: balance sheet, statement of income and expenses, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, and any other requested reports.

Periodic and annual financial reports will be submitted to the Finance Committee and Board of Directors for review and approval.

## **XVI. Fiscal Policy Statements**

- All cash accounts (except petty cash) owned by IACID will be held in financial institutions which are insured by the FDIC. No bank account will carry a balance over the FDIC insured amount without collateralization.
- All capital expenditures which exceed ten thousand dollars (\$10,000) will be capitalized.
- Employee or public personal checks will not be cashed through the petty cash fund.
- Salary advances may be made in emergency circumstances at the discretion of the CID Manager.
- No travel cash advances will be made except under special conditions and pre-approved by the CID Manager.
- Reimbursements will be paid upon complete expense reporting and approval using an approved IACID form. Reimbursements to the CID Manager will be authorized by the Board Chair.
- Any donated item with a value exceeding (\$50) will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation.
- All volunteer time shall be recorded as in-kind donations.
- The CID Manager and one designated Board and staff member are the signatories on IACID's bank accounts. Disbursements exceeding (\$10,000) require a second signature by an authorized board member. Unbudgeted disbursements over \$10,000 require approval from the Board of Directors.
- Bank statements and credit card statements will be reconciled monthly by the Bookkeeper and

reviewed by the CID Manager.

- **Correction fluid and/or tape will never be used in preparing timesheets or any accounting documents.**
- **Accounting and personnel records will be kept in locked file cabinets and only parties with financial and/or HR responsibility will have access to the keys.**

**THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT**

**RESOLUTION OF THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT ("DISTRICT") ESTABLISHING METHOD OF DISCLOSING POTENTIAL CONFLICTS OF INTEREST AND SUBSTANTIAL INTERESTS.**

WHEREAS, the District, which was formed by Ordinance Number 130186 adopted by the City of Kansas City, Missouri, City Council, is a public body created under the authority of the "Missouri Community Improvement District Act," Sections 67.1401, *et seq.*, RSMo, as amended (the "Act"), and is transacting business and exercising the powers granted by the Act;

WHEREAS, the Board of Directors (the "Board") of the District desires to establish a method of disclosing all potential conflicts of interest and substantial interests.

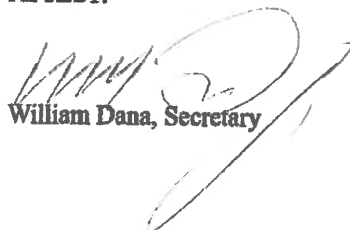
NOW, THEREFORE, BE IT RESOLVED by the Board of the District, as follows:

- Section 1.** That the following transactions shall annually be disclosed in writing to the Board:
- a. For any director of the Board ("Director"), and all persons within the first degree of consanguinity or affinity of such Director, the date and the identities of the parties to each transaction with a total value in excess of five hundred dollars (\$500.00) that such person had with the District, other than compensation received as an employee or payment of any tax, fee or penalty due to the District;
  - b. The date and the identities of the parties to each transaction known to the Director with a total value in excess of five hundred dollars (\$500.00), that any business entity in which that Director had a substantial interest had with the District, other than payment of any tax, fee or penalty due to the District or transaction involving payment for providing utility service to the District.
- Section 2.** The Secretary of the District shall maintain such disclosure reports available for public inspection and copying during normal business hours.
- Section 3.** That the Chairman is authorized and directed to take all further action necessary to carry out the purposes and intent of this Resolution.
- Section 4.** This Resolution shall take effect immediately.

Adopted this 20<sup>th</sup> day of July, 2017.

  
Bobbi Baker-Hughes, Chairman

ATTEST:

  
William Dana, Secretary

# HUSCH BLACKWELL

Christina Hall  
Assistant Paralegal  
4801 Main Street, Suite 1000  
Kansas City, MO 64112  
816.983.8660  
Christina.Hall@huschblackwell.com

April 19, 2017

## VIA EMAIL

Ms. Marilyn Sanders  
City Clerk  
25th Floor, City Hall  
414 E. 12th Street  
Kansas City, MO 64106

Re: The Independence Avenue Community Improvement District - Selection of  
Successor Directors

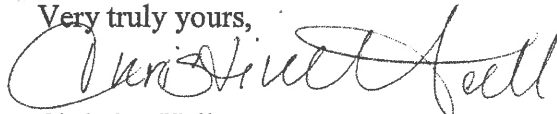
Dear Ms. Sanders:

We represent The Independence Avenue Community Improvement District (the "District"), a political subdivision created pursuant to the Missouri Community Improvement District Act, Section 67.1401 to 67.1571, RSMo. Pursuant to the Petition to establish the District (the "Petition"), all vacancies on the District's Board of Directors (the "Board") shall be filled in the following manner: (i) a slate of potential successor directors shall be submitted to the City Clerk by the Board; (ii) upon receipt, the City Clerk shall deliver the slate to the Mayor and the City Council; and (iii) the Mayor shall appoint successor directors with the consent of the City Council *by resolution*.

On March 16<sup>th</sup>, 2017, the Board resolved to nominate a slate of potential successor directors of the District (Resolution No. 2017-04). Pursuant to the provisions of the Petition, we now submit the Resolution to you for delivery to the Mayor and the City Council, and request your assistance in obtaining a City Council resolution appointing the proposed successor directors.

If you have any questions, please do not hesitate to contact me. Thank you in advance for your attention to this matter.

Very truly yours,



Christina Hall  
Assistant Paralegal

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Enclosures

cc: Brian T. Rabineau, Esq. (with enclosures)

**THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT  
RESOLUTION OF THE INDEPENDENCE COMMUNITY IMPROVEMENT DISTRICT  
NOMINATING SUCCESSOR DIRECTORS AND RATIFYING THE APPOINTMENT  
OF DR. ELAINE JOSLYN, JON HENDERSON AND BOBBI BAKER-HUGHES.**

WHEREAS, the District, which was formed by Ordinance Number 130186 and adopted by the City Council of the City of Kansas City, Missouri, is a public body created under the authority of the "Missouri Community Improvement District Act," Sections 67.1401, *et seq.*, RSMo, as amended (the "Act"), and is transacting business and exercising the powers granted by the Act;

WHEREAS, the Act, provides for the Chief elected officer of a municipality (the "Mayor") to appoint Successor Directors of a Community Improvement District with the consent of the governing body of the municipality (the "City Council");

WHEREAS, in accordance with the Petition, the Directors were to serve on the Board of Directors of the District (the "Board") for a period of either two (2) or four (4) years or until their successor is appointed in accordance with the Petition;

WHEREAS, the Board failed to make a written resolution for the nomination of Dr. Elaine Joslyn, Jon Henderson and Bobbi Baker-Hughes as a Successor Director and now desires to make a written record of their nomination, and to ratify all Board actions taken from the date of their appointment as Successor Directors, through the date of this Resolution, March 16, 2017;

WHEREAS, the Board desires to nominate and vote upon a slate of nominees who shall consist of the number of Successor Directors needed to fill the seats of those terms expiring in March 2017;

WHEREAS, pursuant to the Petition, those appointed Successor Directors shall serve for four (4) year terms or until their successor is appointed in accordance with the Petition; and

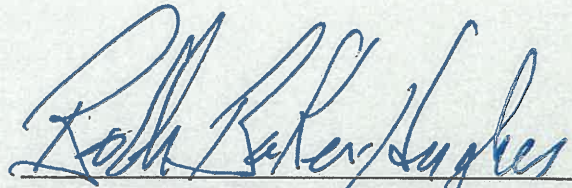
WHEREAS, the Petition authorizes the Board to submit, to the Mayor, a slate of individuals nominated to serve as Successor Directors in accordance with the qualifications set forth in the Petition.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of The Independence Avenue Community Improvement District, as follows:

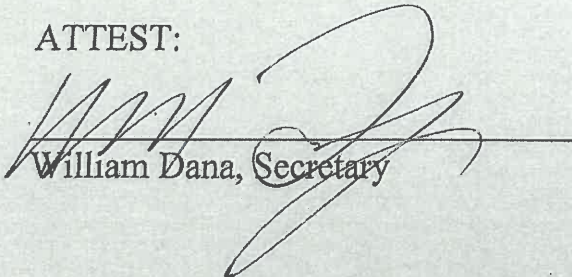
1. The following individuals were nominated by the Board to serve as Successive Directors for those certain terms that expired in March 2015:

- a. Dr. Elaine Joslyn, Operator (4 years);
  - b. Jon Henderson, Operator (4 years); and
  - c. Bobbi Baker-Hughes, Operator (4 years).
2. That all lawful actions taken by the Board on behalf of the District for any purpose from March 2015 through March 16, 2017 are hereby ratified, acknowledged and accepted.
  3. The following slate contains the names, classifications and terms of the individuals nominated by the Board to serve as Successor Directors for those certain terms expiring in March 2017:
    - a. William Dana (Operator, 4-year term); and
    - b. Charlie Passantino (Owner, 4-year term).
  4. The District's Legal Counsel is authorized to take all actions necessary to carry out this Resolution.
  5. This Resolution shall take effect immediately.

Adopted this 16<sup>th</sup> day of March, 2017.

  
Bobbi Baker-Hughes, Chairman

ATTEST:

  
William Dana, Secretary

**THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT**

**RESOLUTION OF THE INDEPENDENCE AVENUE COMMUNITY IMPROVEMENT DISTRICT ("DISTRICT") CHANGING THE PRINCIPAL OFFICE AND THE DEADLINE TO APPROVE THE ANNUAL BUDGET**

WHEREAS, the District, which was formed by Ordinance Number 130186 adopted by the City of Kansas City, Missouri, City Council, is a public body created under the authority of the "Missouri Community Improvement District Act," Sections 67.1401, *et seq.*, RSMo, as amended (the "Act"), and is transacting business and exercising the powers granted by the Act;

WHEREAS, Article II, Section 2.1, Principal Office, of the adopted bylaws sets the location of the District's principal office;

WHEREAS, in accordance with the Act, the Board of Directors of the District ("Board") is required to adopt an annual budget no later than thirty days prior to the first day of each fiscal year;

WHEREAS, the Board desires to relocate the principal office of the District and amend Article V, Budget, of the adopted bylaws to be consistent with the Act; and

WHEREAS, 10 days' written notice of the proposed amendment has previously been given to each Director.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. Article II, Section 2.1, Principal Office, of the Bylaws of the District shall be repealed and replaced as follows:

*The principal office of the District shall be located at 2657 Independence Avenue, Kansas City, MO 64124. The District may have such other offices within Kansas City, Missouri, as the business of the District may require from time to time, located at such place or places as may be designated by the Board.*

2. Article V, Budget, of the Bylaws of the District shall be repealed and replaced as follows:

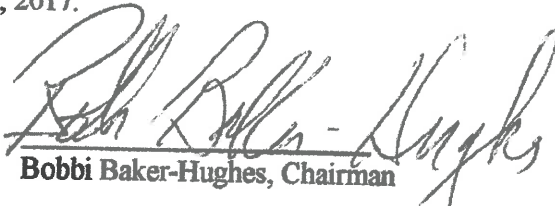
*The District will annually prepare a budget (the "Budget") and an annual report describing the major activities of the District during the preceding year and upcoming year. The Budget shall be submitted to the city administrator for review and comment not less than ninety (90) days prior to the intended date of approval of the Budget. The Budget shall not be approved without the prior written consent of the City. Not later than thirty days prior to the first day of each fiscal year of the District, the Board shall adopt a Budget for the District for the ensuing budget year, for every fund of the District of any kind, in such a manner as may be provided by law. If the Board fails to adopt a Budget thirty days prior to the first day of the fiscal year, the District shall be deemed to have adopted for such fiscal year a Budget*



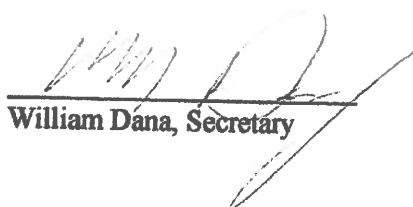
*which provides for application of the District's sales tax revenues collected in such fiscal year in accordance with the budget for the prior fiscal year.*

3. This resolution shall be effective immediately upon adoption.

Adopted this 21<sup>st</sup> day of September, 2017.

  
\_\_\_\_\_  
Bobbi Baker-Hughes, Chairman

**ATTEST:**

  
\_\_\_\_\_  
William Dana, Secretary