FileLocal

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

Executive Board:

Toni Call
City of Bellevue

Susy Haugen
City of Everett

Lindsey Vaughn
City of Lake Forest Park

Jan Hawn
City of Renton

Glen Lee
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Agenda

December 19, 2019

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

1. **CALL TO ORDER**
   a. Introductions

2. **PUBLIC COMMENT***

3. **APPROVAL OF 09-26-19 MEETING SUMMARY**
   a. 09-26-19 Meeting Summary

4. **REVIEW OF OCTOBER 2019, AND SEPTEMBER 2019 FINANCIAL STATEMENT**
   a. October 2019 Financial Statements
   b. September 2019 Financial Statements

5. **ACTION ITEMS**
   a. Question on ability to "piggyback" City of Seattle RFP for payment processor
      i. Our legal counsel advises this would not be appropriate as a "piggyback", additionally
      ii. Seattle has decided to extend current payment processor contract and will not be issuing a RFP
   b. Resolution **FL2019-07: Meeting Schedule** (Majority Vote)
      i. Resolution: **FL2019-07**
      ii. Attachment A: **FL2019-07**
   c. Resolution **FL2019-08: Final Budget 2020-2024** (Supermajority Vote)
      i. Briefing Paper: **FL2019-08**
      ii. Resolution: **FL2019-08**
      iii. Attachment A: **FL2019-08**
   d. Resolution **FL2019-09: Fiscal Manual** (Supermajority Vote)
      i. Briefing Paper: **FL2019-09**
      ii. Resolution: **FL2019-09**
      iii. Attachment A Fiscal Manual: **FL2019-09**
      iv. Attachment B Fiscal Manual Redlined: **FL2019-09**
      v. Attachment C delegation of Authority: **FL2019-09**

   e. Resolution **FL2019-10: Legal Services** (Majority Vote)
      i. Briefing Paper: **FL2019-10**

*A public comment period is provided to allow the public to briefly present information, topics or issues that they feel should be considered by the board. Presentation should be limited to three minutes and be summary in nature. The board may decide to discuss the topic briefly at that time or to request its placement on a future agenda.

ii. Resolution: **FL2019-10**
iii. Attachment A: **FL2019-10**

6. OPERATIONAL UPDATES

a. Monthly Business Report
b. Agency/Vendor Performance Survey Update
c. 2020 Workplan
d. Kubra Statement of Work (SOW)
e. ADA Update
f. New Cities Update
g. Vendor warrants

7. ADJOURNMENT

FileLocal

700 5th Avenue, Suite 4350
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Seattle, WA 98124-4669

Executive Board Meeting Summary

Executive Board:

Susy Haugen,
City of Everett

Toni Call, Chair
City of Bellevue

Lindsey Vaughn
City of Lake Forest Park

Jan Hawn
City of Renton

Glen Lee, Vice-Chair
City of Seattle

Andy Cherullo
City of Tacoma

September 26, 2019

SEATTLE MUNICIPAL TOWER CONFERENCE ROOM 4070
SEATTLE, WA

KEY: Underlined text indicates actions/decisions.
Bold/italicized text indicates follow up items.

Standing Items

1. CALL TO ORDER

The 9-26-2019, meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:09 a.m. and held in Conference Room 4070 of the Seattle Municipal Tower in Seattle, Washington.

ROLL CALL

Board Members Present: Toni Call (phone) Susy Haugen (phone), Jan Hawn (phone), Glen Lee (phone), and Andy Cherullo (phone)

Staff and Guests: David Linehan (phone), Kevin Fitzpatrick, and Julie Panick

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF MEETING SUMMARY

On a motion made by Andy Cherullo and seconded by Jan Hawn, the board approved the 5-30-19, meeting summary.

4. REVIEW OF FINANCIAL STATEMENT

Kevin Fitzpatrick summarized the August 2019, July 2019, June 2019, and May 2019 financial statements and cash status. There were no questions or comments.

5. ACTION ITEMS

A. Resolution FL2019-06: Kubra Contract Extension

a. Kevin Fitzpatrick reviewed the resolution which extends the contract to 12-31-2021. The term aligns with the RFP being done by the City of Seattle for their payment processor which FileLocal may be able to leverage.

i. Motion to accept: Andy Cherullo

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ii. Motion seconded: Jan Hawn
iii. Majority vote: Passed

VOTE FL2019-06	City	Member
YES	Bellevue	Toni Call
YES	Everett	Susy Haugen
YES	Lake Forest Park	Absent
YES	Renton	Jan Hawn
YES	Seattle	Glen Lee
YES	Tacoma	Andy Cherullo

Question (Susy Haugen): Does Seattle have piggy-back language in their RFP that FileLocal can utilize?

Kevin Fitzpatrick will check with Seattle and discuss with our attorney.

6. DISCUSSION ITEMS:

A. Attachment Metrics

a. Four Metrics will be tracked quarterly: total licenses, license renewals, tax forms with payments, and tax forms with zero liability.

b. Key Issues near-term: renewal rates (19%) and zero payment filers (30%).

c. License Renewal Letter Template provided.

B. August Monthly Business Review

a. Help Desks calls are 3.4% higher than the same 3-month period in FY18.

b. Accounts created are down by 1,047 from FY18 in the same 3-month period.

c. Tax forms filed were up for all eight cities compared to same period

FY-18.

d. Payments were up for all eight cities compared to same period FY-18.

C. ADA Update

No ADA work was targeted for Q3.

D. Agency/Vendor Performance Survey

a. Focus on what we can do to improve the City user experience.

b. Two components: Executive Board Members (strategic) and Operations Committee Members (tactical).

c. Designed and administered by outside contractor.

d. Survey length 10-15 minutes.

E. New Cities Update

There were no questions or comments.

F. Vendor Warrants

There were no questions or comments.

7. ADJOURNMENT

On a motion made by Andy Cherullo and seconded by Glen Lee, the meeting of the Executive Board adjourned at 11:44 a.m.

Respectfully Submitted,

Julie Panick
Secretary, FileLocal

FileLocal

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

FileLocal
Financial Statements
OCTOBER 31, 2019

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2019

ASSETS		
Cash	**$**	**742,837**
Accounts receivable		**4,760**
Dues from Cities		**43,834**
Prepaid		**30,151**
Total Current Assets		**821,582**
TOTAL ASSETS	**$**	**821,582**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	**$**	**-**
Accrued liabilities		**155,113**
Total Current Liabilities		**155,113**
TOTAL LIABILITIES		**155,113**
NET ASSETS		
Net assets, unrestricted	**$**	**450,921**
Change in net assets		**215,548**
TOTAL NET ASSETS		**666,469**
TOTAL LIABILITIES AND NET ASSETS	**$**	**821,582**

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Sustancially all disclosures required by accounting principles generally accepted in the United States are not included.

FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED OCTOBER 31, 2019

	August	September	October	YTD
REVENUES				
User fees	$ 3,060	$ 6,792	$ 61,072	**$ 275,552**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**483,703**
City of Bellevue	-	-	-	**76,517**
City of Tacoma	-	-	-	**119,827**
City of Everett	-	-	-	**34,760**
City of Lake Forest Park	-	-	-	**8,932**
City of Bremerton	(4,500)	-	-	**37,091**
City of Renton	-	-	-	**36,060**
City of Shoreline	-	-	-	**14,326**
Total direct reimbursable costs	(4,500)	-	-	**811,216**
Shared cost reimbursements	-	-	-	**-**
Total revenues	$ (1,440)	$ 6,792	$ 61,072	**$ 1,086,768**
EXPENSES				
Accounting fees	$ 2,500	$ 2,500	$ 2,500	**$ 53,068**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	1,750	-	-	**2,094**
Consulting	-	-	-	**-**
Insurance	433	433	433	**4,330**
Labor costs	29,291	29,291	29,291	**298,156**
Legal fees	-	780	694	**6,337**
License and membership fees	(1,750)	-	-	**420**
Meals and entertainment	-	-	-	**9**
Office and operation supplies	-	-	-	**69**
Printing and copying	-	-	-	**-**
Technology costs	10,470	75,174	47,372	**368,252**
Transaction fees	8,422	2,547	23,808	**136,958**
Travel Expense	34	167	645	**1,529**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 51,150	$ 110,891	$ 104,742	**$ 871,220**
CHANGE IN NET ASSETS	$ (52,590)	$ (104,099)	$ (43,670)	**$ 215,548**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2019

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 328,001	$ 273,334	$ 275,552	$ 2,218
Reimbursable cost/Capital cost recovery charges				
City of Seattle	483,703	483,703	483,703	-
City of Bellevue	76,517	76,517	76,517	-
City of Tacoma	119,827	119,827	119,827	-
City of Everett	34,760	34,760	34,760	-
City of Lake Forest Park	8,932	8,932	8,932	-
City of Bremerton	37,091	37,091	37,091	-
City of Renton	36,060	36,060	36,060	-
City of Shoreline	14,326	14,326	14,326	-
Total direct reimbursable costs	811,216	811,216	811,216	-
Other				
Fund carryover	50,000	50,000	-	(50,000)
Total sources	$ 1,189,217	$ 1,134,550	$ 1,086,768	$ (47,782)
EXPENSES				
Labor costs	$ 398,257	$ 331,881	$ 298,156	$ 33,725
Contracts	59,788	49,824	57,398	(7,574)
Overhead	54,396	45,330	10,449	34,881
Technology costs	631,683	526,403	505,210	21,193
Operating reserve	27,094	22,578	-	22,578
Capital cost recovery payments	18,000	15,000	-	15,000
Consulting	-	-	-	-
Meals and entertainment	-	-	9	9
Total operating expenses	$ 1,189,218	$ 991,016	$ 871,220	$ 119,796
CHANGE IN NET ASSETS			215,548	
NET ASSETS, AS OF JANUARY 1, 2019			450,921	
NET ASSETS, AS OF OCTOBER 31, 2019			$ 666,469	
Schedule I - Contracts				
Accounting	$ 40,880	$ 34,067	$ 47,517	$ (13,450)
Auditing	11,202	9,335	5,551	3,784
Insurance	6,162	5,135	4,330	805
Bank fees	1,544	1,287	-	1,287
Total	$ 59,788	$ 49,824	$ 57,398	$ (7,574)
Schedule II - Overhead				
Legal	$ 33,366	$ 27,805	$ 6,337	$ 21,468
Office and operating supplies	3,503	2,919	69	2,850
Printing	3,503	2,919	-	2,919
Licenses/Memberships	3,503	2,919	1,949	970
Agency IT costs	3,762	3,135	-	3,135
Marketing	6,759	5,633	2,094	3,539
Total	$ 54,396	$ 45,330	$ 10,449	$ 34,881

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FILELOCAL
STATEMENT OF CASHFLOWS
FOR THE YEAR TO DATE ENDED OCTOBER 31, 2019

Change in Net Assets		$	215,548
Adjustments to reconcile Change in Net Assets			
to net cash provided by operations:			
	Accounts Receivable		41,946
	Dues from Cities		(26,597)
	Prepaid		(29,531)
	Accounts Payable and Accrued Liabilities		(45,550)
Net cash increase for ten months ending 10/31/2019			155,816
Cash at 1/1/2019			587,022
Cash at 10/31/2019			**742,837**
Less Operating Reserve			**(172,985)**
Cash Available		**$**	**569,852**

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FileLocal
Financial Statements
September 30, 2019

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FILELOCAL
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019

ASSETS		
Cash	**$**	**727,856**
Dues from Cities		**41,749**
Prepaid		**45,084**
Total Current Assets		**814,689**
TOTAL ASSETS	**$**	**814,689**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	**$**	**-**
Accrued liabilities		**104,550**
Total Current Liabilities		**104,550**
TOTAL LIABILITIES		**104,550**
NET ASSETS		
Net assets, unrestricted	**$**	**450,921**
Change in net assets		**259,218**
TOTAL NET ASSETS		**710,139**
TOTAL LIABILITIES AND NET ASSETS	**$**	**814,689**

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FILELOCAL
STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS
AND YEAR-TO-DATE ENDED SEPTEMBER 30, 2019

	July	August	September	YTD
REVENUES				
User fees	$ 47,228	$ 3,060	$ 6,792	**$ 214,480**
Reimbursable cost/Capital cost recovery charges				
City of Seattle	-	-	-	**483,703**
City of Bellevue	-	-	-	**76,517**
City of Tacoma	-	-	-	**119,827**
City of Everett	-	-	-	**34,760**
City of Lake Forest Park	-	-	-	**8,932**
City of Bremerton	-	(4,500)	-	**37,091**
City of Renton	-	-	-	**36,060**
City of Shoreline	-	-	-	**14,326**
Total direct reimbursable costs	-	(4,500)	-	**811,216**
Shared cost reimbursements	-	-	-	**-**
Total revenues	$ 47,228	$ (1,440)	$ 6,792	**$ 1,025,696**
EXPENSES				
Accounting fees	$ 23,713	$ 2,500	$ 2,500	**$ 50,568**
Agency IT costs	-	-	-	**-**
Bank fees	-	-	-	**-**
Capital Recovery Payment	-	-	-	**-**
Conference cost	344	1,750	-	**2,094**
Consulting	-	-	-	**-**
Insurance	433	433	433	**3,897**
Labor costs	43,342	29,291	29,291	**268,865**
Legal fees	1,620	-	780	**5,643**
License and membership fees	-	(1,750)	-	**420**
Meals and entertainment	-	-	-	**9**
Office and operation supplies	-	-	-	**69**
Printing and copying	-	-	-	**-**
Technology costs	14,950	10,470	75,174	**320,880**
Transaction fees	18,695	8,422	2,547	**113,150**
Travel Expense	-	34	167	**884**
Reimbursable Shared Costs	-	-	-	**-**
Total expenses	$ 103,096	$ 51,150	$ 110,891	**$ 766,478**
CHANGE IN NET ASSETS	$ (55,868)	$ (52,590)	$ (104,099)	**$ 259,218**

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FILELOCAL
SCHEDULE OF BUDGET AND ACTUAL
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2019

	Budget	YTD Budget	YTD Actual	Variance
REVENUES				
User fees	$ 328,001	$ 246,001	$ 214,480	$ (31,521)
Reimbursable cost/Capital cost recovery charges				
City of Seattle	483,703	483,703	483,703	-
City of Bellevue	76,517	76,517	76,517	-
City of Tacoma	119,827	119,827	119,827	-
City of Everett	34,760	34,760	34,760	-
City of Lake Forest Park	8,932	8,932	8,932	-
City of Bremerton	37,091	37,091	37,091	-
City of Renton	36,060	36,060	36,060	-
City of Shoreline	14,326	14,326	14,326	-
Total direct reimbursable costs	811,216	811,216	811,216	-
Other				
Fund carryover	50,000	50,000	-	(50,000)
Total sources	$ 1,189,217	$ 1,107,217	$ 1,025,696	$ (81,521)
EXPENSES				
Labor costs	$ 398,257	$ 298,693	$ 268,865	$ 29,828
Contracts	59,788	44,842	54,465	(9,623)
Overhead	54,396	40,797	9,110	31,687
Technology costs	631,683	473,762	434,030	39,732
Operating reserve	27,094	20,321	-	20,321
Capital cost recovery payments	18,000	13,500	-	13,500
Consulting	-	-	-	-
Meals and entertainment	-	-	9	9
Total operating expenses	$ 1,189,218	$ 891,915	$ 766,478	$ 125,437
CHANGE IN NET ASSETS			259,218	
NET ASSETS, AS OF JANUARY 1, 2019			450,921	
NET ASSETS, AS OF SEPTEMBER 30, 2019			$ 710,139	
Schedule I - Contracts				
Accounting	$ 40,880	$ 30,660	$ 45,017	$ (14,357)
Auditing	11,202	8,402	5,551	2,851
Insurance	6,162	4,622	3,897	725
Bank fees	1,544	1,158	-	1,158
Total	$ 59,788	$ 44,842	$ 54,465	$ (9,623)
	-	-	-	-
Schedule II - Overhead				
Legal	$ 33,366	$ 25,025	$ 5,643	$ 19,382
Office and operating supplies	3,503	2,627	69	2,558
Printing	3,503	2,627	-	2,627
Licenses/Memberships	3,503	2,627	1,304	1,323
Agency IT costs	3,762	2,822	-	2,822
Marketing	6,759	5,069	2,094	2,975
Total	$ 54,396	$ 40,797	$ 9,110	$ 31,687

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FILELOCAL
STATEMENT OF CASHFLOWS
FOR THE YEAR TO DATE ENDED SEPTEMBER 30, 2019

Change in Net Assets		$	259,218
Adjustments to reconcile Change in Net Assets			
to net cash provided by operations:			
	Accounts Receivable		46,706
	Dues from Cities		(24,512)
	Prepaid		(44,464)
	Accounts Payable and Accrued Liabilities		(96,113)
Net cash increase for nine months ending 9/30/2019			140,835
Cash at 1/1/2019			587,022
Cash at 9/30/2019			**727,856**
Less Operating Reserve			**(172,985)**
Cash Available		**$**	**554,871**

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RESOLUTION NO. FL2019-07

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board establishing the place and times for meetings of the Executive Board in 2020.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") bylaws section 4.5 establishes that the Portal agency is required to hold an annual meeting in March of each year, and;

Whereas, the Executive Board may specify by resolution the time and place for holding any other regular Board meetings;

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The regular meetings of the Executive Board shall be held at the times and places described in Attachment A to this resolution.

SECTION 2. If by reason of fire, flood, earthquake or other emergency it shall be unsafe to meet in the place designated in Section 1 above, the meetings of the Executive Board may be held for the duration of the emergency at such a place as designated by the Board Chair.

ADOPTED this ____ day of December 2019.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

Executive Board Meetings, 2020

All Meetings will be held at the Seattle Municipal Tower (SMT) and via Skype. The meeting time and call in numbers are consistent. The dates and conference ID numbers are listed below.

Date	Skype ID	Location	Time
March 19, 2020	**1681340**	**SMT4086**	**11:00a.m.**
May 28, 2020	**3627340**	**SMT4070**	**11:00a.m.**
September 24, 2020	**4660194**	**SMT4070**	**11:00a.m.**
December 17, 2020	**7428340**	**SMT4070**	**11:00a.m.**

Operations Committee Meetings, 2020

Date	Skype ID	Location	Time
March 4, 2020	**8797895**		**1:00p.m.**
May 14, 2020	**40889917**		**1:00p.m.**
September 9, 2020	**2200149**		**1:00p.m.**
December 2, 2020	**694183**		**1:00p.m.**

FileLocal Resolution FL2019-08
Briefing Paper

Date: December 19, 2019

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board approve the final 2020-2024 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2019-08 approving the final 2020-2024 budget.

Rationale: The Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement Section 13 sets a process for approving the annual budget. The process steps are as follows:

- No later than May 1 present a proposed budget to the Executive Board. The proposed budget was initially presented to the Board at their March 28, 2019 meeting and formalized in resolution FL2019-05 at the May 30, 2019 meeting.
- No later than June 15 the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget by Supermajority Vote, and (3) forward the same to the principal/subscriber cities no later than July 1.
- A final budget must be approved by December 31.

The Executive Board approved the 2020-2024 draft budget at their May 30, 2019 meeting included as an attachment to FL2019-05. The draft budget was submitted to each principal/subscriber city.

By December 1 each principal city is to inform the Agency that their city has or will approve their shares of the Portal Agency budget.

The final budget is provided as Attachment A to Resolution FL2019-08.

RESOLUTION NO. FL2019-08

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2020-2024 Budget.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement ("Agreement") requires the Executive Board to adopt a draft Portal Agency 2020 budget by June 15;

Whereas, the Program Manager shall present a proposed budget to the Executive Board no later than May 1 prior to the commencement of the budget period, together with the Operation Committee's recommendations with respect to the proposed budget;

Whereas, the Executive Board received a draft 2020-2024 budget for review on March 28, 2019 and approved the draft 2020-2024 Budget on May 30, 2019.

Whereas, the Cities of Bellevue, Everett, Lake Forest Park, Renton, Seattle, and Tacoma have each informed the Portal Agency by December 1, 2019 that they will or have approved their shares of the Portal Agency budget for 2020-2024.

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The Executive Board hereby adopts the final 2020-2024 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this ____ day of December 2019.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

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Final Budget 2020-2024

December 2019

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Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2020-FY2024
11/26/2019

		Actual (A), Projection (P), Budget (B)								B/(W)						
		2018 (A)	2019 (B)	2019 (P)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2019 (B) vs. 2018 (A)	2019 (P) vs. 2019 (B)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)
Revenue:																
Fund Carryover	T4	-	50,000	50,000	36,292	-	-	-	-	50,000	-	(13,708)	(36,292)	-	-	-
User Fees	T1	212,329	328,001	319,800	395,010	488,825	610,629	637,901	668,672	115,672	(8,201)	75,210	93,815	121,804	27,273	30,771
Reimbursable Costs	T3	832,818	793,217	816,611	809,343	829,799	803,802	812,175	827,678	(39,601)	23,394	(7,268)	20,455	(25,997)	8,373	15,503
Capital Cost Recovery Charges	T2	21,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000	(3,000)	2,000	-	-	-	-	-
Total Revenue B/(W)		1,066,147	1,189,218	1,206,411	1,260,645	1,338,623	1,434,431	1,470,076	1,516,350	123,071	17,193	54,234	77,978	95,808	35,646	46,273
Expenditures																
Regular Expenditures:																
Labor	T4.1	334,603	351,489	351,489	377,037	390,610	404,672	419,241	434,333	(16,886)	-	(25,548)	(13,573)	(14,062)	(14,568)	(15,093)
Contracts	T4.2	42,098	59,788	59,788	61,044	62,387	63,759	65,098	66,465	(17,690)	-	(1,256)	(1,343)	(1,373)	(1,339)	(1,367)
Overhead	T4.3	26,809	46,787	46,787	47,770	48,820	49,895	50,942	52,012	(19,978)	-	(983)	(1,051)	(1,074)	(1,048)	(1,070)
Technology Costs	T4.4	566,857	621,035	636,228	677,003	737,297	812,744	837,518	864,372	(54,178)	(15,193)	(40,775)	(60,294)	(75,447)	(24,774)	(26,854)
Operating Reserve	T4.5	-	27,094	27,094	11,402	11,658	14,017	6,478	6,881	(27,094)	-	15,692	(257)	(2,359)	7,540	(403)
Capital Cost Recovery Payments	T4.6	21,000	18,000	20,000	20,000	20,000	20,000	20,000	20,000	3,000	(2,000)	-	-	-	-	-
Total Regular Expenditures		991,367	1,124,193	1,141,386	1,194,254	1,270,772	1,365,087	1,399,276	1,444,063	(132,826)	(17,193)	(52,868)	(76,518)	(94,315)	(34,189)	(44,787)
Incremental Expenses from The New Partners:																
Incremental Labor	T4.1	-	46,768	46,768	47,750	48,801	49,874	50,922	51,991	(46,768)	-	(982)	(1,051)	(1,074)	(1,047)	(1,069)
Incremental Overhead	T4.3	-	7,609	7,609	7,769	7,940	8,114	8,285	8,459	(7,609)	-	(160)	(171)	(175)	(170)	(174)
Incremental Technology Cost	T4.4	-	10,648	10,648	10,872	11,111	11,355	11,594	11,837	(10,648)	-	(224)	(239)	(244)	(238)	(243)
Total Incremental Expenditures		-	65,025	65,025	66,391	67,851	69,344	70,800	72,287	(65,025)	-	(1,366)	(1,461)	(1,493)	(1,456)	(1,487)
Total Expenditures B/(W)		991,367	1,189,218	1,206,411	1,260,645	1,338,623	1,434,431	1,470,076	1,516,350	(197,851)	(17,193)	(54,234)	(77,978)	(95,808)	(35,646)	(46,273)
Excess (Deficit)		74,780	-	-	-	-	-	-	-	(74,780)	-	-	-	-	0	(0)

Revenue

T4 FY19 Fund Carryover is $50k. This is primarily related to ADA Compliance work that originated out of the ADA Audit. No fund carryover is projected for FY20.

T1 User Fees in FY20 are up BY $75K comparing to FY19(P). This is due to an increase in transaction count by approximately 25K.

T3 FY20 Reimbursable Costs is approximately $8K higher than FY19(P). This is primarily related to the increase in user fees that are offset against fund carryover.

Expense

T4.1 FY20 Labor increases by approximately 7%. The increase reflects the normal inflation adjustments to labor cost and also, a higher increase in COLA provision.

T4.2 FY20 Contracts slightly increase due to the estimated inflation adjustments.

T4.3 No additional participating cities are projected for FY20. FY20 Overhead slightly increase due to the estimated inflation adjustments.

T4.4 FY20 Technology costs are up $41K. This is primarily due to the increase in transaction count, approximately 25K more counts.
Please note there is a reclass ADA compliance costs from Software Development to Misc. Technology Expense for the breakdown of technology costs at [Expense] tab.
As a result, $50K is removed out of Software Development while $30K is added to Misc. Technology Expense in FY20.

T4.1/.3/.4 No additional participating cities are projected for FY20 and thus, there are slight increase in incremental labor, overhead and techonology costs.

T4.5 Operating Reserve in FY20 decrease by approximately $16K, primarily due to the accumulated operating reserves in previous years.

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2020-FY2024 May 2019 Draft
4/22/2019

		Actual (A), Projection (P), Budget (B)							B/(W)						
		2018 (A)	2019 (B)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2019 (B) vs. 2018 (A)	2019 (P) vs. 2019 (B)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)
Revenue:															
Fund Carryover	T4	-	50,000	-	-	-	-	-	50,000	-	(50,000)	-	-	-	-
User Fees	T1	212,329	328,001	395,010	488,825	610,629	637,901	668,672	115,672	(8,201)	75,210	93,815	121,804	27,273	30,771
Reimbursable Costs	T3	832,818	793,217	809,343	782,631	742,499	736,228	736,560	(39,601)	23,394	(7,268)	(26,712)	(40,132)	(6,271)	332
Capital Cost Recovery Charges	T2	21,000	18,000	20,000	20,000	20,000	20,000	20,000	(3,000)	2,000	-	-	-	-	-
Total Revenue B/(W)		1,066,147	1,189,218	1,224,353	1,291,456	1,373,128	1,394,130	1,425,232	123,071	17,193	17,942	67,103	81,672	21,001	31,102
Expenditures															
Regular Expenditures:															
Labor	T4.1	334,603	351,489	345,479	345,479	345,479	345,479	345,479	(16,886)	-	6,010	-	-	-	-
Contracts	T4.2	42,098	59,788	61,044	62,387	63,759	65,098	66,465	(17,690)	-	(1,256)	(1,343)	(1,373)	(1,339)	(1,367)
Overhead	T4.3	26,809	46,787	47,770	48,820	49,895	50,942	52,012	(19,978)	-	(983)	(1,051)	(1,074)	(1,048)	(1,070)
Technology Costs	T4.4	566,857	621,035	677,003	737,297	812,744	837,518	864,372	(54,178)	(15,193)	(40,775)	(60,294)	(75,447)	(24,774)	(26,854)
Operating Reserve	T4.5	-	27,094	6,668	9,622	11,908	4,293	4,617	(27,094)	-	20,426	(2,954)	(2,286)	7,615	(324)
Capital Cost Recovery Payments	T4.6	21,000	18,000	20,000	20,000	20,000	20,000	20,000	3,000	(2,000)	-	-	-	-	-
Total Regular Expenditures		991,367	1,124,193	1,157,963	1,223,605	1,303,784	1,323,330	1,352,945	(132,826)	(17,193)	(16,577)	(65,642)	(80,180)	(19,545)	(29,615)
Incremental Expenses from The New Partners:															
Incremental Labor	T4.1	-	46,768	47,750	48,801	49,874	50,922	51,991	(46,768)	-	(982)	(1,051)	(1,074)	(1,047)	(1,069)
Incremental Overhead	T4.3	-	7,609	7,769	7,940	8,114	8,285	8,459	(7,609)	-	(160)	(171)	(175)	(170)	(174)
Incremental Technology Cost	T4.4	-	10,648	10,872	11,111	11,355	11,594	11,837	(10,648)	-	(224)	(239)	(244)	(238)	(243)
Total Incremental Expenditures		-	65,025	66,391	67,851	69,344	70,800	72,287	(65,025)	-	(1,366)	(1,461)	(1,493)	(1,456)	(1,487)
Total Expenditures B/(W)		991,367	1,189,218	1,224,353	1,291,456	1,373,128	1,394,130	1,425,232	(197,851)	(17,193)	(17,942)	(67,103)	(81,672)	(21,001)	(31,102)
Excess (Deficit)		74,780	-	-	-	-	-	-	(74,780)	-	-	0	-	(0)	(0)

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2020-FY2024 Dec 2019 Final vrs. May 2019 Draft
11/26/2019

		Actual (A), Projection (P), Budget (B)							B/(W)						
		2018 (A)	2019 (B)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2019 (B) vs. 2018 (A)	2019 (P) vs. 2019 (B)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)
Revenue:															
Fund Carryover	T4	-	-	36,292	-	-	-	-	-	-	36,292	(36,292)	-	-	-
User Fees	T1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursable Costs	T3	-	-	-	47,167	61,303	75,947	91,118	-	-	-	47,167	14,135	14,644	15,171
Capital Cost Recovery Charges	T2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue B/(W)		-	-	36,292	47,167	61,303	75,947	91,118	-	-	36,292	10,876	14,135	14,644	15,171
Expenditures															
Regular Expenditures:															
Labor	T4.1	-	-	31,558	45,131	59,193	73,762	88,854	-	-	(31,558)	(13,573)	(14,062)	(14,568)	(15,093)
Contracts	T4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead	T4.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technology Costs	T4.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve	T4.5	-	-	4,734	2,036	2,109	2,185	2,264	-	-	(4,734)	2,698	(73)	(76)	(79)
Capital Cost Recovery Payments	T4.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Regular Expenditures		-	-	36,292	47,167	61,303	75,947	91,118	-	-	(36,292)	(10,876)	(14,135)	(14,644)	(15,171)
Incremental Expenses from The New Partners:															
Incremental Labor	T4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incremental Overhead	T4.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incremental Technology Cost	T4.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incremental Expenditures		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures B/(W)		-	-	36,292	47,167	61,303	75,947	91,118	-	-	(36,292)	(10,876)	(14,135)	(14,644)	(15,171)
Excess (Deficit)		-	-	-	-	-	-	-	-	-	-	(0)	-	0	(0)

Washington Cities Business License and Tax Portal Agency
Reimbursement
FY2020-FY2024 December 2019 Final
11/26/2019

	Reimbursement %	Reimbursable Costs							Actual (A), Projection (P), Budget (B)						
	2012 Actual	2018 (A)	2019 (B)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2019 (B) vs. 2018 (A)	2019 (P) vs. 2019 (B)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)
T3. Reimbursement		$ 832,818	$ 793,217	$ 809,343	$ 829,799	$ 803,802	$ 812,175	$ 827,678							
Bellevue	9%	$ 79,125	$ 70,517	$ 71,951	$ 73,769	$ 71,458	$ 72,202	$ 73,581	8,608	(2,080)	646	(1,818)	2,311	(744)	(1,378)
Bremerton	5%	$ 11,854	$ 36,091	$ 36,825	$ 37,756	$ 36,573	$ 36,954	$ 37,659	(24,237)	(1,064)	331	(931)	1,183	(381)	(705)
Everett	4%	$ 36,821	$ 32,760	$ 33,426	$ 34,271	$ 33,197	$ 33,543	$ 34,183	4,061	(966)	300	(845)	1,074	(346)	(640)
Lake Forest Park	1%	$ 8,955	$ 7,932	$ 8,093	$ 8,298	$ 8,038	$ 8,122	$ 8,277	1,023	(234)	73	(205)	260	(84)	(155)
Renton	4%	$ 19,117	$ 35,060	$ 35,773	$ 36,677	$ 35,528	$ 35,898	$ 36,583	(15,943)	(1,034)	321	(904)	1,149	(370)	(685)
Seattle	61%	$ 543,559	$ 483,703	$ 493,538	$ 506,011	$ 490,158	$ 495,264	$ 504,718	59,856	(14,266)	4,432	(12,474)	15,853	(5,106)	(9,454)
Shoreline	2%	$ 5,465	$ 13,326	$ 13,597	$ 13,941	$ 13,504	$ 13,645	$ 13,905	(7,861)	(393)	122	(344)	437	(141)	(260)
Tacoma	14%	$ 127,922	$ 113,827	$ 116,141	$ 119,076	$ 115,346	$ 116,547	$ 118,772	14,095	(3,357)	1,043	(2,935)	3,731	(1,202)	(2,225)
Total	100%	$ 832,818	$ 793,217	$ 809,343	$ 829,799	$ 803,802	$ 812,175	$ 827,678	39,601	(23,394)	7,268	(20,455)	25,997	(8,373)	(15,503)

Washington Cities Business License and Tax Portal Agency
Summary of Budget
FY2020-FY2024 Dec 2019 Final vrs. May 2019 Draft
11/26/2019

		Reimbursable Costs							Actual (A), Projection (P), Budget (B)						
	2012 Actual	2018 (A)	2019 (B)	2020 (B)	2021 (B)	2022 (B)	2023 (B)	2024 (B)	2019 (B) vs. 2018 (A)	2019 (P) vs. 2019 (B)	2020 (B) vs. 2019 (P)	2021 (B) vs. 2020 (B)	2022 (B) vs. 2021 (B)	2023 (B) vs. 2022 (B)	2024 (B) vs. 2023 (B)
T3. Reimbursement		$ -	$ -	$ -	$ 47,167	$ 61,303	$ 75,947	$ 91,118							
Bellevue	0%	$ -	$ -	$ -	$ 4,193	$ 5,450	$ 6,752	$ 8,100	-	-	-	(4,193)	(1,257)	(1,302)	(1,349)
Bremerton	0%	$ -	$ -	$ -	$ 2,146	$ 2,789	$ 3,456	$ 4,146	-	-	-	(2,146)	(643)	(666)	(690)
Everett	0%	$ -	$ -	$ -	$ 1,948	$ 2,532	$ 3,137	$ 3,763	-	-	-	(1,948)	(584)	(605)	(627)
Lake Forest Park	0%	$ -	$ -	$ -	$ 472	$ 613	$ 759	$ 911	-	-	-	(472)	(141)	(146)	(152)
Renton	0%	$ -	$ -	$ -	$ 2,085	$ 2,710	$ 3,357	$ 4,027	-	-	-	(2,085)	(625)	(647)	(671)
Seattle	0%	$ -	$ -	$ -	$ 28,763	$ 37,382	$ 46,312	$ 55,564	-	-	-	(28,763)	(8,620)	(8,930)	(9,251)
Shoreline	0%	$ -	$ -	$ -	$ 792	$ 1,030	$ 1,276	$ 1,531	-	-	-	(792)	(237)	(246)	(255)
Tacoma	0%	$ -	$ -	$ -	$ 6,769	$ 8,797	$ 10,898	$ 13,075	-	-	-	(6,769)	(2,028)	(2,101)	(2,177)
Total	0%	$ -	$ -	$ -	$ 47,167	$ 61,303	$ 75,947	$ 91,118	-	-	-	(47,167)	(14,135)	(14,644)	(15,171)

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

File Local Resolution FL2019-09
Briefing Paper

Date: December 19th, 2019

Issue: Shall the Washington Multi-City Business Tax and License Portal Agency Executive Board approve the updated Fiscal Manual?

Operating Committee Recommendation: The Portal Agency Executive Board should approve the updated Fiscal Manual.

Rationale: A signoff issue was identified on Workorder 25. This workorder was budgeted but greater than $50k so the Board Chair and Vice Chair should have approved it before any monies were spent. To understand if this issue extended beyond this workorder, an audit was done to look at 2 years of expenses which required signatures from either of the board members. Seven budgeted payments to the Program Manager were approved by the Treasurer which should have gone to one of the board members because the payment was over $250.

To address these issues, the Agency's CPA Firm, Francis and Company, was engaged to review the entire Fiscal Manual and to ensure the manual was up to date and that process steps were included to close this gap.

The Fiscal Manual needs to be updated to incorporate their recommendations and to add process steps to ensure this issue doesn't happen again.

RESOLUTION NO. FL2019-09

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving Amendments to the Portal Agency Operations Policy — Fiscal Manual.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("Portal Agency") Interlocal Agreement requires the development of a Portal Agency Operations Policy;

Whereas, File Local Resolutions FL2018-05 adopted the current portions of the Portal Operations Policy referred to as the Fiscal Manual;

Whereas, the Interlocal Agreement specifies that the Operations Committee shall assist in the review of the Portal Operation Policy and any amendments thereto;

Whereas, the Operations Committee has reviewed and recommends certain changes to the portions of the Portal Operations Policy known as the Fiscal Manual, as shown on Attachment A hereto; and

Whereas, approval of amendments to the Portal Operations Policy requires a super-majority vote of the Executive Board;

Now Therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The Executive Board hereby approves the attached amendments to the Fiscal Manual portion of the Portal Agency Operations Policy, as shown in Attachment A to this Resolution. For ease of reference, a "redline" of the Fiscal Manual

revisions is attached hereto as Attachment B. All previous versions of the Fiscal Manual and any related Operations Policies that are inconsistent with the amendments shown on Attachment A are hereby repealed and replaced.

SECTION 2. Appendix C of the File Local Operations Policies and Procedures manual concerning delegation of authorities, which was adopted by the Executive Board on March 19th, 2018, is hereby repealed and replaced with the Delegation of Authorities schedule attached hereto as Attachment C.

ADOPTED by super-majority vote this _____ day of December 2019.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

Fiscal Manual

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1. INTERNAL CONTROL

PURPOSE

To ensure that FileLocal assets are received when tendered, protected while in custody, and used only for the purposes intended. To segregate duties and responsibilities so that one person does not handle all phases of a transaction. To establish policies and procedures so that errors, omissions, and irregularities are detected and minimized.

POLICY

Policies and procedures established for the accounting functions shall be designed to achieve and preserve, to the maximum practical extent, internal controls to safeguard the assets of FileLocal, minimize and detect errors and omissions, and maintain an audit trail for independent review of FileLocal's activities.

RESPONSIBILITY

Executive Board, Program Manager, the Agency's accounting firm and Others

PROCEDURE

A. Financial statements and related supporting work prepared by the Agency's accounting staff on behalf of FileLocal shall be reviewed by senior level staff within the Agency's accounting firm.

B. Financial statements prepared by the Agency's accounting firm shall be reviewed by FileLocal's Program Manager on a monthly basis.

C. The Program Manager and Executive Board review, per the resolution authorizing the FileLocal Executive Board meetings for the year, the financial reports, budget variance, and large or unusual transactions.

D. Accounting documents and records shall be maintained in safe, secured drawers and network server at the Agency's accounting firm to prevent their inadvertent or intentional loss.

E. Although not designed exclusively to catch fraud, should our internal control procedures uncover fraud, the Program Manager, the Executive Board, and the State Auditor will be notified within 5 business days.

2. ACCOUNTING SYSTEMS

1. PURPOSE

To describe the fundamental system for accounting, the internal controls within the financial operation, and the reconciliation between functional areas.

2. POLICY

Automated and manual accounting systems shall be maintained and reconciled to provide a comprehensive and consistent accounting reporting system that meets federal, state, and local requirements, as well as generally accepted accounting principles.

3. RESPONSIBILITY

The Agency's accounting firm shall establish and maintain a system that ensures that both integrated and independent accounting modules reconcile to the general ledger of FileLocal, and that proper internal controls exist within the various systems to protect the integrity of the data, safeguard the assets of FileLocal, and identify errors and irregularities in the normal course of financial operation.

4. PROCEDURE

A. The automated accounting system QuickBooks consists of three components that integrate to produce accurate financial reports and other pertinent information related to the accounting process:

   I. General Ledger

   II. Accounts Receivable

   III. Accounts Payable

B. Capital assets, prepaid expenses and long-term assets and liabilities that are depreciable and amortizable are maintained in Excel spreadsheets. These are designed for FileLocal to keep detailed information to meet the accounting needs of the Agency. Manual systems are reconciled to QuickBooks on a monthly basis.

C. Backup of QuickBooks is performed periodically, at least once a year.. All essential worksheets and other files that are maintained by the Agency's accounting firm are stored on its network server and backed up daily. Records and files are retained at the Agency's accounting firm for seven (7) years.

3. BUDGET

1. PURPOSE

The biennial budget and related processes provide a tool for achieving financial oversight over the FileLocal's financial well-being. In addition, the budget enables the Program Manager and Executive Board to focus on anticipated revenue, estimated expenditures, capital asset acquisition, long term financial health, and continuity of services.

2. POLICY

On an annual basis, the Agency will develop and propose a budget for revenue and expenditures for overall program and administration. The budget will be developed, adopted, and administered in accordance with Section 13 of the Interlocal Agreement.

3. RESPONSIBILITY

Executive Board, Program Manager, and the Agency's accounting firm

4. PROCEDURE

A. On an annual basis, the Program Manager and the Agency's accounting firm will draft initial revenue and expenditure forecasts. During the annual budget process, the needs of FileLocal are evaluated to ensure proper staffing to meet the needs of the consortium, ensure website data security, and meet the organizational goals. This budget is - in part - established based on the number of customers and emerging community needs.

   a. Reimbursement Allocation: Costs will be allocated to Original Principals and new Participating Cities as follows:

      i. Original Principals – Bellevue Everett, Tacoma and Seattle. Allocation will be done using the 2012 actual historical transaction counts through FY 2021. After 2021, the reimbursement allocation will be based on actual transactions processed on the Portal.

      ii. New Participating Cities – The cities' historical counts agreed on during the implementation phase will be used through FY 2021. After 2021, the reimbursement allocation will be based on actual transactions processed on the Portal.

B. The proposed budget is submitted to the Operations Committee for preliminary review and to the Executive Board for its final review and ultimate approval of the budget.

C. Modifications to the budget shall be approved by a supermajority vote of the Executive Board (and also unanimous consent of the Original Principals if required by Section 13b.iv of the Interlocal Agreement) as necessary from time to time to account for changes in expenditures and revenues.

D. The budget is monitored through a monthly schedule of actual and budget comparisons submitted by the Agency's accounting firm. This schedule shows the variances between year-to-date revenue and expenditures, and amounts budgeted by the Agency.

4. CASH MANAGEMENT

1. PURPOSE

To outline the policy for cash management.

2. POLICY

FileLocal shall maintain an effective system of cash management that anticipates cash needs and have plans to meet its cash flow needs.

3. RESPONSIBILITY

Program Manager and the Agency's accounting firm

4. PROCEDURE

A. All receipts shall be deposited within 3 business days.

B. Disbursements shall be released within 30 days, no later than due date.

C. Every effort will be made to take advantage of early pay discounts if they result in benefit to FileLocal.

D. The Agency's accounting firm shall maintain a current daily balance of checking accounts and shall record deposits and checks in such manner to know the available cash balances at all times.

E. Bank reconciliation is performed by the Agency's accounting firm on a monthly basis and subject to review by the Program Manager.

F. The operating cash reserve goal is to maintain a reserve equal to 15% of the annual budget, consistent with the reserve fund provision in section 13 m. of the Interlocal Agreement.

5. CASH RECEIPTS AND DEPOSITS

1. PURPOSE

To outline cash receipts and deposit policies and procedures.

2. POLICY

All fees, receipts, and income collected or received are deposited into FileLocal's bank depository account.

3. RESPONSIBILITY

Program Manager and the Agency's accounting firm

4. PROCEDURE

A. Cash receipts received by mail at FileLocal Office shall be forwarded to the Agency's accounting firm within 3 business days. Cash receipts received by mail at the Agency's accounting firm are deposited into FileLocal's bank account at Wells Fargo within 3 business days. Checks received must be safekept in a secured drawer.

B. The Agency's accounting firm Administrator opens, sorts, and deposits cash receipts. Deposit slips and copies of checks are given to an accountant at the Agency's accounting firm for booking cash receipts in FileLocal's accounting system.

C. Service fees collected or received by the third-party service company are electronically swiped/transferred to FileLocal's bank account at Wells Fargo. The third-party service company shall provide the Agency's accounting firm daily cash receipts data and documents on a monthly basis.

D. Cash receipt data and documents submitted by the third-party service company are reconciled by the Agency's accounting firm and entered in FileLocal's accounting system. If any errors are encountered, the Agency's accounting firm will notify both the Program Manager and the third-party service company of any overage or shortage. the Agency's accounting firm will contact the third-party service company to obtain the necessary information to make the correction. Once the receipt is correct, the Agency's accounting firm will update the FileLocal general ledger and communicate the corrected data to the Program Manager.

E. Cash receipts are reconciled to bank statements by the Agency's accounting firm on a monthly basis. Monthly bank reconciliation shall be reviewed by the Program Manager.

6. DISBURSEMENTS

6.1 AUTHORIZATIONS

1. PURPOSE

   To establish signature approval levels for the purpose of authorizing purchases, contracts, and expenditures.

2. POLICY

1. Authorizations for purchases, contracts and all other expenditures excluding the purchase requests made by the Program Manager must follow this delegation of authority

   1.1. Unbudgeted authorizations < $5,000 must be approved by the Executive Board Chair and Vice-Chair.

   1.2. Unbudgeted authorizations > $5,000 must be approved via a resolution with the Executive Board

   1.3. Budgeted authorization < $50,000 must be approved by the Program Manager

   1.4. Budgeted authorization > $50,000 must be approved by the Executive Board Chair and Vice-Chair

   1.5. All contracts in excess of $5,000 shall be briefed and reviewed with the FileLocal Executive Board at regularly scheduled Executive Board Meeting prior to authorization.

2. Authorizations for purchases, contracts and all other expenditures requested by the Program Manager must follow this delegation of authority.

   2.1. Unbudgeted authorizations < $2,000 must be approved by the Executive Board Chair and Vice-Chair.

   2.2. Unbudgeted authorizations > $2,000 must be approved via a resolution with the Executive Board

   2.3. Budgeted authorized < $5,000 must be approved by the Treasurer

   2.4. Budgeted authorized > $5,000 must be approved by the Treasurer and either the Executive Board Chair or Vice-Chair.

   2.5. All contracts in excess of $5,000 must be briefed and reviewed with the FileLocal Executive Board at regularly scheduled Executive Board Meeting prior to authorization.

3. RESPONSIBILITY

   The Program Manager, Executive Board, and the Agency's accounting firm.

4. PROCEDURE

Prior to purchase and/or disbursement all applicable forms and paperwork, including but not limited to Purchase Acquisition Form, must be authorized in accordance with the above policy. See Attachment A for Purchase Acquisition Form.

6.2 CASH DISBURSEMENTS

1. PURPOSE

   To outline the policy for cash disbursements**.**

2. POLICY

   Disbursements shall be made only for valid transactions by authorized personnel only.

3. RESPONSIBILITY

   The Program Manager, Executive Board, and the Agency's accounting firm

4. PROCEDURE

   A. All disbursements and electronic fund transfers, including ACH transactions, shall be for FileLocal business and each transaction must be supported with properly authorized documentation such as an invoice, payroll record, or expenditure/check request.

   B. Invoices and requests for payment must be reviewed and approved by the Program Manager before checks are prepared. Prior to payment, the Agency's accounting firm verifies the authorization of purchase, expenditures and invoices. A Payment Approval Checklist shall be filled out. See Attachment B for Payment Approval Checklist.

   C. The Agency's accounting firm prepares checks and also maintains and initiates electronic payments. Maintenance of vendor information files and initiating of payments will be performed by two separate staff persons at the Agency's accounting firm.

   D. Checks made payable to "bearer" or "cash" or signed blank are prohibited.

   E. Checks are mailed directly to the payee by the Agency's accounting firm.

   F. Checks or electronic payments that are returned or rejected must be investigated and resolved within 2 business days of receipt/notification in order to avert loss from fraud or negligence.

   G. Bank statements are received in the mail, reviewed, and reconciled to the general ledger on a monthly basis by the Agency's accounting firm. Copies of checks are to be matched to the supporting documentation. Prior to filing, all disbursement support shall be reviewed for proper documentation and approving signatures. Bank reconciliations and cancelled checks will be available for review by the Program Manager.

   H. A list of vendor names and disbursements is prepared by the Agency's accounting firm and sent to the Executive Board for review on a quarterly basis.

6.3 CHECK REQUEST

1. PURPOSE

   To outline the policy for check requests.

2. POLICY

   The Check Request form (see attachment C) must be completed for all expenditures not covered by a Purchase Order Requisition or detailed invoice.

3. RESPONSIBILITY

   The Program Manager shall be responsible for signing check requests to indicate approval. Check and reimbursement request must follow the Authorization Policy in 6.1.2 A&B.

4. POLICY EXCEPTIONS

   A recurring payment does not require a Check Request for the Executive Board or the Program Manager's authorization. These expenditures have been constructively approved by virtue of the Executive Board's approval of the contracts and agreements giving rise to the recurring obligation. A sample list of these types of expenditures is as follows:

   A. Purchase orders supported by purchase requisitions;
   B. Contract payments supported by previously approved contracts;
   C. Pre-authorized temporary personnel help;
   D. Contracted labor costs and allocated overhead..

5. PROCEDURES

   For the items listed below, no Purchase Order Requisition form is required. A Check Request form may be used: The approval thresholds follow 6.1 Authorizations.

   A. US Postal costs;
   B. Licenses;
   C. Conference fees, tuition, and temporary employment services;
   D. Freight bills, express shipping, common carriers, import/export duties, customs & brokerage fees;
   E. Travel expenses, including transportation, meals and hotel;
   F. Dues, subscriptions, professional membership & association dues, and
   G. Advertising.

6.4 CHECK CONTROL

1. PURPOSE

To detail the policy and procedures for control of signed checks and unsigned check stock.

2. POLICY

All checks are to be accounted for by check number. the Agency's accounting firm shall maintain internal controls with respect to custody of check stock, preparation, printing, signing, mailing, filing and voiding of all checks.

3. RESPONSIBILITY

The Agency's accounting firm

4. PROCEDURE

A. Check stock is to be securely maintained in a locked cabinet at the Agency's accounting firm.

B. the Agency's accounting firm is responsible for typing or printing checks after verifying the approval of payments..

C. Bank reconciliation will include accounting for all void or destroyed checks.

D. All checks will be signed by the authorized check signers – the Program Manager or the Treasurer.

E. Cancelled checks with bank reconciliation and bank statement prepared by the Agency's accounting firm are forwarded to the Program Manager for review on a monthly basis.

6.5 TRAVEL EXPENSE

1. PURPOSE

   To outline the policy for travel expense reimbursement and ensure adequate cost controls are in place, travel expenditures are appropriate and provide a uniform and consistent approach for timely reimbursement of authorized expenses. For the purpose of this policy, Board members are considered staff.

2. POLICY

   It is the policy of FileLocal to reimburse staff for reasonable and necessary expenses incurred in connection with approved travel on behalf of FileLocal. FileLocal strongly encourages use of travel discounts when making travel arrangements.

   Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is only allowed when not available or provided by other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

3. RESPONSIBILITY

   Staff travel must be authorized prior to expenditures being incurred. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Within 30 days of completion of a trip, the traveler must submit a check request form and supporting documentation to obtain reimbursement of expenses. The authorization and check requests must follow the same process as outlined in 6.1 Authorizations and 6.3 Check Requests.

4. PROCEDURE

   A. Authorized business travel for staff must be pre-approved.

   B. Conference registration fees can be pre-paid with a check prepared by the Agency's accounting firm with a completed and approved check request form.

   C. Requests for reimbursements of travel-related expenses are submitted via a check request form. This form must be accompanied by supporting documentation and is required to be approved by the Program Manager. Reimbursement requests for the Program Manager must be approved in accordance with 6.1 Authorizations.

   D. The check request form must be submitted to the Agency's accounting firm within 14 calendar days after the trip is completed. Exception approval from the Program Manager or Treasurer is required if this form is not submitted within this timeframe.

   E. Reimbursement of travel expenses is based on documentation of reasonable and actual expenses supported by the original itemized receipts. Reimbursements that may be paid by FileLocal are shown below:

   I. **Airfare:** An original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that

payment was made. Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs. Travelers are encouraged to book flights at least 20 days in advance to avoid premium pricing. Coach class or economy tickets must be purchased for domestic or international flights. A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating. First-class tickets are not reimbursable.

II. **Rail Transportation:** FileLocal will pay for rail transportation provided the cost does not exceed the cost of the least expensive airfare. An original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.

III. **Automobile (personally owned):** A valid driver's license issued within the United States and personal automobile insurance are required for expenses to be reimbursed. Drivers should be aware of the extent of coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature. Reimbursement for use of a personal automobile is based on the mileage rate issued by the Internal Revenue Service. Travelers may opt to request reimbursement for gasoline in lieu of the mileage. In these instances, original itemized receipts are required. A check request form is required for reimbursement for all vehicle-related expenses.

IV. **Automobile (rental):** Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required. When vehicle rentals are necessary, FileLocal encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. FileLocal will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied. Travelers are required to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

V. **Conference Registration Fees:** If the conference fee was not prepaid, FileLocal will reimburse these fees, including business-related banquets or meals that are part of the conference registration. Original receipts to support the payment are required. If the conference does not provide a receipt, then a cancelled check, credit card slips/statement or documentation that the amount was paid is required for reimbursement.

VI. **Lodging (commercial):** The cost of overnight lodging will be reimbursed to the traveler if the authorized travel is 45 miles or more from the traveler's home or primary worksite. The Runzheimer Cost Index will be used for determining the maximum allowable expense for all lodging at the travel destination, with the following exceptions:

    a. When the hotel or motel is the conference or convention site, the conference rate is allowable.

    b. When the event sponsor arranges the lodging for the event participant, the participant rate is allowable. If the hotel where the event is scheduled in unavailable to the employee, the employee's supervisor may approve lodging expenses at the rate charged at the nearest hotel.

c. Allowable lodging expenses include the cost of lodging and any applicable sales taxes and/or hotel/motel taxes. The original, detailed lodging receipt must be submitted with the expense claim.

d. If reserved rooms are not needed, it is the traveling employee's responsibility to make sure the room is canceled.

VII. **Meal:** FileLocal will pay a per diem amount for meals based on the Runzheimer Cost Index for meals by location. These meal per diem amounts include tips.

a. The amount of authorized meal allowance is determined on a per meal basis dependent upon the departure time from Seattle and the arrival time on return to Seattle. Snacks and/or meals served on the airlines will not reduce the meal allowance.

b. If meals are included in a lodging, conference or training registration fee, the employee's daily per diem will be adjusted accordingly. A "continental" breakfast provided at a meeting, conference or training session will not reduce the employee's meal allowance.

c. Reimbursement of meal expenses will be based on actual expenses per meal, limited to the allowable maximum established by the Runzheimer Cost Index. Employees are required to collect original meal receipts for all allowable expenses incurred and to submit those receipts with their expense report.

VIII. **Parking:** Original receipts are required for parking fees, including airport parking. The lodging bill can be used as a receipt when charges are included as part of the overnight stay.

IX. **Other Travel Expenses:** Other travel expenses, including faxes, photocopies, internet charges, data ports and business telephone calls incurred while traveling, can be reimbursed. Original itemized receipts are required.

The following items that may be associated with business travel will not be reimbursed by FileLocal:

a. Airline club membership

b. Airline upgrades

c. Business class for domestic flights or first class for all flights

d. Childcare, babysitting, house-sitting, or pet-sitting/kennel charges

e. Commuting between home and the primary work location

f. Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion

g. Evening or formal wear expenses

h. Haircuts and personal grooming

i. Laundry and dry cleaning

j. Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs

k. Travel accident insurance premiums or purchase of additional travel insurance

l. Other expenses nor directly related to the business travel

7. REVENUE AND RECEIVABLES

7.1 REVENUE RECOGNITION

1. PURPOSE

   To establish revenue recognition policy and procedures.

2. POLICY

   All revenue is recognized in accordance with generally accepted accounting principles.

3. RESPONSIBILITY

   Executive Board, Program Manager, and the Agency's accounting firm

4. PROCEDURE

   A. Current revenue consists of service fees, reimbursable costs, and shared cost reimbursement from participating cities of FileLocal.

   B. Service fees are recognized at the time a customer completes his or her licensing application. Cash basis might be used for the monthly financial reporting; however, service fees would be accrued under GAAP (generally accepted accounting principles) on the annual financial statements.

   C. Reimbursable costs are pre-determined through budget, subscriber agreement or inter-local agreement, including any amendments. Reimbursable costs are billed at the beginning of the year and recognized as revenue at that time. On an annual basis, actual costs to be reimbursed are compared to amounts budgeted and billed. Adjustments will be made to reconcile billed reimbursable costs to accrual amount of costs incurred. Credits might be issued to the participating cities when an overbilled amount is identified; and as a result, a reduction of revenue is recognized. If additional costs are identified to be reimbursed from the participating cities, additional invoices are submitted to the participating cities. Additional reimbursable costs are also recognized when billed.

   D. For cities which join FileLocal during the year, the reimbursable costs will be billed based on the go live date.

   E. Any other contributions and donations are recognized as revenue when cash is received.

   F. Any changes in revenue recognition shall be made in writing by the Program Manager and/or the Agency's accounting firm and is subject to approval by the Executive Board.

7.2 BILLINGS AND ACCOUNTS RECEIVABLE

1. PURPOSE

   To ensure billings are made for services actually provided and based on the Interlocal Agreement, subscriber agreement or budget.

2. POLICY

FileLocal shall follow prudent and efficient business practices to obtain payment of its receivables.

3. RESPONSIBILITY

Executive Board, Program Manager, and the Agency's accounting firm

4. PROCEDURE

A. Service fees are paid by customers when they submit their licensing applications. Automatic billing and payment processing are done daily by the third-party service company. the Agency's accounting firm performs a monthly reconciliation of service fees and cash receipts. The monthly reconciliation is forwarded to the Program Manager for review.

B. the Agency's accounting firm prepares invoices for reimbursable cost revenue based on the budgeted amount established at the beginning of the year and/or the prorate share of new cities. At year-end, the Agency's accounting firm conducts a reconciliation of reimbursables according to the actual operation revenue. Any refund or under-billed amounts identified by the Agency's accounting firm through the annual reconciliation is subject to review and approval by the Program Manager and then the Executive Board. Refunds or additional invoices are then processed by the Agency's accounting firm.

C. On a monthly basis, Accounts Receivable is reconciled by the Agency's accounting firm. For any delinquent balance, the Agency's accounting firm sends letters requesting payment and makes a reasonable effort via other means to contact and collect outstanding balances. Monthly Accounts Receivable aging reporting is included in the monthly financial statement packet for the Program Manager and the Executive Board's review.

D. Any adjustments and write-off to Accounts Receivable (excluding purely accounting adjustments/corrections) is subject to approval by the Program Manager. Any the write-off amount in excess of $2,000 is also subject to approval by the Executive Board.

E. All payments received by the Agency's accounting firm are reconciled to Accounts Receivable, the general ledger, and the bank deposits (part of monthly bank reconciliation).

8. PROCUREMENT AND CONTRACT MANAGEMENT

8.1 PROCUREMENT

1. PURPOSE

   To outline procurement policies and processes.

2. POLICY

   All contracts for labor, professional services, lease of equipment, and supplies for $10,000 or more must be let by free and open competitive bidding, on sealed bids, to the responsible bidder.

3. RESPONSIBILITY

   Executive Board and Program Manager

4. PROCEDURE

   A. FileLocal is required to advertise for sealed bids on contracts for labor, professional services and equipment leases in excess of $10,000 by posting a notice at its website or by publication of a one-time notice in a newspaper published in the State of Washington.

   B. In case of an emergency affecting the public's health, safety, economic welfare, or security, a contract may be let to the extent necessary to meet the emergency without public advertisement. The Program Manager will honor payment for a period of six months from the date of declaration posting; should the emergency continue to exist after a six-month period, it will be necessary to re-declare the emergency.

   C. Sealed bids are accepted by the Program Manager for evaluation. Based on the Program Manager's recommendation, the Executive Board approves and awards the responsible bidder through competitive bidding with consideration given for the quality of the commodities, conformity to specifications, terms of delivery, and freight charges. Multiple awards may be issued, if notice is contained within the competitive bid, when technical compatibility and/or operational specification are required.

   D. A contract for labor, professional services and equipment leases will be let for periods no greater than five years.

   E. An awarded contract is not assignable by the bidder without written consent of FileLocal. A contract cannot be assigned to a bidder whose bid was rejected.

8.2 CONTRACTS

1. PURPOSE

   To provide policy and procedures for the review, approval, establishment, and modification of personal and professional services contract.

2. POLICY

All contracts should be authorized according to the Authorization Policy and approved as to form by the Agency's attorney.

3. RESPONSIBILITY

Executive Board and Program Manager

4. PROCEDURE

A. Personal and professional service contracts must include the following information:

I. Name, including contract name and tax identification number (Form W-9);

II. Scope of contract – what is to be done, the purpose, goal, job, etc.;

III. Term of contract, including the beginning and ending dates;

IV. Total contract amount and the method of payment;

V. Termination clause;

VI. Signatures.

B. A contract cannot be assigned to a third party. If a different contractor is required, the original contract must be canceled, and a new contact must be initiated.

C. An emergency contract for personal or professional services shall be let for a period of not more than 6 months.

D. Contracts between governmental entities must be separately tracked to ensure additional reporting and regulatory compliance required by federal and state law.

9. CAPITAL ASSET MANAGEMENT

9.1 CAPITALIZATION POLICY

1. PURPOSE

   To define capitalization policy.

2. POLICY

   All personal and real property with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years are recognized as capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the assets. The costs for normal maintenance and repairs are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

   - Software 3 – 5 years
   - Computers and equipment 3 – 7 years

3. RESPONSIBILITY

   Program Manager and the Agency's accounting firm

4. PROCEDURE

   A. The Agency's accounting firm shall assign the appropriate accounting classification codes to all purchases, contracts and acquisitions that qualify as capital assets.

   B. The Program Manager shall provide the Agency's accounting firm copies of all purchase orders, requisitions, and receiver's reports covering capital asset purchases.

   C. The Agency's accounting firm shall be responsible for recording the asset on the capital asset schedule, a manual spreadsheet/sub-ledger, showing the description, physical location, owners, cost, acquisition date, useful life, depreciation, and disposition date including the date of disposal and sales price of the property.

9.2 PHYSICAL INVENTORY

1. PURPOSE

   To establish physical inventory of capital assets

2. POLICY

   All capital assets should be inventoried periodically, but not less than every two years, to reconcile the total capital assets with the capital asset schedule (a sub-ledger).

3. RESPONSIBILITY

Program Manager and the Agency's accounting firm

4. PROCEDURE

A. The Agency's accounting firm shall perform a physical inventory of capital assets at least once every two years.

B. Once the physical inventory is complete, it must be reconciled to the individual capital asset record (a manual capital asset sub-ledger) and general ledger.

C. Inventory count sheet and reconciliation is subject to the Program Manager's review. Any discrepancy is investigated by the Program Manager.

9.3 DISPOSITION

1. PURPOSE

To outline disposition of capital assets.

2. POLICY

All capital asset dispositions shall be approved by the Program Manager. Any disposition in excess of $10,000 shall be approved by the Executive Board.

3. RESPONSIBILITY

Program Manager and the Agency's accounting firm

4. PROCEDURE

A. Disposition of capital assets shall be requested in writing and addressed to the Program Manager. Any disposition in excess of $10,000 shall be approved by the Executive Board.

B. All disposition documents shall be forwarded to the Agency's accounting firm to record the disposition. Gains and losses are recognized on the sale of capital assets.

C. The capital assets and related depreciation shall be removed from both the capital asset sub-ledger and general ledger.

9.4 CAPITAL ASSET IMPAIRMENT

1. PURPOSE

To outline capital asset impairment policy and procedures.

2. POLICY

Capital asset impairment is conducted on an annual basis or at the time the impairment occurs. Only permanent impairments of capital assets should be recognized in the financial statements.

3. RESPONSIBILITY

Program Manager and the Agency's accounting firm

4. PROCEDURE

A. The Agency's accounting firm shall conduct an impairment analysis on an annual basis, or at time the impairment occurs in accordance with the generally accepted accounting principles.

B. A memo of impairment analysis with calculated loss prepared by the Agency's accounting firm is submitted to the Program Manager for review and approval.

C. The Agency's accounting firm records impairment losses in FileLocal general ledger system.

10. JOURNAL ENTRIES

1. PURPOSE

   To outline types of journal entries and internal controls over journal entries.

2. POLICY

   All journal entries must be self-balancing and include an account type (asset, liability, revenue, expense, net assets) for each line of the journal entry. Journal entries are subject to review and approval based on the policies and procedures herein.

3. RESPONSIBILITY

   Program Manager and the Agency's accounting firm

4. PROCEDURE

   Journal entries are used to:

   A. Correct errors: most of journal entries will be to correct account-coding errors. The journal entry must include the debit entries and credit entries to correctly produce the required accounting effects. There is no review or approval required for this type of journal entry prior to or after posting the journal entries.

   B. Record cost allocation: cost allocation is processed by the Agency's accounting firm based on the approved cost allocation documents, including budgets. No review or approval is required for this type of journal entry.

   C. Record recurring balance sheet transactions: recurring journal entries include monthly depreciation, amortization, receivable, and accrued liabilities. They are not required for review or approval.

   D. Journal entries for month-end and year-end closing, such as accruals, are subject to internal controls within the Agency's accounting firm following GAAP. There is no review or approval required prior to or after posting the journal entries.

   E. Implement accounting policies and guidance: a memo is prepared for the implementation of a new accounting standard by the Agency's accounting firm to the Program Manager for review and approval. The memo will provide a reference of the new accounting standard, accounting effects, and a proposed journal entry.

   F. Record non-routine, nonrecurring transactions: a memo in writing to the Program Manager is required for review and approval of non-routine, non-recurring transactions.

11. FINANCIAL REPORTING

1. PURPOSE

   To establish and catalog the reporting requirements for accounting.

2. POLICY

   Financial statements and reports shall be prepared on a monthly and annual basis to provide the Program Manager and Executive Board, and outside auditors with sufficient financial information to report accurately the results of operations.

3. RESPONSIBILITY

   The Agency's accounting firm shall maintain supporting records in sufficient detail to prepare financial statements or reports for FileLocal.

4. PROCEDURE

   A. On an annual basis, Francis and Company prepares and presents:

      I. Annual financial statements with full footnote disclosures,

      II. Other required supplemental schedules and information.

   The annual financial statements are prepared in accordance with generally accepted accounting principles. The annual financial statements along with required supplemental information are subject to review by the Executive Board and the Program Manager. The Executive Board adopts the annual financial statements.

   B. On a quarterly basis, the Agency's accounting firm submits to the Executive Board to adopt:

      I. List of vendor warrants.

   C. On a monthly basis, the Agency's accounting firm prepares and presents:

      I. Internal financial statements (currently using cash basis).

      II. Schedule of actual and budget comparison.

      III. Variance analysis, as needed, will be prepared with monthly financial statements.

Attachment A Purchase Requisition Form

FileLocal

Purchase Acquisition Form

Requested by:		Date:	
Purpose or Use:			
Vendor Name:			
Vendor Address:			
Vendor Contact:		Phone:	

Product/Service Description	Qty	Unit Price	Extended Cost
Approvals:		Date:	
Approvals:		Date:	

Attachment B Payment Approval Checklist

FileLocal

Payment Approval Checklist

We are required to fill out this payment approval checklist prior to processing a check payment for FileLocal. A check must be processed once the proper approval is verified through this checklist. Once this checklist is filled out and a check is processed, this checklist shall be forward to FileLocal for record.

	YES	NO	N/A
Is Purchase Acquisition Form or Check Request Form attached to an invoice/itemized receipt for processing payment? (Please Note Purchase Acquisition Form or Check Request Form is not required for a recurring payment.)			
Is Purchase Acquisition Form or Check Request Form approved by authorized person (s) in accordance with 6.1 Authorizations of Fiscal Manual? For a recurring payment, is vendor's invoice/itemized receipt approved in accordance with 6.1 Authorization of Fiscal Manual?			
Is vendor's invoice reviewed for GL coding and recording?			

Preparer:	
Date:	

Attachment C: Check Request Form

FileLocal
Check Request Form

Deliver Check to:

Date Required	Check Amount

Purpose of Payment

G/L Account #:

Vendor Name	Invoice/Receipt Number	Invoice Date	Amount

Originator	Date

Approval	Date



Fiscal Manual

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1. INTERNAL CONTROL

PURPOSE

To ensure that FileLocal assets are received when tendered, protected while in custody, and used only for the purposes intended. ~~The objectives are to~~ To segregate duties and responsibilities so that one person does not handle all phases of a transaction~~, and~~. To establish policies and procedures so that errors, omissions, and irregularities are detected and minimized.

POLICY

Policies and procedures established for the accounting functions shall be designed to achieve and preserve, to the maximum practical extent, internal controls to safeguard the assets of FileLocal, minimize and detect errors and omissions, and maintain an audit trail for independent review of FileLocal's activities.

RESPONSIBILITY

Executive Board, Program Manager, ~~Francis & Company~~the Agency's accounting firm and Others

PROCEDURE

A. ~~Accounting~~Financial statements and related supporting work ~~by Francis & Company~~prepared by the Agency's accounting staff on behalf of FileLocal ~~will~~shall be reviewed by senior level staff within the Agency's accounting firm.

B. Financial statements prepared by ~~Francis & Company will~~the Agency's accounting firm shall be reviewed by FileLocal's Program Manager on a monthly basis.

C. The Program Manager and Executive Board review, per the resolution authorizing the FileLocal Executive Board meetings for the year, the financial reports, budget variance, and large or unusual transactions.

D. Accounting documents and records shall be maintained in safe, secured drawers and network server at ~~Francis & Company~~the Agency's accounting firm to prevent their inadvertent or intentional loss.

E. Although not designed exclusively to catch fraud, should our internal control procedures uncover fraud, the Program Manager, the Executive Board, and the State ~~a~~Auditor will be notified within 5 business days.

2. ACCOUNTING SYSTEMS

1. PURPOSE

To describe the fundamental system for accounting, the internal controls within the ~~system~~financial operation, and the reconciliation between functional areas.

2. POLICY

Automated and manual accounting systems shall be maintained and reconciled to provide a comprehensive and consistent accounting reporting system that meets federal, state, and local requirements, as well as generally accepted accounting principles.

3. RESPONSIBILITY

~~Francis & Company~~The Agency's accounting firm shall establish and maintain a system that ensures that both integrated and independent accounting modules reconcile to the general ledger of FileLocal, and that proper internal controls exist within ~~these~~the various systems to protect the integrity of the data, safeguard the assets of ~~the organization~~FileLocal, and identify errors and irregularities in the normal course of financial operation.

4. PROCEDURE

A. The automated accounting system QuickBooks consists of three components that integrate to produce accurate financial reports and other pertinent information related to the accounting process:

   I. General Ledger

   II. Accounts Receivable

   III. Accounts Payable

B. Capital assets, prepaid expenses and long-term assets and liabilities that are depreciable and amortizable are maintained in Excel spreadsheets. ~~-~~These are designed for FileLocal to keep detailed information to meet the accounting needs of the Agency. ~~–~~Manual systems are reconciled to QuickBooks on a monthly basis.

C. Backup of QuickBooks is performed ~~routinely, each transaction; system is backed up daily.~~ periodically, at least once a year.. All essential worksheets and other files that are maintained by ~~Francis & Company~~the Agency's accounting firm are stored on its network server~~.~~ and backed up daily. Records and files are retained at ~~Francis & Company~~the Agency's accounting firm for seven (7) years.

3. BUDGET

1. PURPOSE

The biennial budget and related processes provide a tool for achieving financial oversight over the FileLocal's financial well-being. In addition, the budget enables the Program Manager and Executive Board to focus on anticipated revenue, estimated expenditures, capital asset acquisition, long term financial health, and continuity of services.

2. POLICY

On an annual basis, the Agency will develop and propose a budget for revenue and expenditures for overall program and administration. The budget will be developed, adopted, and administered in accordance with Section 13 of the Interlocal Agreement.

3. RESPONSIBILITY

Executive Board, Program Manager, and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

A. On an annual basis, the Program Manager and ~~Francis & Company~~the Agency's accounting firm will draft initial revenue and expenditure forecasts. During the annual budget process, the needs of FileLocal are evaluated to ensure proper staffing to meet the needs of the consortium, ensure website data security, and meet the organizational goals. This budget is - in part - established based on the number of customers and emerging community needs.

   a. Reimbursement Allocation: Costs will be allocated to Original Principals and new Participating Cities as follows:

      i. Original Principals – Bellevue~~,~~ Everett, Tacoma and Seattle. ~~-~~Allocation will be done using the 2012 actual historical transaction counts through FY2021. After 2021, the reimbursement allocation will be based on actual transactions processed on the Portal.

      ii. New Participating Cites – The cities' historical counts agreed on during the implementation phase will be used through FY2021. After 2021, the reimbursement allocation will be based on actual transactions processed on the Portal.

B. The proposed budget is submitted to the Operations Committee for preliminary review and to the Executive Board for its final review and ultimate approval of the ~~final~~ budget.

C. Modifications to the budget shall be approved by a supermajority vote of the Executive Board (and also unanimous consent of the Original Principals if required by Section 13b.iv of the ~~Washington Multi-City License and Tax Portal Agency~~ Interlocal Agreement) as necessary from time to time to account for changes in expenditures and revenues.

D. The budget is monitored through a monthly schedule of actual and budget comparisons submitted by ~~Francis & Company.~~the Agency's accounting firm. This schedule shows the variances between year-to-date revenue and expenditures, and amounts budgeted by the Agency.

4. CASH MANAGEMENT

1. PURPOSE

   To outline the policy for cash management.

2. POLICY

   FileLocal shall maintain an effective system of cash management that anticipates cash needs and have plans to meet its cash flow needs.

3. RESPONSIBILITY

   Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

   A. All receipts shall be deposited within 3 business days~~-~~.

   B. Disbursements shall be released within 30 days, no later than due date.

   C. Every effort will be made to take advantage of early pay discounts if they result in benefit to FileLocal.

   D. ~~Francis & Company~~The Agency's accounting firm shall maintain a current daily balance of checking accounts and shall record deposits and checks in such manner to know the available cash balances at all times.

   E. Bank reconciliation is performed by ~~Francis & Company~~the Agency's accounting firm on a monthly basis and ~~will be~~ subject to review by the Program Manager.

   F. The operating cash reserve goal is to maintain a reserve equal to 15% of the annual budget, consistent with the reserve fund provision in section 13 m. ~~of the Washington Multi-City License and Tax Portal Agency~~of the Interlocal Agreement.

5. CASH RECEIPTS AND DEPOSITS

1. PURPOSE

To outline cash receipts and deposit policies and procedures.

2. POLICY

All fees, receipts, and income collected or received are deposited into FileLocal's bank depository account.

3. RESPONSIBILITY

Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

A. Cash receipts received by mail at ~~Francis & Company~~FileLocal Office shall be forwarded to the Agency's accounting firm within 3 business days. Cash receipts received by mail at the Agency's accounting firm are deposited into FileLocal's bank account at Wells Fargo within 3 business days. Checks received must be safekept in a secured drawer.

B. ~~Francis & Company~~The Agency's accounting firm Administrator opens, sorts, and deposits cash receipts. Deposit slips and copies of checks are given to an accountant at ~~Francis & Company~~the Agency's accounting firm for booking cash receipts in FileLocal's accounting system.

C. Service fees collected or received by the third-party service company are electronically swiped/transferred to FileLocal's bank account at Wells Fargo. The third-party service company shall provide ~~Francis & Company~~the Agency's accounting firm daily cash receipts data and documents on a monthly basis.

D. Cash receipt data and documents submitted by the third-party service company are reconciled by ~~Francis & Company~~the Agency's accounting firm and entered in FileLocal's accounting system. If any errors are encountered, ~~Francis & Company~~the Agency's accounting firm will notify both the Program Manager and the third-party service company of any overage or shortage. ~~Francis & Company~~the Agency's accounting firm will contact the third-party service company to obtain the necessary information to make the correction. Once the receipt is correct, ~~Francis & Company~~the Agency's accounting firm will update the FileLocal general ledger and communicate the corrected data to the Program Manager.

E. Cash receipts are reconciled to bank statements by the Agency's accounting firm on a monthly basis. Monthly bank reconciliation shall be reviewed by the Program Manager.

6. DISBURSEMENTS

6.1 AUTHORIZATIONS

1. PURPOSE

To establish signature approval levels for the purpose of authorizing purchases, contracts, and expenditures.

2. POLICY

~~A.~~1. Authorizations for purchases, contracts and all other expenditures excluding the purchase requests made by the Program Manager ~~requests~~ must follow this delegation of authority~~:~~

~~a.~~1.1. Unbudgeted authorizations ~~of~~< $5,000 ~~or less~~ must be approved by the Executive Board Chair and Vice-Chair~~;~~.

~~b.~~1.2. Unbudgeted authorizations ~~of more than~~> $5,000 must be approved via a resolution ~~of~~with the Executive Board~~;~~

~~c.~~1.3. Budgeted ~~authorizations of~~authorization < $50,000 ~~or less require approval of~~must be approved by the Program Manager~~;~~

~~d.~~1.4. Budgeted ~~Authorizations of more than~~authorization > $50,000 ~~require approval of~~must be approved by the ~~FileLocal~~ Executive Board Chair and Vice-Chair~~;~~

~~e.~~1.5. All contracts ~~will be~~ in excess of $5,000 shall be briefed and reviewed ~~by~~with the FileLocal Executive Board at regularly scheduled Executive Board Meeting prior to ~~finalization of the agreement.~~ authorization.

~~B.~~2. Authorizations for purchases, contracts and all other expenditures requested by the Program Manager must follow this delegation of authority~~:~~.

~~a.~~2.1. ~~Program Manager~~ Unbudgeted authorizations ~~of $500 or less~~< $2,000 must be approved by the Executive Board Chair and Vice-Chair~~;~~.

~~b.~~2.2. ~~Program Manager~~ Unbudgeted authorizations ~~of more than $500~~> $2,000 must be approved via a resolution ~~of~~with the Executive Board~~;~~

~~c.~~2.3. ~~Program Manager budgeted authorizations of $250 or less require approval of~~Budgeted authorized < $5,000 must be approved by the Treasurer~~;~~

~~d.~~2.4. ~~Program Manager budgeted authorizations of more than $250 require approval of~~Budgeted authorized > $5,000 must be approved by the Treasurer and either the Executive Board Chair or Vice-Chair.

2.5. All contracts in excess of $5,000 must be briefed and reviewed with the FileLocal Executive Board at regularly scheduled Executive Board Meeting prior to authorization.

3. RESPONSIBILITY

The Program Manager ~~and~~, Executive Board, and the Agency's accounting firm.

4. PROCEDURE

Prior to purchase and/or disbursement all applicable forms and paperwork, including but not limited to Purchase Acquisition Form, must be authorized in accordance with the above policy. See Attachment A for Purchase Acquisition Form.

6.2 CASH DISBURSEMENTS

1. PURPOSE

To outline the policy for cash disbursements**.**

2. POLICY

Disbursements shall be made only for valid transactions by authorized personnel only.

3. RESPONSIBILITY

The Program Manager ~~and~~, Executive Board, and the Agency's accounting firm

4. PROCEDURE

A. All disbursements and electronic fund transfers, including ACH transactions, shall be for FileLocal business and each transaction must be supported with properly authorized documentation such as an invoice, payroll record, or expenditure/check request.

B. Invoices and requests for payment must be reviewed and approved by the Program Manager before checks are prepared. Prior to payment, the Agency's accounting firm verifies the authorization of purchase, expenditures and invoices. A Payment Approval Checklist shall be filled out. See Attachment B for Payment Approval Checklist.

C. ~~Francis & Company~~The Agency's accounting firm prepares checks and also maintains and initiates electronic payments. Maintenance of vendor information files and initiating of payments will be performed by two separate staff persons at ~~Francis & Company~~the Agency's accounting firm.

D. Checks made payable to "bearer" or "cash" or signed blank are prohibited.

E. Checks are mailed directly to the payee by the Agency's accounting firm.

F. Checks or electronic payments that are returned or rejected must be investigated and resolved within 2 business days of receipt/notification in order to avert loss from fraud or negligence.

G. Bank statements are received in the mail, reviewed, and reconciled to the general ledger on a monthly basis by ~~Francis & Company.~~the Agency's accounting firm. Copies of checks are to be matched to the supporting documentation. Prior to filing, all disbursement support shall be reviewed for proper documentation and approving signatures. ~~Account~~ Bank reconciliations and cancelled checks will be available for review by the Program Manager.

H. A list of vendor names and disbursements is prepared by ~~Francis & Company~~the Agency's accounting firm and sent to the Executive Board for review on a quarterly basis.

6.3 CHECK REQUEST

1. PURPOSE

   To outline the policy for check requests.

2. POLICY

   The Check Request form (see attachment ~~A~~C) must be completed for all expenditures not covered by a Purchase Order Requisition or detailed invoice.

3. RESPONSIBILITY

   The Program Manager shall be responsible for signing check requests to indicate approval. ~~-~~Check and reimbursement request must follow the Authorization Policy in 6.1.2~~.~~ A ~~and 6.1.2.~~&B.

4. POLICY EXCEPTIONS

   ~~The Executive Board shall authorize expenditures not anticipated or included in the budget per Authorizations Section 6.1. Payroll liabilities, taxes, and certain recurring costs do not require the Executive Board's direct authorization and do not require a Check Request.~~

   ~~Recurring payments do not require~~A recurring payment does not require a Check Request for the Executive Board or the Program Manager's authorization. These expenditures have been constructively approved by virtue of the Executive Board's approval of the contracts and agreements giving rise to the recurring obligation. A sample list of these types of expenditures is as follows:

   A. Purchase orders supported by purchase requisitions;

   B. Contract payments supported by previously approved contracts;

   C. Pre-authorized temporary personnel help;

   ~~D. Utilities invoices.~~

   D. Contracted labor costs and allocated overhead..

5. PROCEDURES

   For the items listed below, no Purchase Order Requisition form is required. A Check Request form may be used: The approval thresholds follow 6.1 Authorizations.

   A. US Postal costs;

   B. Licenses;

   ~~C. Legal services;~~

   ~~D.~~C. Conference fees, tuition, and temporary employment services;

   ~~E.~~D. Freight bills, express shipping, common carriers, import/export duties, customs & brokerage fees;

   ~~F.~~E. Travel expenses, including transportation, meals and hotel;

~~G.~~F. Dues, subscriptions, professional membership & association dues, and

~~H.~~G. Advertising.

6.4 CHECK CONTROL

1. PURPOSE

To detail the policy and procedures for control of signed checks and unsigned check stock.

2. POLICY

All checks are to be accounted for by check number. ~~Francis & Company~~the Agency's accounting firm shall maintain internal controls with respect to custody of check stock, preparation, printing, signing, mailing, filing and voiding of all checks.

3. RESPONSIBILITY

~~Francis & Company~~

The Agency's accounting firm

4. PROCEDURE

A. Check stock is to be securely maintained in a locked cabinet at ~~Francis & Company~~the Agency's accounting firm.

B. ~~Francis & Company~~the Agency's accounting firm is responsible for typing or printing checks~~, and will not have access or authority to use the signature machine or request the hand-written signature~~ after verifying the approval of ~~the authorized check signers.~~payments..

C. ~~Check~~Bank reconciliation will include accounting for all void or destroyed checks.

D. All checks will be signed by the authorized check signers – the Program Manager or the Treasurer.

E. Cancelled checks with bank reconciliation and bank statement prepared by the Agency's accounting firm are forwarded to the Program Manager for review on a monthly basis.

6.5 TRAVEL EXPENSE

1. PURPOSE

   To outline the policy for travel expense reimbursement and ensure adequate cost controls are in place, travel expenditures are appropriate and provide a uniform and consistent approach for timely reimbursement of authorized expenses. For the purpose of this policy, Board members are considered staff.

2. POLICY

   It is the policy of FileLocal to reimburse staff for reasonable and necessary expenses incurred in connection with approved travel on behalf of FileLocal. FileLocal strongly encourages use of travel discounts when making travel arrangements.

   Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is only allowed when not available or provided by other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

3. RESPONSIBILITY

   Staff travel must be authorized prior to expenditures being incurred. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Within 30 days of completion of a trip, the traveler must submit a check request form and supporting documentation to obtain reimbursement of expenses. The authorization and check requests must follow the same process as outlined in 6.1 Authorizations and 6.3 Check Requests.

4. PROCEDURE

   A. Authorized business travel for staff must be pre-approved.

   B. Conference registration fees can be pre-paid with a check prepared by the Agency's accounting firm with a completed and approved check request form.

   C. Requests for reimbursements of travel-related expenses are submitted via a check request form. This form must be accompanied by supporting documentation and is required to be approved by the Program Manager. Reimbursement requests for the Program Manager must be approved ~~by the Treasurer, or any FileLocal Executive Board member in the absence of the Treasurer.~~in accordance with 6.1 Authorizations.

   D. The check request form must be submitted to the Agency's accounting firm within ~~30~~14 calendar days after the trip is completed. Exception approval from the Program Manager or Treasurer is required if this form is not submitted within this timeframe.

   E. Reimbursement of travel expenses is based on documentation of reasonable and actual expenses supported by the original itemized receipts. Reimbursements that may be paid by FileLocal are shown below:

   I. **Airfare:** An original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that

payment was made. Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs. Travelers are encouraged to book flights at least 20 days in advance to avoid premium pricing. Coach class or economy tickets must be purchased for domestic or international flights. A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating. First-class tickets are not reimbursable.

II. **Rail Transportation:** FileLocal will pay for rail transportation provided the cost does not exceed the cost of the least expensive airfare. An original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.

III. **Automobile (personally owned):** A valid driver's license issued within the United States and personal automobile insurance are required for expenses to be reimbursed. Drivers should be aware of the extent of coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature. Reimbursement for use of a personal automobile is based on the mileage rate issued by the Internal Revenue Service. Travelers may opt to request reimbursement for gasoline in lieu of the mileage. In these instances, original, itemized receipts are required. A check request form is required for reimbursement for all vehicle-related expenses.

IV. **Automobile (rental):** Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required. When vehicle rentals are necessary, FileLocal encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. FileLocal will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied. Travelers are required to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

V. **Conference Registration Fees:** If the conference fee was not prepaid, FileLocal will reimburse these fees, including business-related banquets or meals that are part of the conference registration. Original receipts to support the payment are required. If the conference does not provide a receipt, then a cancelled check, credit card slips/statement or documentation that the amount was paid is required for reimbursement.

VI. **Lodging (commercial):** The cost of overnight lodging will be reimbursed to the traveler if the authorized travel is 45 miles or more from the traveler's home or primary worksite. The Runzheimer Cost Index will be used for determining the maximum allowable expense for all lodging at the travel destination, with the following exceptions:

   a. When the hotel or motel is the conference or convention site, the conference rate is allowable.

   b. When the event sponsor arranges the lodging for the event participant, the participant rate is allowable. If the hotel where the event is scheduled in unavailable to the employee, the employee's supervisor may approve lodging expenses at the rate charged at the nearest hotel.

   c. Allowable lodging expenses include the cost of lodging and any applicable sales taxes and/or hotel/motel taxes. The original, detailed lodging receipt must be submitted with the expense claim.

d. If reserved rooms are not needed, it is the traveling employee's responsibility to make sure the room is canceled.

VII. **Meal:** FileLocal will pay a per diem amount for meals based on the Runzheimer Cost Index for meals by location. These meal per diem amounts include tips.

a. The amount of authorized meal allowance is determined on a per meal basis dependent upon the departure time from Seattle and the arrival time on return to Seattle. Snacks and/or meals served on the airlines will not reduce the meal allowance.

b. If meals are included in a lodging, conference or training registration fee, the employee's daily per diem will be adjusted accordingly. A "continental" breakfast provided at a meeting, conference or training session will not reduce the employee's meal allowance.

c. Reimbursement of meal expenses will be based on actual expenses per meal, limited to the allowable maximum established by the Runzheimer Cost Index. Employees are required to collect original meal receipts for all allowable expenses incurred and to submit those receipts with their expense report.

VIII. **Parking:** Original receipts are required for parking fees, including airport parking. The lodging bill can be used as a receipt when charges are included as part of the overnight stay.

IX. **Other Travel Expenses:** Other travel expenses, including faxes, photocopies, internet charges, data ports and business telephone calls incurred while traveling, can be reimbursed. Original itemized receipts are required.

The following items that may be associated with business travel will not be reimbursed by FileLocal:

a. Airline club membership

b. Airline upgrades

c. Business class for domestic flights or first class for all flights

d. ~~Child care~~Childcare, babysitting, house-sitting, or pet-sitting/kennel charges

e. Commuting between home and the primary work location

f. Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion

g. Evening or formal wear expenses

h. Haircuts and personal grooming

i. Laundry and dry cleaning

j. Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs

k. Travel accident insurance premiums or purchase of additional travel insurance

l. Other expenses nor directly related to the business travel

7. REVENUE AND RECEIVABLES

7.1 REVENUE RECOGNITION

1. PURPOSE

   To establish revenue recognition policy and procedures.

2. POLICY

   All revenue is recognized in accordance with generally accepted accounting principles.

3. RESPONSIBILITY

   Executive Board, Program Manager, and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

   A. Current revenue consists of service fees, reimbursable costs, and shared cost reimbursement from participating cities of FileLocal.

   B. Service fees are recognized at the time a customer completes his or her licensing application. Cash basis might be used for the monthly financial reporting; however, service fees would be accrued under GAAP (generally accepted accounting principles) on the annual financial statements.

   C. ~~For participating cites of FileLocal at the beginning of the year, reimbursable~~ Reimbursable costs ~~revenue is~~are pre-determined through budget, subscriber agreement~~s,~~ or ~~the Interlocal Agreement~~inter-local agreement, including any amendments. Reimbursable ~~cost revenue is~~costs are billed at the beginning of the year and recognized as revenue at that time. On an annual basis, actual costs to be reimbursed are compared to amounts budgeted and billed. Adjustments will be made to reconcile billed reimbursable costs to accrual amount of costs incurred. Credits ~~will~~might be issued to the~~-~~ participating cities when an overbilled amount is identified; and as a result, a reduction of revenue is recognized. If additional costs are identified to be reimbursed from the participating cities, additional invoices are submitted to the participating cities. Additional reimbursable costs ~~revenue is~~are also recognized ~~at year-end~~when billed.

   D. For cities ~~that~~which join FileLocal during the year, the reimbursable ~~cost revenue~~costs will be billed based on the go~~-~~ live date.

   E. Any other contributions and donations are recognized as revenue when cash is received.

   F. Any changes in revenue recognition shall be made in writing by the Program Manager and/or ~~Francis & Company~~the Agency's accounting firm and is subject to approval by the Executive Board.

7.2 BILLINGS AND ACCOUNTS RECEIVABLE

1. PURPOSE

   To ensure billings are made for services actually provided and based on the Interlocal Agreement, subscriber agreements, or budget.

2. POLICY

   FileLocal shall follow prudent and efficient business practices to obtain payment of its receivables.

3. RESPONSIBILITY

   Executive Board, Program Manager, and Francis & Companythe Agency's accounting firm

4. PROCEDURE

   A. Service fees are paid by customers when they submit their licensing applications. Automatic billing and payment processing isare done daily by the third-party service company. Francis & Companythe Agency's accounting firm performs a monthly reconciliation of service fees and cash receipts. The monthly reconciliation is forwarded to the Program Manager for review.

   B. Francis & Companythe Agency's accounting firm prepares invoices for reimbursable cost revenue based on the budgeted amount established at the beginning of the year and/or the prorated shares due from prorate share of new cities added during the year.. At year-end, Francis & Companythe Agency's accounting firm conducts a reconciliation of reimbursables according to the actual operation revenue. Any refund or under-billed amounts identified by Francis & Companythe Agency's accounting firm through the annual reconciliation is subject to review and approval by the Program Manager and then the Executive Board. Refunds or additional invoices are then processed by Francis & Companythe Agency's accounting firm.

   C. On a monthly basis, Accounts Receivable is reconciled by Francis & Company.the Agency's accounting firm. For any delinquent balance, Francis & Companythe Agency's accounting firm sends letters requesting payment and makes a reasonable effort via other means to contact and collect outstanding balances. Monthly Accounts Receivable aging reporting is included in the monthly financial statement packet for the Program Manager and the Executive Board's review.

   D. Any adjustments and write-off to Accounts Receivable (excluding purely accounting adjustments/corrections) is subject to approval by the Program Manager. Any the write-off amount in excess of $2,000 is also subject to approval by the Executive Board.

   E. All payments received by Francis & Companythe Agency's accounting firm are reconciled to Accounts Receivable, the general ledger, and the bank deposits. (part of monthly bank reconciliation).

8. PROCUREMENT AND CONTRACT MANAGEMENT

8.1 PROCUREMENT

1. PURPOSE

   To outline procurement policies and processes.

2. POLICY

   All contracts for labor, professional services, lease of equipment, and supplies for $10,000 or more must be let by free and open competitive bidding, on sealed bids, to the responsible bidder.

3. RESPONSIBILITY

   Executive Board and Program Manager

4. PROCEDURE

   A. FileLocal is required to advertise for sealed bids on contracts for labor, professional services and equipment leases in excess of $10,000 by posting a notice at its website or by publication of a one-time notice in a newspaper published in the State of Washington.

   B. In case of an emergency affecting the public's health, safety, economic welfare, or security, a contract may be let to the extent necessary to meet the emergency without public advertisement. The Program Manager will honor payment for a period of six months from the date of declaration posting; should the emergency continue to exist after a six-month period, it will be necessary to re-declare the emergency.

   C. Sealed bids are accepted by the Program Manager for evaluation. Based on the Program Manager's recommendation, the Executive Board approves and awards the responsible bidder through competitive bidding with consideration given for the quality of the commodities, conformity to specifications, terms of delivery, and freight charges. Multiple awards may be issued, if notice is contained within the competitive bid, when technical compatibility and/or operational specification are required.

   D. A contract for labor, professional services and equipment leases will be let for periods no greater than five years.

   E. An awarded contract is not assignable by the bidder without written consent of FileLocal. A contract cannot be assigned to a bidder whose bid was rejected.

8.2 CONTRACTS

1. PURPOSE

   To provide policy and procedures for the review, approval, establishment, and modification of personal and professional services contract.

2. POLICY

All contracts ~~must~~should be authorized according to the Authorization Policy and approved as to form by the Agency's attorney.

3. RESPONSIBILITY

Executive Board and Program Manager

~~3.~~4. PROCEDURE

A. Personal and professional service contracts must include the following information:

I. Name, including contract name and tax identification number (Form W-9);

II. Scope of contract – what is to be done, the purpose, goal, job, etc.;

III. Term of contract, including the beginning and ending dates~~, to the extent they can be reasonably determined in advance~~;

IV. Total contract amount and the method of payment;

V. Termination clause;

VI. Signatures.

B. A contract cannot be assigned to a third party ~~without the written consent of the Agency. If the Agency does not consent to assignment and~~. If a different contractor is required, the original contract must be canceled, and a new contact must be initiated.

C. An emergency contract for personal or professional services shall be let for a period of not more than 6 months.

D. Contracts between governmental entities must be separately tracked to ensure additional reporting and regulatory compliance required by federal and state law.

9. CAPITAL ASSET MANAGEMENT

9.1 CAPITALIZATION POLICY

1. PURPOSE

   To define capitalization policy.

2. POLICY

   All personal and real property with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years are recognized as capital assets. Such assets are recorded at historical cost. Donated capital assets are recorded at ~~estimated fair market~~acquisition value at the date of donation. Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the assets. The costs for normal maintenance and repairs are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

   - Software 3 – 5 years
   - Computers and equipment 3~~-~~ – 7 years

~~3.1.~~ ~~RESPONSIBILITY~~

3. RESPONSIBILITY

   Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

   A. ~~Francis & Company~~The Agency's accounting firm shall assign the appropriate accounting classification codes to all purchases, contracts and acquisitions that qualify as capital assets.

   B. The Program Manager shall provide ~~Francis & Company~~the Agency's accounting firm copies of all purchase orders, requisitions, and receiver's reports covering capital asset purchases.

   C. ~~Francis & Company~~The Agency's accounting firm shall be responsible for recording the asset on the capital asset schedule, a manual spreadsheet/sub-ledger, showing the description, physical location, owners, cost, acquisition date, useful life, depreciation, and disposition date including the date of disposal and sales price of the property.

9.2 PHYSICAL INVENTORY

1. PURPOSE

   To establish physical inventory of capital assets

2. POLICY

   All capital assets should be inventoried periodically, but not less than every two years, to reconcile the total capital assets with the capital asset schedule (a sub-ledger).

3. RESPONSIBILITY

Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

A. ~~Francis & Company~~The Agency's accounting firm shall perform a physical inventory of capital assets at least once every two years.

B. Once the physical inventory is complete, it must be reconciled to the individual capital asset record (a manual capital asset sub-ledger) and general ledger.

C. Inventory count sheet and reconciliation is subject to the Program Manager's review. Any discrepancy is investigated by the Program Manager.

9.3 DISPOSITION

1. PURPOSE

To outline disposition of capital assets.

2. POLICY

All capital asset dispositions shall be approved by the Program Manager. Any disposition in excess of $10,000 shall be approved by the Executive Board.

3. RESPONSIBILITY

Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

A. Disposition of capital assets shall be requested in writing and addressed to the Program Manager. Any disposition in excess of $10,000 shall be approved by the Executive Board.

B. All disposition documents shall be forwarded to ~~Francis & Company~~the Agency's accounting firm to record the disposition. Gains and losses are recognized on the sale of capital assets.

C. The capital assets and related depreciation shall be removed from both the capital asset sub-ledger and general ledger.

9.4 CAPITAL ASSET IMPAIRMENT

1. PURPOSE

To outline capital asset impairment policy and procedures.

2. POLICY

Capital asset impairment is conducted on an annual basis or at the time the impairment occurs. Only permanent impairments of capital assets should be recognized in the financial statements.

3. RESPONSIBILITY

Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

A. ~~Francis & Company~~The Agency's accounting firm shall conduct an impairment analysis on an annual basis, or at time the impairment occurs in accordance with the generally accepted accounting principles.

B. A memo of impairment analysis with calculated loss prepared by ~~Francis & Company~~the Agency's accounting firm is submitted to the Program Manager for review and approval.

C. ~~Francis & Company~~The Agency's accounting firm records impairment losses in FileLocal general ledger system.

10. JOURNAL ENTRIES

1. PURPOSE

   To outline types of journal entries and internal controls over journal entries.

2. POLICY

   All journal entries must be self-balancing and include an account type (asset, liability, revenue, expense, net assets) for each line of the journal entry. Journal entries are subject to review and approval based on the policies and procedures herein.

3. RESPONSIBILITY

   Program Manager and ~~Francis & Company~~the Agency's accounting firm

4. PROCEDURE

   Journal entries are used to:

   A. Correct errors: most of journal entries will be to correct account-coding errors. The journal entry must include the debit entries and credit entries to correctly produce the required accounting effects. There is no review or approval required for this type of journal entry prior to or after posting the journal entries.

   B. Record cost allocation: cost allocation is processed by ~~Francis & Company~~the Agency's accounting firm based on the approved cost allocation documents, including budgets. No review or approval is required for this type of journal entry.

   C. Record recurring balance sheet transactions: recurring journal entries include monthly depreciation, amortization, receivable, and accrued liabilities. They are not required for review or approval.

   D. Journal entries for month-end and year-end closing, such as accruals, are subject to internal controls within the Agency's accounting firm following GAAP. There is no review or approval required prior to or after posting the journal entries.

   ~~D.~~E. Implement accounting policies and guidance: a memo is prepared for the implementation of a new accounting standard by ~~Francis & Company~~the Agency's accounting firm to the Program Manager for review and approval. The memo will provide a reference of the new accounting standard, accounting effects, and a proposed journal entry.

   ~~E.~~F. Record non-routine, nonrecurring transactions: a memo in writing to the Program Manager is required for review and approval of non-routine, non-recurring transactions.

   ~~Internal controls over monthly and annual financial reporting are considered an effective control over journal entry type 1, 2, and 3.~~

11. FINANCIAL REPORTING

1. PURPOSE

   To establish and catalog the reporting requirements for accounting.

2. POLICY

   Financial statements and reports shall be prepared on a monthly and annual basis to provide the Program Manager and Executive Board, and outside auditors with sufficient financial information to report accurately the results of operations.

3. RESPONSIBILITY

   ~~Francis & Company~~The Agency's accounting firm shall maintain supporting records in sufficient detail to prepare financial statements or reports for ~~the Agency~~FileLocal.

4. PROCEDURE

   A. On an annual basis, Francis and Company prepares and presents:

      I. Annual financial statements with full footnote disclosures~~.~~,

      II. Other required supplemental schedules and information.

   The annual financial statements are prepared in accordance with generally accepted accounting principles. ~~–~~The annual financial statements along with required supplemental information are subject to review by the Executive Board and the Program Manager. ~~-~~The Executive Board adopts the annual financial statements.

   B. On a quarterly basis, ~~Francis & Company~~the Agency's accounting firm submits to the Executive Board to adopt:

      I. List of vendor warrants.

   C. On a monthly basis, ~~Francis & Company~~the Agency's accounting firm prepares and presents:

      I. Internal financial statements~~.~~ (currently using cash basis).

      II. Schedule of actual and budget comparison.

      III. Variance analysis, as needed, will be prepared with monthly financial statements.

Attachment A Purchase Requisition Form

FileLocal

Purchase Acquisition Form

Requested by:		Date:	
Purpose or Use:			
Vendor Name:			
Vendor Address:			
Vendor Contact:		Phone:	

Product/Service Description	Qty	Unit Price	Extended Cost
Approvals:		Date:	
Approvals:		Date:	

Attachment B Payment Approval Checklist

FileLocal

Payment Approval Checklist

We are required to fill out this payment approval checklist prior to processing a check payment for FileLocal. A check must be processed once the proper approval is verified through this checklist. Once this checklist is filled out and a check is processed, this checklist shall be forward to FileLocal for record.

	YES	NO	N/A
Is Purchase Acquisition Form or Check Request Form attached to an invoice/itemized receipt for processing payment? (Please Note Purchase Acquisition Form or Check Request Form is not required for a recurring payment.)			
Is Purchase Acquisition Form or Check Request Form approved by authorized person (s) in accordance with 6.1 Authorizations of Fiscal Manual? For a recurring payment, is vendor's invoice/itemized receipt approved in accordance with 6.1 Authorization of Fiscal Manual?			
Is vendor's invoice reviewed for GL coding and recording?			

Preparer:	
Date:	

Attachment C: Check Request Form

FileLocal
Check Request Form

Deliver Check to:

Date Required	Check Amount

Purpose of Payment

G/L Account #:

Vendor Name	Invoice/Receipt Number	Invoice Date	Amount

Originator	Date

Approval	Date

~~Submit Form to Francis & Company PLLC~~
~~701 N Dexter Avenue, Suite 404~~
~~Seattle, Washington 98109~~

FL2019-09 Attachment C

AUTHORITIES DELEGATED BY FILELOCAL EXECUTIVE BOARD	TOPIC	DOCUMENTATION REFERENCE	PROGRAM MANAGER	OPERATIONS COMMITTEE	OTHER	ACCOUNTANT	LEGAL
Authorizes budgeted expenditures of $50,000 or less - excluding Program Manager (PM) requests.	F	(FM §6.1)	X				
Authorizes budgeted expenditures of more than $50,000 - excluding PM requests .	F	(FM §6.1)			X		
Authorizes unbudgeted expenditures of $5,000 or less-excluding PM requests .	F	(FM §6.1)			X		
Authorizes unbudgeted expenditures of more than $5,000-excluding PM requests.	F	(FM §6.1)			X		
Contract Review >$5,000	F	(FM §6.1)			X		
Authorizes all budgeted PM requests $5,000 or less.	F	(FM §6.1)			X		
Authorizes all budgeted PM requests greater than $5,000.	F	(FM §6.1)			X		
Authorizes all unbudgeted PM requests $2,000 or less.	F	(FM §6.1)			X		
Authorizes all unbudgeted PM requests greater than $2,000.	F	(FM §6.1)			X		
Assist in Development and review proposed agency budgets	F	(FM §3)		X			
Advises on proposed budget	F	(FM §3)	X				
Develops proposed operating budget in consultation with operations committee	F	(FM §3)	X				
Submits budget and operation performance reports to Board	F	(FM §1)	X				
Reviews/approves cash disbursements	F	(FM, §6.2)	X				
Prepares checks, maintains and initiates electronic payments	F	(FM, §6.2)				X	
Reviews bank accounts and reconciliations	F	(FM, §6.2)				X	
Approves check requests (as authorized by Executive Board)	F	(FM, §6.3)				X	
Controls check stock	F	(FM, §6.4)				X	
Establishes and maintains accounting system	F	(FM, §2)				X	
Preparation of financial statements	F	(FM, §11)				X	
Provides external audit preparation and response	F	(FM, §6.11)				X	
Conducts compliance monitoring, financial analysis, internal audits, and other financial management and accounting services as directed by Board	F	(FM, §6.11)				X	

Legend	
F=Fiscal	ILA=Interlocal Agrement
O=Operations	B=Bylaws
P=Policy	SLA=Service Level Agreement
FM=Fiscal Manual	

FL2019-09 Attachment C

AUTHORITIES DELEGATED BY FILELOCAL EXECUTIVE BOARD	TOPIC	DOCUMENTATION REFERENCE	PROGRAM MANAGER	OPERATIONS COMMITTEE	OTHER	ACCOUNTANT	LEGAL
Provides legal services regarding formation as a non-profit municipal corporation	L	(FL2014-18)					X
Provides general legal counsel	L	(FL2014-18)					X
Manages/oversees vendor performance	O	(ILA §11)	X				
Consults with Operations Committee on issues coming before Board	O	(ILA §11)	X				
Provide, equip, and maintain office space for staff	O	(FL2014-19)			X COS		
Reviews and develops operations policy and amendments, new service options, and other matters directed by Board	P	(ILA §9)		X			
Reports and recommends on policy matters deemed appropriate	P	(ILA §9)		X			
Assists in communications to City Councils, legislators, business community, etc.	Policy	(ILA 16-17)		X			
Conducts outreach to tech staff within respective cities	Policy	(ILA 16-17)		X			
Briefs executive board members	Policy	(ILA 16-17)		X			
Administers day-to-day operations consistent with policies	Policy	(ILA 18)	X				
Conducts outreach to taxpayers, licenses and businesses	Policy	(ILA 18)	X				
Advise on conflicts of interest	Policy	(SLA, p4)			X SEEC		
Preserves agency public records as required by state law, response to public records requests, segregation of agency records from city records	Policy	(SLA, p5)	X		X Seattle		
Outreach and communications with elected officials	Policy				xOIR		
Appoints other staff positions established by Board	Staffing	(B p9)	X				
Appoints persons to fill other staff positions (Administrative support staff, project manager/business analyst, etc.)	Staffing	(ILA 18, SLA 3)	X				
Backfills employees	Staffing	(SLA, p4)			X Seattle		

Legend	
F=Fiscal	ILA=Interlocal Agrement
O=Operations	B=Bylaws
P=Policy	SLA=Service Level Agreement
FM=Fiscal Manual	

FileLocal

700 5th Avenue, Suite 4350
PO Box 94669
Seattle, WA 98124-4669

File Local Resolution FL2019-10
Briefing Paper

Date: December 19, 2019

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("Agency") Executive Board authorize the Program Manager to execute a contract for legal services with Madrona Law Group, PLLC, and terminate the previous contract with Kenyon Disend, PLLC, so that the Agency's current attorney David Linehan may continue to provide legal services to the Agency?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2019-10 approving the continued use of David Linehan as general counsel to the Agency following his departure from Kenyon Disend and formation of a new law firm, Madrona Law Group, PLLC. The Board should also direct the termination of the current contract with Kenyon Disend, PLLC, which is terminable at will on thirty days' written notice.

Rationale: The Agency has used David Linehan as its legal counsel since April 2015. Mr. Linehan has recently departed from the Kenyon Disend law firm to launch a new firm, Madrona Law Group, PLLC, which will continue to specialize in providing high quality legal services to Washington municipalities and local government agencies, like FileLocal. There is great value in continuity of legal service, given Mr. Linehan's significant history and knowledge of Agency operations. The proposed contract with Madrona Law Group includes the same hourly rates as under the Kenyon Disend contract, with other similar terms. The current, non-exclusive contract with Kenyon Disend allows termination on 30 days' notice, with no financial penalty.

RESOLUTION NO. FL2019-10

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Terminating Contract with Kenyon Disend, PLLC and Authorizing a new Contract for Legal Services with Madrona Law Group, PLLC.

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency ("Agency") Interlocal Agreement ("ILA"), certain principles of integrity and accountability and a goal of compliance with all applicable legal requirements were established for the Agency; and

Whereas, Pursuant to Section 6 of the ILA, the Executive Board of the Agency has the power to enter into agreements with third parties for the provision of services necessary to fully implement the purposes of the Agency and the Interlocal Agreement; and

Whereas, the Agency has previously contracted with Kenyon Disend, PLLC, to provide legal services to the Agency, pursuant to a contract; and

Whereas, David Linehan has served as the Agency's general counsel since April 2015; and

Whereas, David Linehan and four of his colleagues have resigned from Kenyon Disend and formed a new law firm, Madrona Law Group, PLLC, where they will continue to focus on providing highly knowledgeable and responsive municipal legal services to Washington cities and local government agencies; and

Whereas, to preserve the continuity and quality of legal services, the Agency would like to continue working David Linehan as general counsel following his move to Madrona Law Group, due to his history and familiarity with the Agency and the quality of service he has provided to date; and

Whereas, the Agency's current contract with Kenyon Disend, PLLC, may be terminated at any time upon thirty days' written notice to Kenyon Disend; and

Whereas, the Kenyon Disend contract is not exclusive and does not purport to limit the Agency's ability to contract with the lawyer(s) or law firm(s) of its choice; and

Whereas, the Agency desires to contract with Madrona Law Group on the terms and conditions provided in the proposed contract attached hereto as Attachment A;

//

//

Now therefore,

BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:

SECTION 1. The Executive Board hereby exercises its right to terminate its current legal services contract with Kenyon Disend, PLLC, effective 30 days following written notice, and requests that the Program Manager provide written notice of such termination to Kenyon Disend, PLLC, as soon as practicable.

SECTION 2. The Executive Board authorizes the Program Manager to execute a contract with Madrona Law Group, PLLC, effective immediately, to provide legal services to the Agency as set forth in Attachment A to this Resolution.

ADOPTED this 19th day of December, 2019.

ATTEST:

Washington Multi-City Business License and Tax Portal Agency Executive Board
Seattle, Washington

Board Secretary

Board Chair

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services ("Agreement") is made on this ___ day of _____, 2019, between Madrona Law Group, PLLC ("Attorneys") and the Washington Multi-City Business License and Tax Portal Agency, dba FileLocal ("Client").

SECTION 1. LEGAL SERVICES

Attorneys shall provide legal counsel to Client under the direction of the Program Manager. David Linehan will serve as the Agency General Counsel. Attorneys shall be principally responsible for performing all legal work for the Client, except for matters assigned to insurance counsel, matters in which Attorneys have a conflict, or matters assigned to other counsel by the Program Manager.

SECTION 2. RESPONSIBILITIES OF ATTORNEYS AND CLIENT

Attorneys will perform the legal services called for under this Agreement in accordance with the rules of professional responsibility for attorneys in Washington State, keep Client informed of progress and developments, and respond promptly to Client's inquiries and communications. Client will be truthful and cooperative with Attorneys, keep Attorney reasonably informed of developments, and timely make any payments required by this Agreement.

SECTION 3. COMPENSATION

A. Client will pay Attorneys for the legal services provided under this Agreement pursuant to the fees listed in Exhibit A, in an amount not to exceed thirty thousand dollars ($30,000) in any calendar year. Attorneys will charge in increments of one tenth of an hour, rounded off for each particular activity to the nearest one tenth of an hour. The minimum time charged for any particular activity will be one tenth of an hour. Attorneys will charge for all activities undertaken in providing legal services to Client under this Agreement, including, but not limited to, the following: providing legal advice on agency matters; attending meetings and conferences; appearing in court; reviewing and preparing correspondence and legal documents; performing legal research and writing legal opinions; drafting court papers, ordinances, and resolutions; and engaging in telephone conversations. Attorneys will charge for their reasonable travel time at Attorneys' regular hourly rates. When two or more of Attorneys' personnel are engaged in working on a matter at the same time, such as in conferences between them, the time of each will be charged at his or her hourly rate.

B. If applicable, Client will pay Attorneys for services related to public records pursuant to the fees listed in Exhibit A and as further defined below:

   i. Attorneys shall be compensated at the "Attorney" hourly rates for reviewing public records for responsiveness and exemptions, redacting exempt records, reviewing exemption logs, and providing legal advice related to Public Records Act (Ch. 42.56 RCW) compliance.

ii. Attorneys shall be compensated at the "Public Records Processing" rate for services such as, but not limited to, converting and deduplicating files, preparing exemption logs, downloading and transmitting files to and from Client, and other tasks typically performed by the Public Records Officer that do not call for the independent legal judgment of Attorneys.

C. Attorneys will review their hourly rates once per year. If, while this Agreement is in effect, Attorneys implement an increase in the hourly rates being charged to clients, that increase may be applied to fees incurred under this Agreement, but only with respect to services provided thirty (30) days or more after written notice of the increase is mailed to Client. If Client declines to accept the increased rates, the parties may negotiate an alternate rate, or Client may terminate this Agreement by written notice effective when received by Attorneys, provided Client executes and returns a substitution-of-attorney form immediately on its receipt from Attorney if Attorneys are Client's attorney of record in any proceeding.

SECTION 4. COSTS

A. Client will pay all costs in connection with Attorneys' representation of Client under this Agreement. Costs may be advanced by Attorney and then billed to Client. Costs include, but are not limited to, court filing fees, deposition costs, expert fees and expenses, investigation costs, messenger service fees, postage fees, photocopying expenses, and process server fees.

B. Attorneys shall not charge Client for mileage nor for long-distance telephone charges. In addition, Attorneys shall not charge Client for legal research fees incurred by Attorneys as part of their standard use of any online legal research database. Extraordinary legal research costs may be billed to the Client upon Client's approval.

SECTION 5. STATEMENTS

A. Attorneys shall render to Client a statement for fees, costs, and expenses incurred on a monthly basis. Such statement(s) shall indicate the basis of the fees, including the hours worked, the hourly rate(s), and a brief description of the work performed. Separate billing categories can be established to track costs associated with Client funding categories or to track project costs, or such other basis as the Client may direct. Reimbursable costs shall be separately itemized.

B. Payments shall be made by Client within thirty (30) days of receipt of the statement, except for those specific items on an invoice which are contested or questioned and are returned by Client with a written explanation of the question or contest, within thirty (30) days of receipt of the invoice. Payments made more than thirty (30) days after the due date shall draw interest at the rate of 12% per annum.

SECTION 6. INDEPENDENT CONTRACTOR

Attorneys shall perform all legal services required under this Agreement as an independent contractor of Client, and shall remain, at all times as to Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither Client, nor any of its employees, shall have any control over the manner, mode, or means by which Attorneys, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth and as required by the rules of professional conduct applicable to Attorneys. Client shall have no voice in the selection, discharge, supervision or control of Attorneys' employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

SECTION 7. INSURANCE

Attorneys shall maintain for the duration of this Agreement professional liability insurance with limits no less than $1,000,000 per claim and $1,000,000 policy aggregate limit. Attorneys shall provide Client with written notice of any policy cancellation within two business days of their receipt of such notice. Failure on the part of Attorneys to maintain the insurance as required shall constitute a material breach of contract, upon which Client may, after giving five business days' notice to Attorneys to correct the breach, immediately terminate the contract.

SECTION 8. NOTICES

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor; postage prepaid and addressed as follows:

CLIENT:

File Local
Attn: Program Manager
700 Fifth Avenue Suite 4350
P.O. Box 94669
Seattle, WA 98124

ATTORNEYS:

Madrona Law Group, PLLC
14205 SE 36th Street
Suite 100, PMB 440
Bellevue, WA 98006

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same in the

custody of said Postal Service. Either party may, from time to time, by written notice to the other, designate a different address or person to be substituted for that specified above.

SECTION 9. TERM

A. This Agreement shall be effective upon mutual execution by the parties, and it shall remain in full force and effect until December 31, 2021, unless earlier terminated by either party hereto. Client may discharge Attorneys at any time. Attorneys may withdraw from Client's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon thirty (30) days' notice to City.

B. In the event of such termination or withdrawal, Client will pay Attorneys professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation.

SECTION 10. CONFLICTS

Attorneys have no present or contemplated engagements which are adverse to the Client. Attorneys agree that they shall not represent any other client in a matter (either litigation or non-litigation) in which Attorneys' representation would be adverse the Client. If, in the future, the Client asks Attorneys to represent the Client in a matter that is adverse to another current or former client of Attorneys, Attorneys will determine whether and under what circumstances Attorneys may undertake such representation and, if appropriate, seek informed consent(s) from affected parties.

SECTION 11. GENERAL PROVISIONS

This Agreement sets forth the entire agreement of the parties. Any amendments must be in writing and signed by both parties. This Agreement shall be construed under the laws of the State of Washington. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the remaining portions of this Agreement shall remain in full force and effect and construed so as to best effectuate the original intent and purpose of this Agreement.

ACKNOWLEDGED AND AGREED TO BY:

FILE LOCAL	MADRONA LAW GROUP, PLLC
By:_____	By:_____
Kevin Fitzpatrick, Program Manager	David Linehan, Member
Dated:_____	Dated: _____

EXHIBIT A

MADRONA LAW GROUP, PLLC

2019-2020 HOURLY RATES

ATTORNEYS:

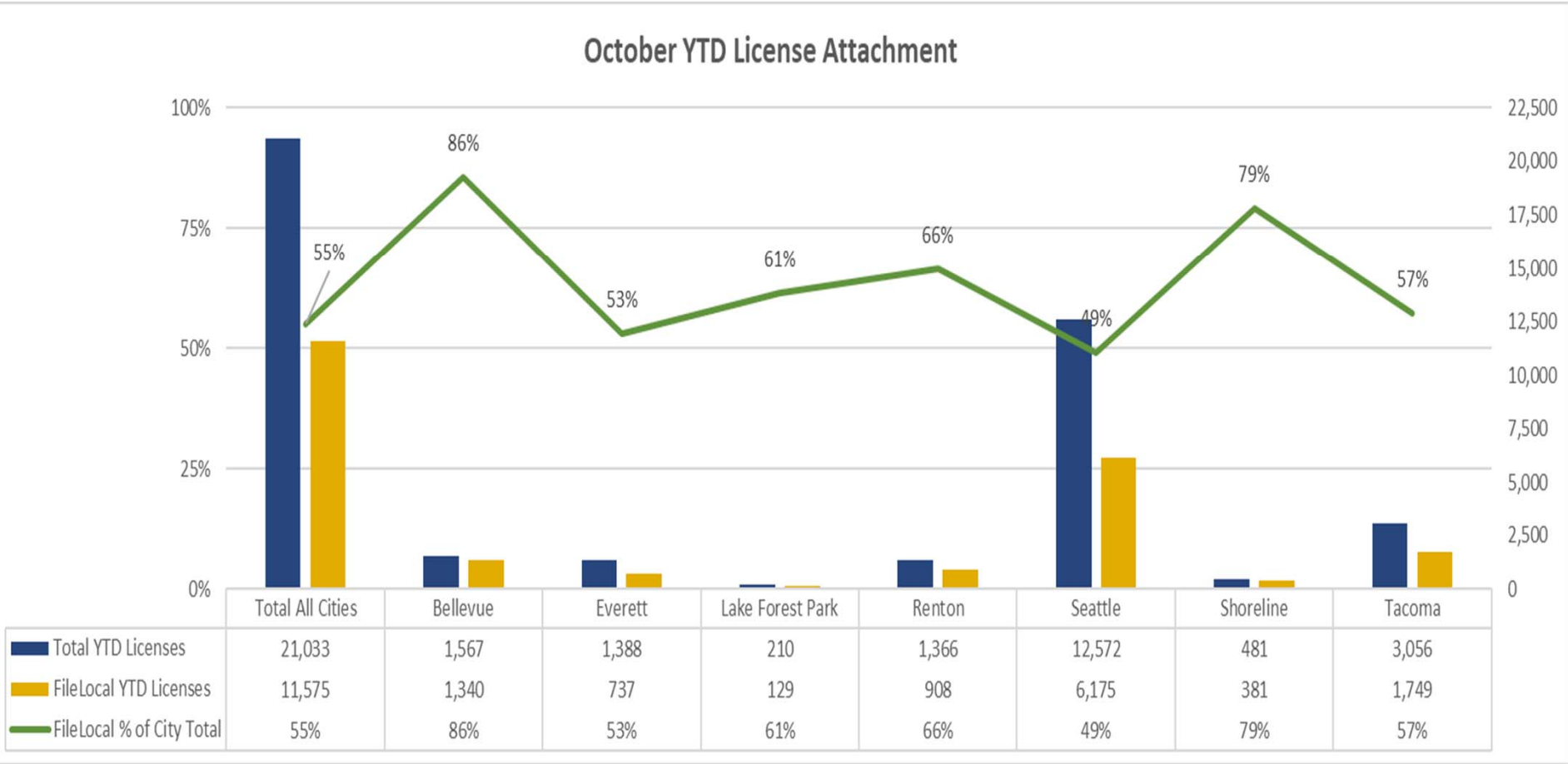
Eileen M. Keiffer	$230
David A. Linehan	$300
Kim Adams Pratt	$300
Ann Marie J. Soto	$230
Rachel B. Turpin	$230

STAFF:

Paralegal	$130
Legal Assistant	$75
Public Records Processing	$130

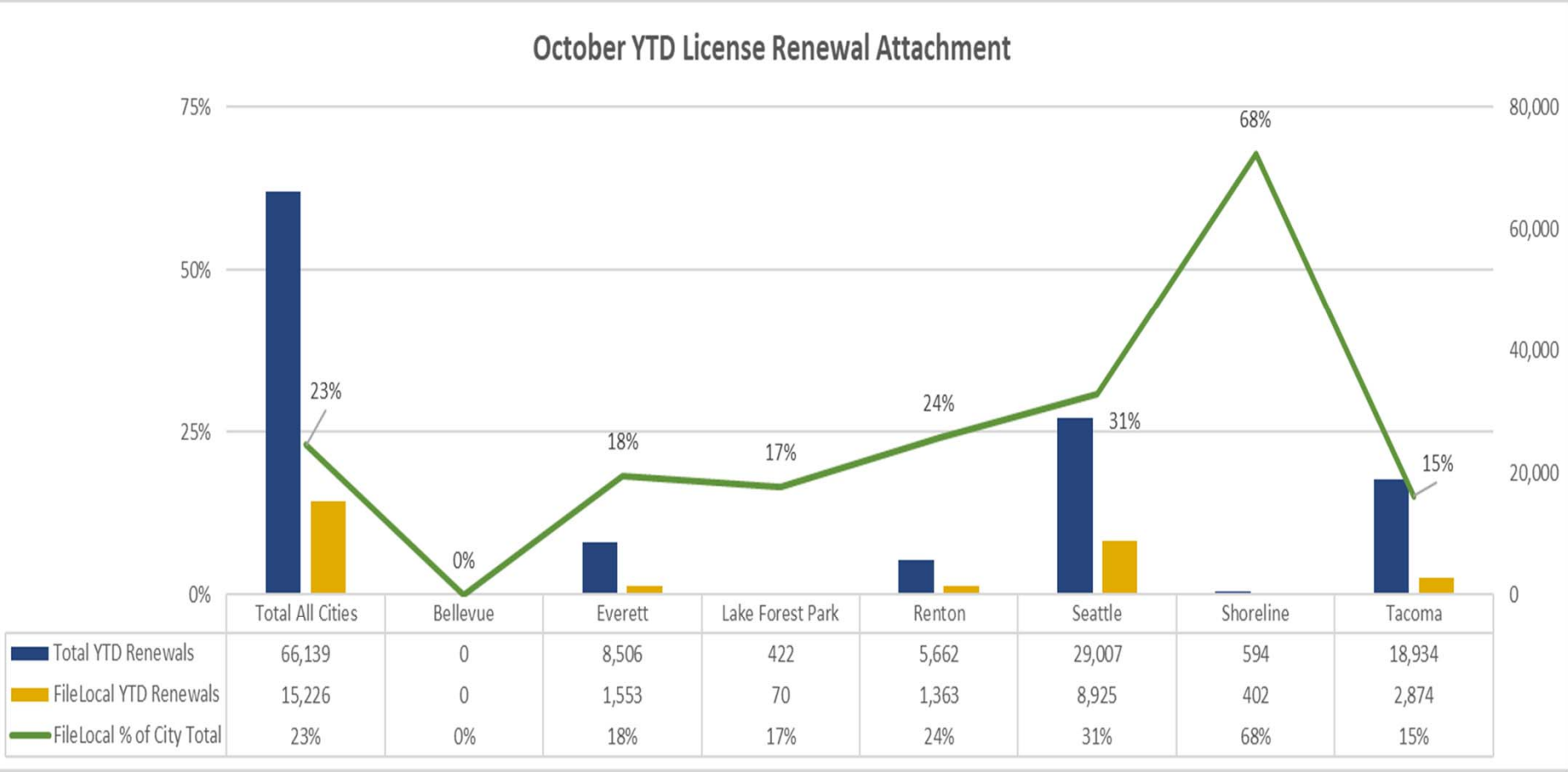
FileLocal: Monthly Business Review

November 2019



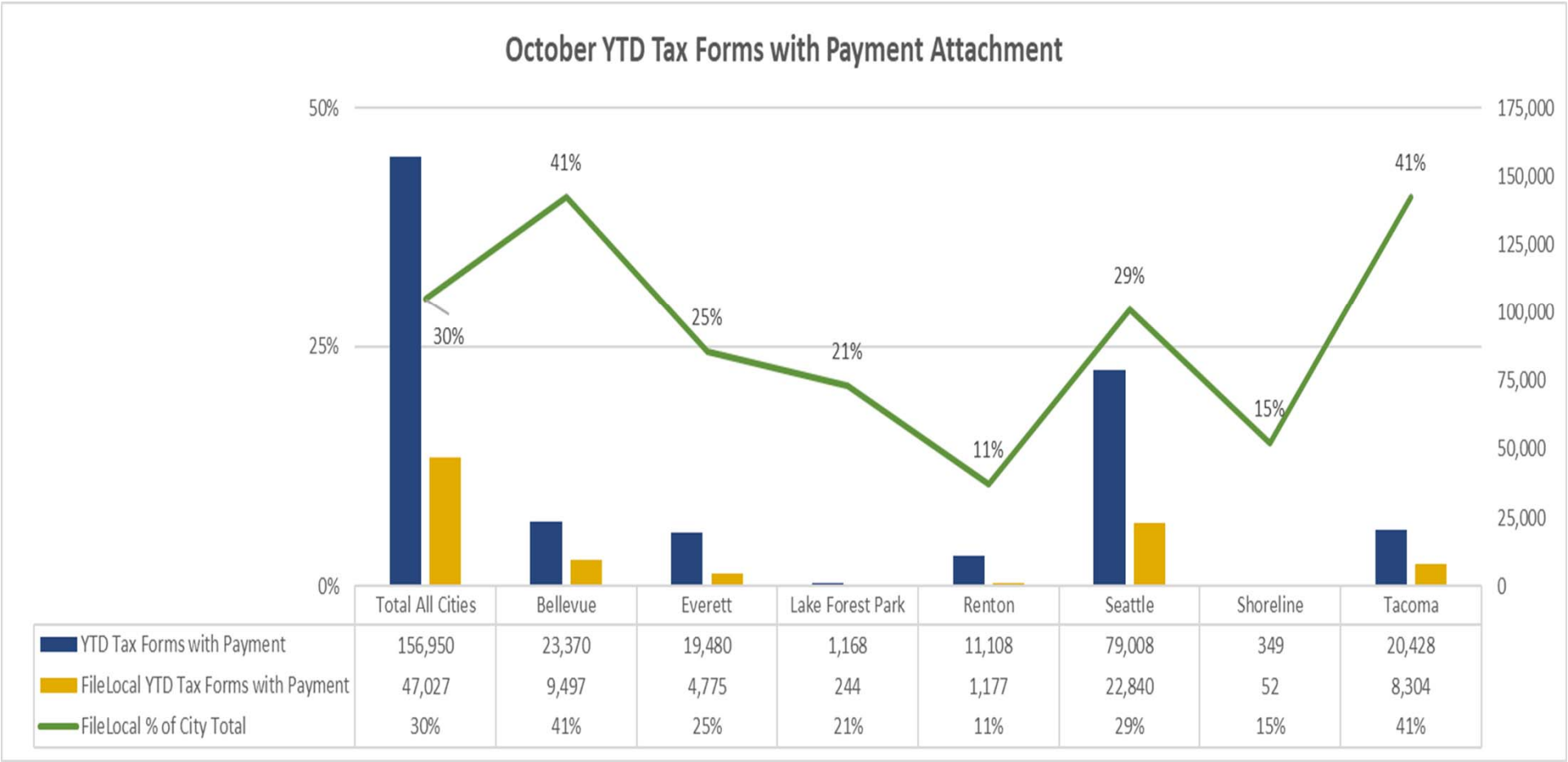
	Total All Cities	Bellevue	Everett	Lake Forest Park	Renton	Seattle	Shoreline	Tacoma
Total YTD Licenses	21,033	1,567	1,388	210	1,366	12,572	481	3,056
FileLocal YTD Licenses	11,575	1,340	737	129	908	6,175	381	1,749
FileLocal % of City Total	55%	86%	53%	61%	66%	49%	79%	57%

Oct YTD, FileLocal Cities processed a total of ~316k transactions with FileLocal processing 96k or 30%. Broken out by filing type - Licensing (11.5k, 55%), Renewals (15.2k, 23%), Tax Filings with Payments (47.0k, 30%), Tax Filings with no payments (22.2k, 31%). October YTD compared to July YTD - all four categories as a percent of the total are up with Licenses up 2%, Renewals up 4%, Taxes with Payments up 2% and Taxes without payments up 2%.



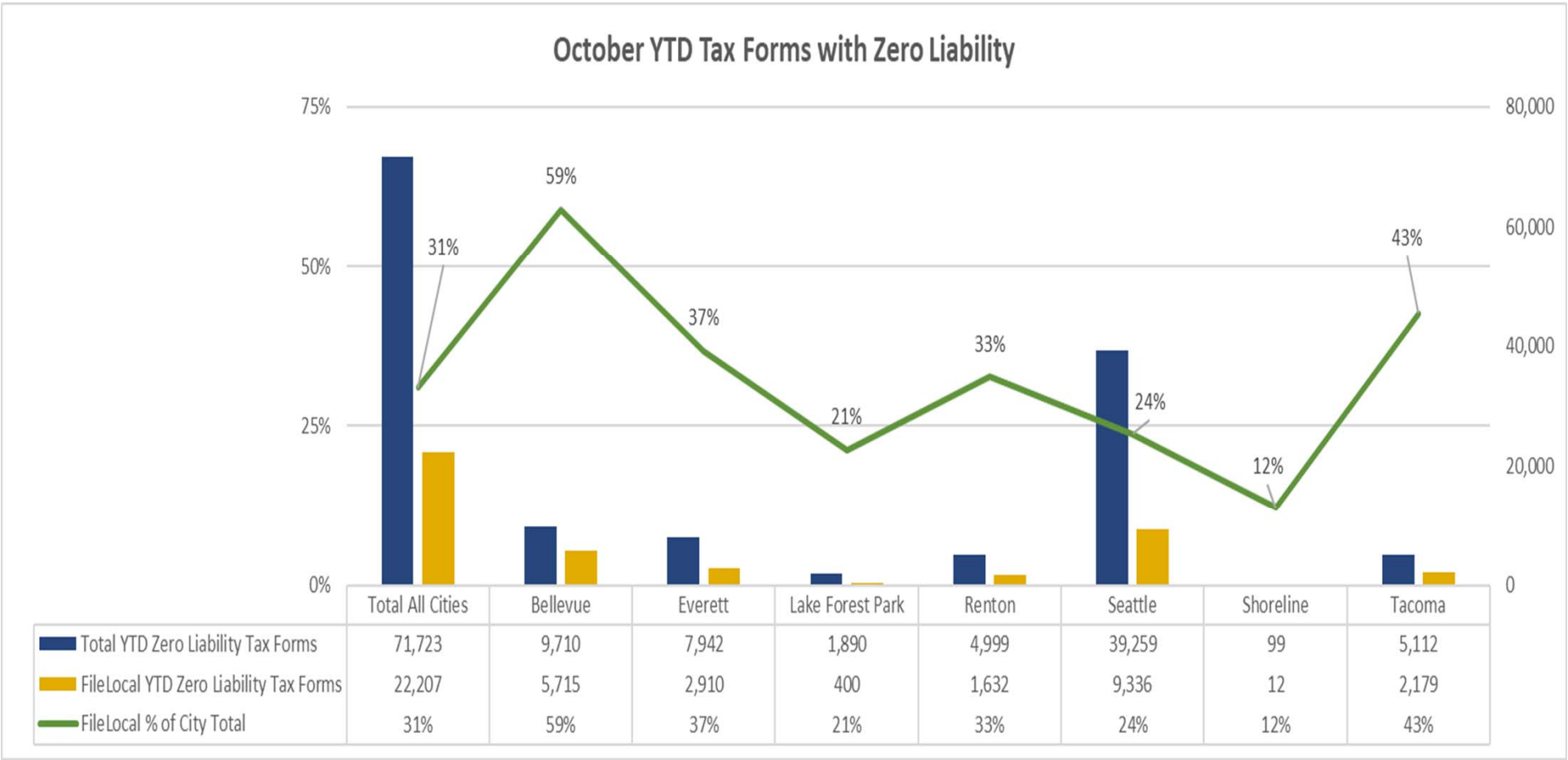
	Total All Cities	Bellevue	Everett	Lake Forest Park	Renton	Seattle	Shoreline	Tacoma
Total YTD Renewals	66,139	0	8,506	422	5,662	29,007	594	18,934
FileLocal YTD Renewals	15,226	0	1,553	70	1,363	8,925	402	2,874
FileLocal % of City Total	23%	0%	18%	17%	24%	31%	68%	15%

Oct YTD, FileLocal Cities processed a total of ~316k transactions with FileLocal processing 96k or 30%. Broken out by filing type - Licensing (11.5k, 55%), Renewals (15.2k, 23%), Tax Filings with Payments (47.0k, 30%), Tax Filings with no payments (22.2k, 31%). October YTD compared to July YTD - all four categories as a percent of the total are up with Licenses up 2%, Renewals up 4%, Taxes with Payments up 2% and Taxes without payments up 2%.



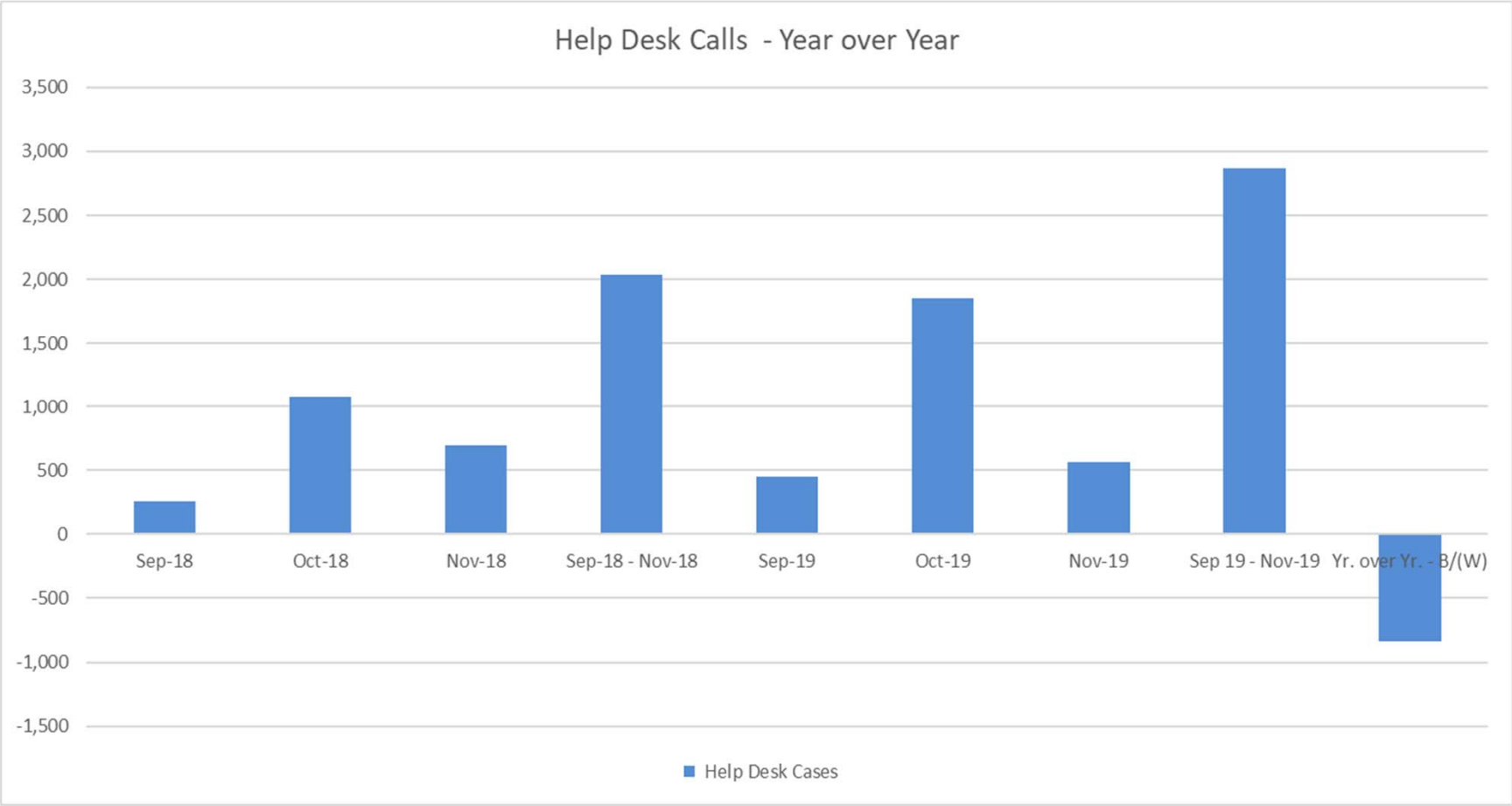
	Total All Cities	Bellevue	Everett	Lake Forest Park	Renton	Seattle	Shoreline	Tacoma
YTD Tax Forms with Payment	156,950	23,370	19,480	1,168	11,108	79,008	349	20,428
FileLocal YTD Tax Forms with Payment	47,027	9,497	4,775	244	1,177	22,840	52	8,304
FileLocal % of City Total	30%	41%	25%	21%	11%	29%	15%	41%

Oct YTD, FileLocal Cities processed a total of ~316k transactions with FileLocal processing 96k or 30%. Broken out by filing type - Licensing (11.5k, 55%), Renewals (15.2k, 23%), Tax Filings with Payments (47.0k, 30%), Tax Filings with no payments (22.2k, 31%). October YTD compared to July YTD - all four categories as a percent of the total are up with Licenses up 2%, Renewals up 4%, Taxes with Payments up 2% and Taxes without payments up 2%.

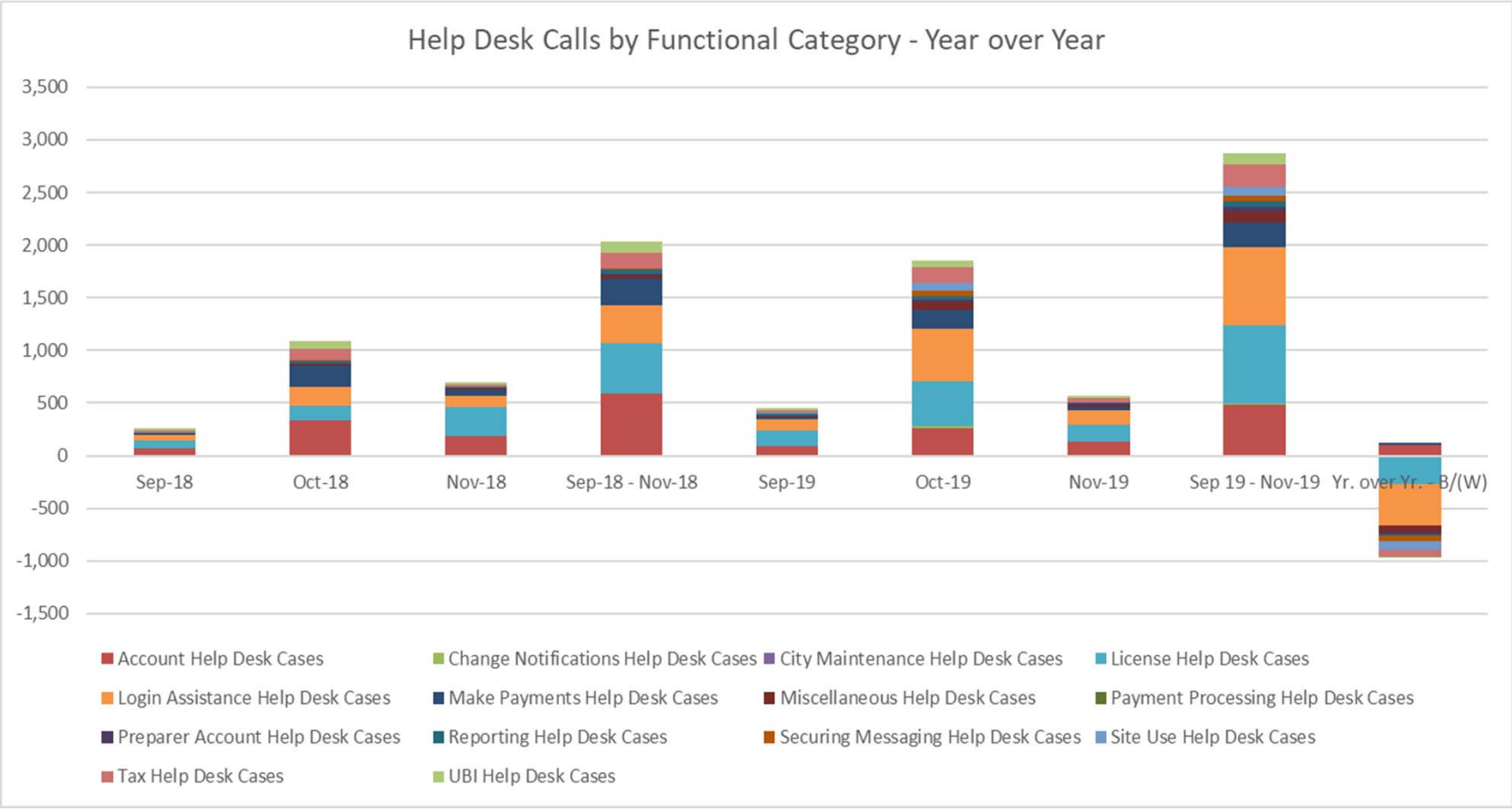


	Total All Cities	Bellevue	Everett	Lake Forest Park	Renton	Seattle	Shoreline	Tacoma
Total YTD Zero Liability Tax Forms	71,723	9,710	7,942	1,890	4,999	39,259	99	5,112
FileLocal YTD Zero Liability Tax Forms	22,207	5,715	2,910	400	1,632	9,336	12	2,179
FileLocal % of City Total	31%	59%	37%	21%	33%	24%	12%	43%

Oct YTD, FileLocal Cities processed a total of ~316k transactions with FileLocal processing 96k or 30%. Broken out by filing type - Licensing (11.5k, 55%), Renewals (15.2k, 23%), Tax Filings with Payments (47.0k, 30%), Tax Filings with no payments (22.2k, 31%). October YTD compared to July YTD - all four categories as a percent of the total are up with Licenses up 2%, Renewals up 4%, Taxes with Payments up 2% and Taxes without payments up 2%.



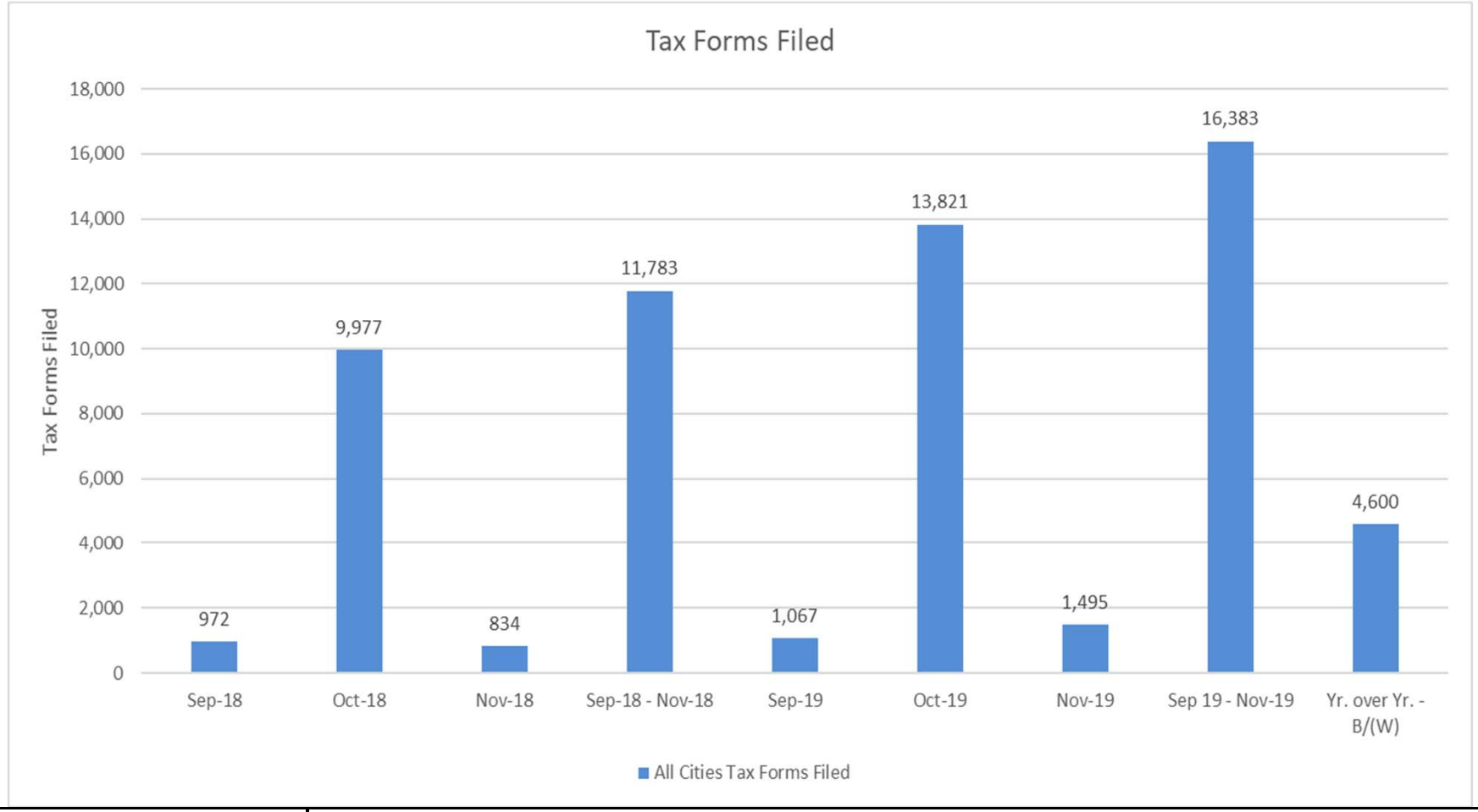
Help Desk Calls by Functional Category	Help desk calls totaled 2,871 for the three months ending November 2019. This is 8.2% of the accounts created and transactions processed which is the same as the three months in the prior year. Three categories have ranked high for the last three months and make up 69% of the calls. The three sub categories make up the highest percentage and include Login Assistance (26%), Payment Assistance (26%), Account Help Desk (17%)



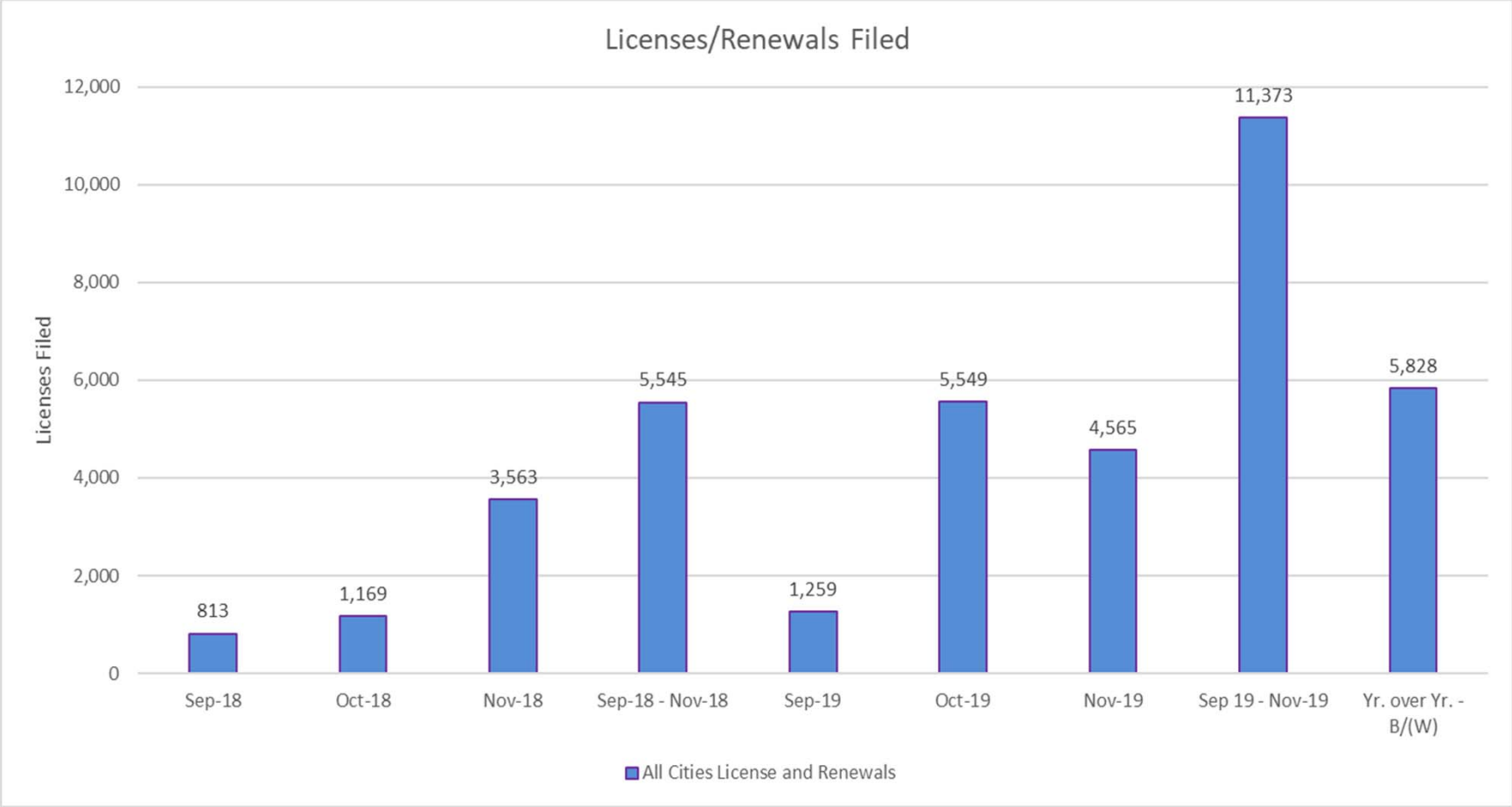
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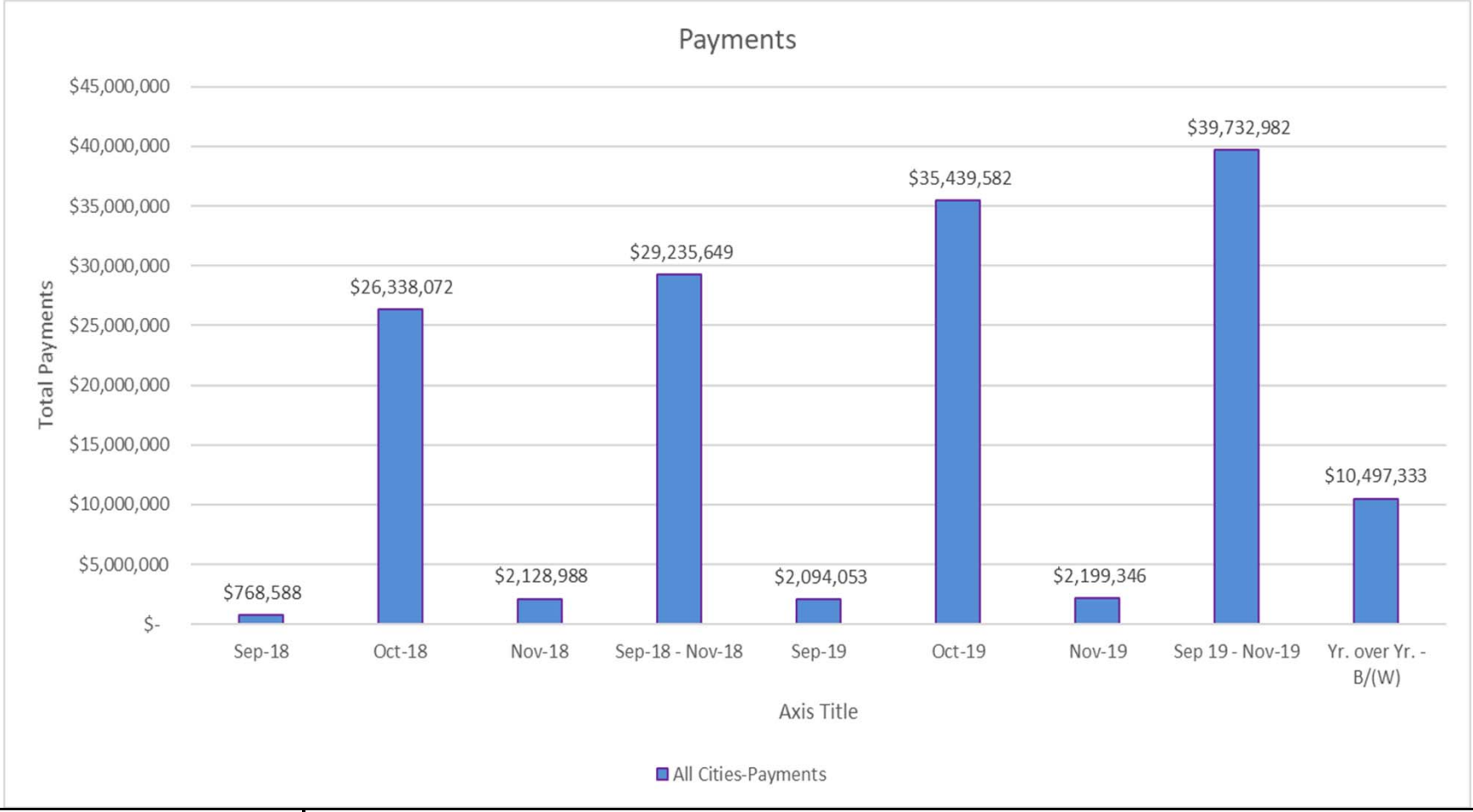
Accounts Created	Accounts created for the 3 months ended November 2019 were 7,206 which is down 125 accounts compared to the same 3 months in the prior year. 2 of the cities were down with Bellevue down 834, Bremerton up 51, Everett up 128, Lake Forest Park up 3, Renton up 131, Seattle up 495, Shoreline up 110 and Tacoma down 209.



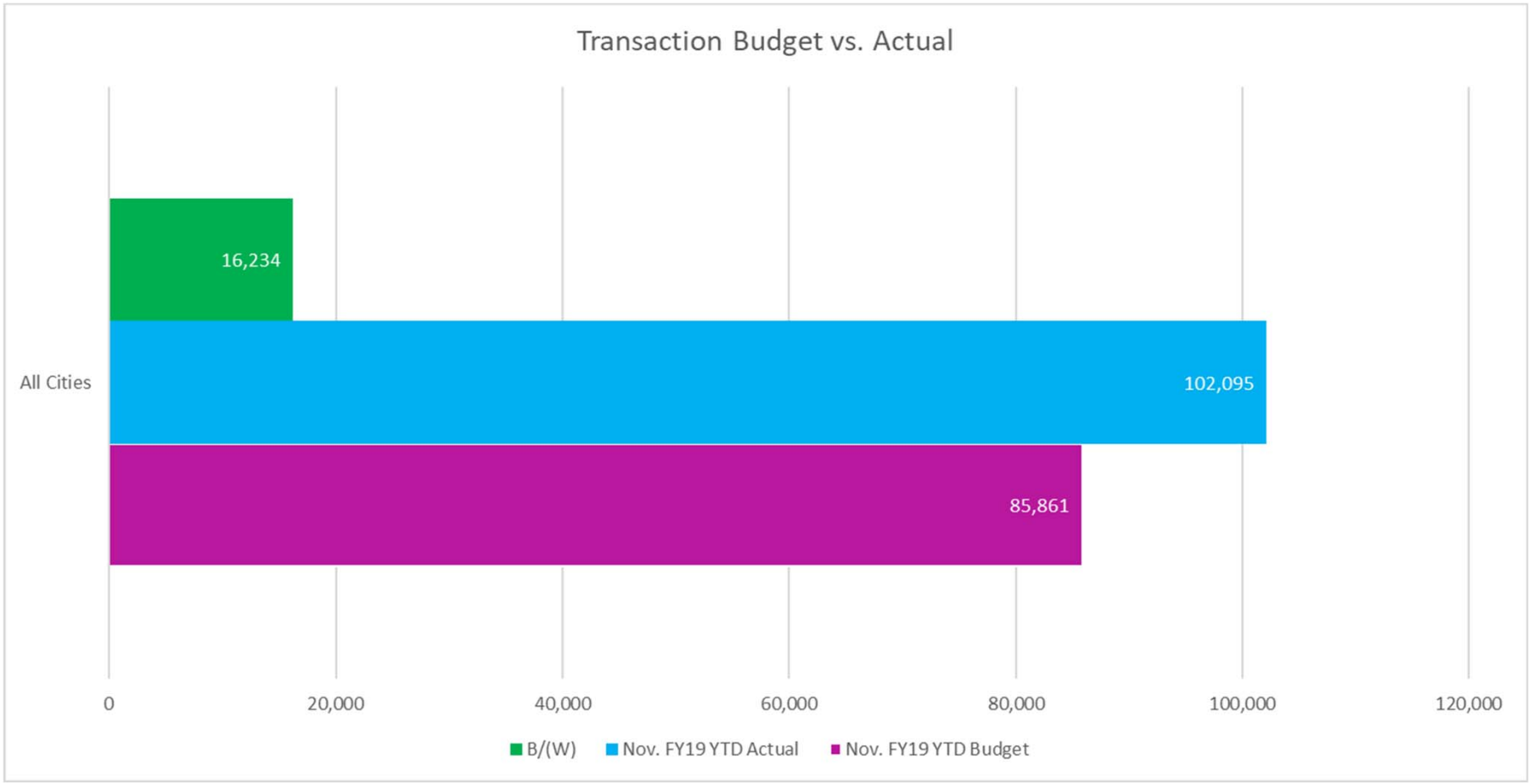
Tax Forms Filed	Tax Forms filed for the 3 months ended November 2019 were 16,383 which is up 4,600 filings compared to the same 3 months from the prior year. Seven cities were up with one city down. Bellevue was down 181, Bremerton up 87, Everett up 853, Lake Forest Park up 70, Renton up 258, Seattle up 2,829, Shoreline up 43 and Tacoma up 641.



Licenses/Renewals Filed	License/Renewals created for the 3 months ended November 2019 were 11,373 which is up 5,828 filings compared to the same 3 months from the prior year. Six of the eight cities were up with Bellevue down 156, Bremerton up 75, Everett up 240, Lake Forest Park up 12, Renton up 113, Seattle up 5,356, Shoreline up 262 and Tacoma down 74.



Payments Made by City	Payments made for the 3 months ended November 2019 were $39,733m which is up $10.5m compared to the same 3 months from the prior year. Seven of the eight cities were up with Bellevue up $882k, Bremerton up 113k, Everett up $99k, Lake Forest Park down $3k, Renton up $717k, Seattle up $7,741k, Shoreline up $77k and Tacoma up $873k.



Transactions YTD Budget versus YTD Actual	Transactions YTD Budget versus Actual were favorable by 16,234. Five cities were favorable and four cities was unfavorable. Bellevue was unfavorable by 3,315, Bremerton was unfavorable by 1,019, Everett was favorable by 4,096, Lake Forest Park was unfavorable by 260, Renton was favorable by 3,850, Seattle was favorable by 15,983, Shoreline was unfavorable by 741 and Tacoma was unfavorable by 2,360.

User Account Sign-Up Metrics

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Users that completed email validation	8,411	2,080	1,985	2,086	1,308	1,460	2,003	1,974	1,379	2,618	2,774
% of users that completed email validation	90%	89%	95%	97%	97%	98%	98%	98%	98%	96%	93%
Users that completed email validation and assigned a license	5,468	1,412	1,325	1,471	929	998	1,475	1,397	941	1,992	1,358
% of users that completed email validation and assigned a license	65%	68%	67%	71%	71%	68%	74%	71%	68%	76%	49%
Filed a Tax Return for the First Time	3,550	731	682	855	480	558	825	760	514	857	557

Seattle Import Account Sign-Up Metrics

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19
Seattle Import Started	2,315	353	180	314	124	92	262	93	94	718	211
Seattle Import Completed	2,155	329	166	297	117	87	237	82	78	662	185
Seattle - % that started and completed import	93%	93%	92%	95%	94%	95%	90%	88%	83%	92%	88%

FileLocal

AGENCY SURVEY

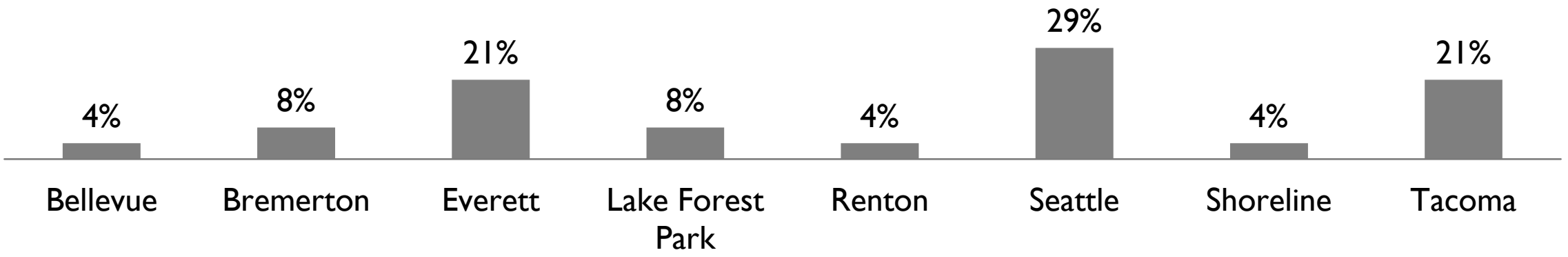
RESEARCH RESULTS

Prepared by Lund Consulting & Lund Faucett

December 16, 2019

All 8 FileLocal cities responded to the survey

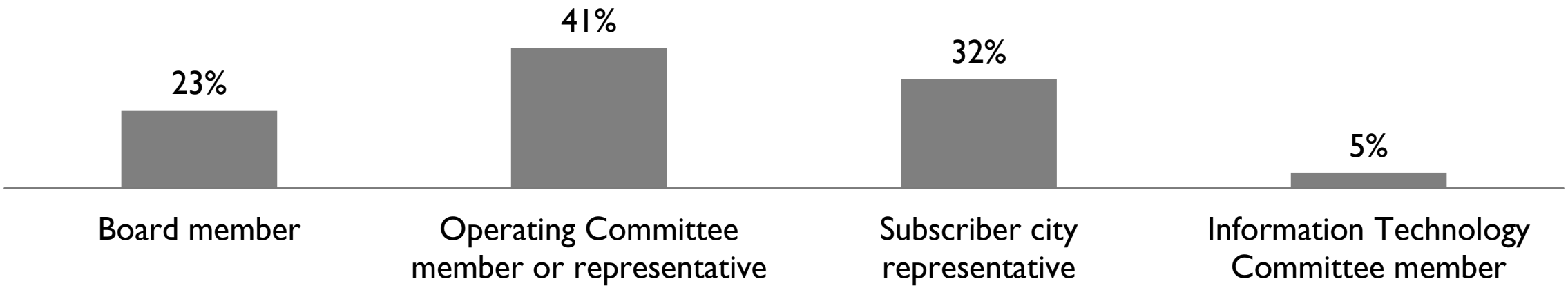
Q1. Which of the following cities do you represent? (Select one.)



All (n=24)

Survey results include a variety of perspectives

Q2. Which of the following best describes your relationship with FileLocal? (Select one.)



All, n=22

Most respondents (62%) have been in their FileLocal role for 5 or more years

Q3. How long have you been a [INSERT ROLE FROM Q2]*?



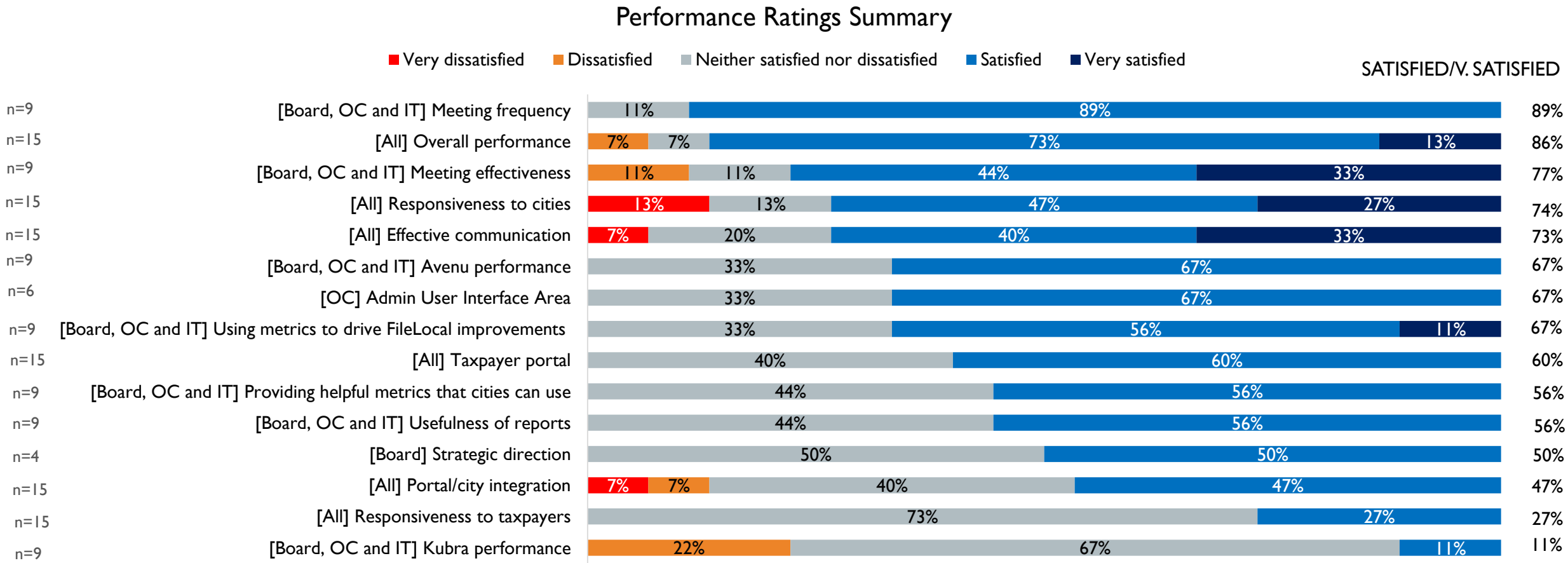
All, n=21

*For example, Board member, Operating Committee member, Subscriber city or IT representative

SUMMARY

- Overall performance, meeting frequency and effectiveness, responsiveness and communications rated favorably.
- Significant 'neutral' responses indicate areas for additional investigation and potential for improvement (e.g., taxpayer portal, metrics cities can use, useful reports and strategic direction).
- Respondents are least satisfied with Kubra performance, and portal/city integration. One respondent expressed major frustrations and is investigating options to convert to BLS.
- Additional clarification needed re: lower satisfaction with 'responsiveness to taxpayers.'
- There's a strong desire to see FileLocal continue to do more to support a better customer/taxpayer/business experience.
- There's also room for improvement when it comes to addressing city needs. Addressing the diversity of city sizes/interests are particularly important as the agency expands.
- While communication is rated very well, there may be opportunities to continue to improve clarity and transparency.
- Being a leader in technological innovation and outstanding customer service is the most compelling 'vision' for FileLocal– but there's work to be done to make this a reality.

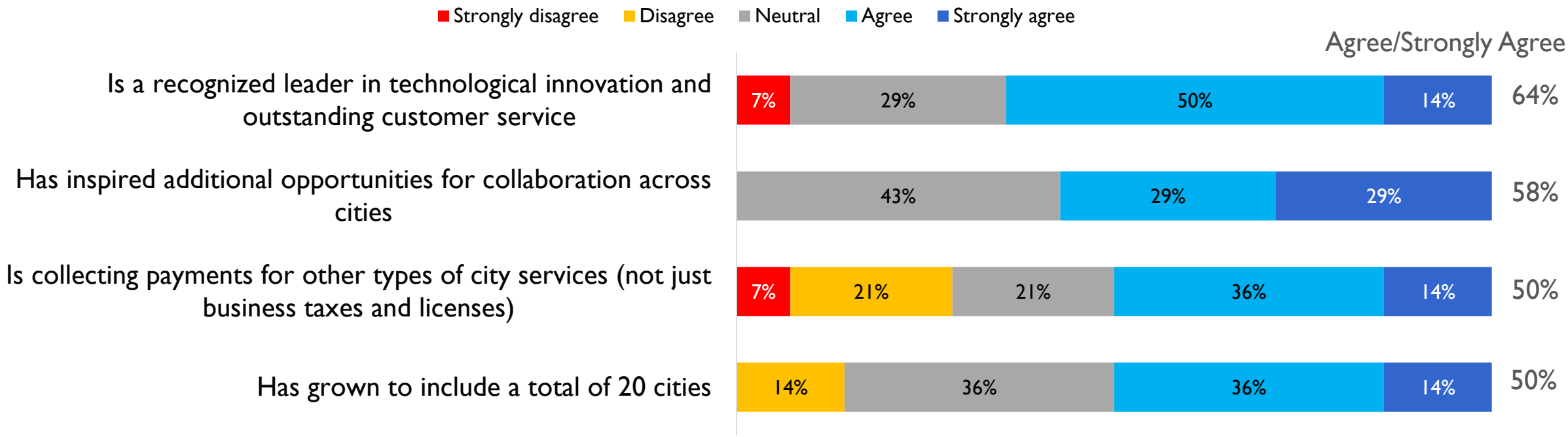
Overall, respondents are satisfied with FileLocal's performance. There are few negative ratings, but large 'neutral' responses may be areas for improvement.



There is strongest support for FileLocal becoming a recognized leader in tech innovation and outstanding customer service and inspiring additional city collaboration.

However, strong neutral responses indicate these are not strongly shared visions.

Q45. Tell us whether you agree or disagree with the following statements that might be used to describe FileLocal in the future. FileLocal...



All, n=14

CONSULTANT RECOMMENDATIONS

1. Review findings and opportunities with FileLocal Board
2. Continue established meeting practices
3. Consider prospects for understanding/improving business/taxpayer experience
4. Explore opportunities to make improvements for cities (e.g. metrics reporting, Kubra, integration, direct contact with Avenu)
5. Work towards creating a shared vision for the future with the Board
6. Benchmark progress

FILELOCAL ACTION ITEMS

1. Explore opportunities to extend HB 2005 (7/2020) deadline
2. Communicate city metrics beyond Board/OC members
3. Work with vendors to distribute transaction level reports
4. Identify ways to improve city/vendor portal integration
5. Explore options for allowing direct interactions between cities IT groups and vendors
6. Work with subscriber cities to improve their experience
7. Modify survey to eliminate question confusion
8. Work with Board to create a post July 2020 vision for the Agency

FILELOCAL EXECUTIVE BOARD AND OPERATIONS COMMITTEE 2020 WORK PLAN

2020 Schedule	Tasks
January	• *No board meeting, No operations committee meeting* • **Revisit Cash Management Options**
February	• *No board meeting, No operations committee meeting*
March OC = 4th EB = 19th	• Hold "annual meeting" per Bylaws (§4.5) • Other items (review minutes, financial statements, etc.) • Per ILA present draft budget to board • **RESOLUTION ELECTION OF OFFICERS** • **POSSIBLE RESOLUTION RE: ADDITIONAL CITIES** • **POSSIBLE HB2005 EXTENSION** • Operational Updates
April	• *No board meeting. No operations committee meeting*
May **OC = 14th** **EB = 28th**	• Other items (review minutes, financial statements, etc.) • **RESOLUTION FY2021-FY2025 Draft Budget** • **POSSIBLE RESOLUTION RE: ADDITIONAL CITIES** • Operational Updates • **2019 Financial Report due to State Auditor no later than May 30, 2020**
June	• *No board meeting, No operations committee meeting* • **Send draft budget to subscriber cities by June 15.**
July	• *No board meeting, No operations committee meeting* • **Renew Leviathan Contract (Expire 7/15/20)**
August	• *No board meeting, No operations committee meeting*
September OC = 9th EB = 24th	• Other items (review minutes, financial statements, etc.) • **POSSIBLE RESOLUTION RE: ADDITIONAL CITIES** • Operational Updates
October	• *No board meeting, No operations committee meeting*
November	• *No board meeting, No operations committee meeting*
December OC = 2nd EB = 17th	• Other items (review minutes, financial statements, etc.) • **RESOLUTION APPROVING MEETING SCHEDULE FOR 2021** • **RESOLUTION FINAL BUDGET** • **POSSIBLE RESOLUTION RE: ADDITIONAL CITIES** • Operational Updates • **Send final budget to subscriber cities** • **Renew website picture with Getty Images (Expire 12/23/20)** • **Renew Business Licenses (Expire 12/31/2020)**

Kubra Report

December 2019

Kubra Report

Background: No report exists which shows payments by customer across all cities.

Issue: Lack of a complete report set inhibits the Agency's ability to manage the Portal at the transaction level. Areas impacted include, bank reconciliations, city/multicity analysis, and end-to-end (Portal to Bank) transaction analysis.

Cost: $20K KUBRA Statement of Work (SOW).
$20K Estimated cost for creating database to store transaction level information from both KUBRA and Avenu.

Other: This report will be migrated to individual cities.

KUBRA

STATEMENT OF WORK

DocWeb CASE: Click here to enter text.

FileLocal – Detailed Report by City

Presented by: Andrew Duffy
Version: 1.4

KUBRA - Project Management Methodology (PMM)	Aligned with our PMM Lifecycle Phase(s): Planning	
Document: Statement of Work (SOW)	**Document Version: v3.5.1c**	www.KUBRA.com
Questions concerning the content, use, or validation of this document may be directed to your KUBRA CRM, your KUBRA Project Lead, or KUBRA Client Support at clientsupport@KUBRA.com		

[redacted]

This Statement of Work ("SOW") between **FileLocal** and Kubra Data Transfer Ltd. (KUBRA), as it relates to this specific project, is entered into pursuant to the Agreement between KUBRA and **FileLocal** (the "Agreement"), and consists of this SOW, and its applicable attachments and transaction documents referenced herein, and is effective as of the last signature date below.

FileLocal also agrees to the hourly bill rate and any contingencies outlined in the "Pricing and Effort" section of this SOW. As well, **FileLocal** agrees to pay KUBRA reasonable out-of-pocket expenses, including travel expenses. All additional expenses require written documentation from KUBRA and must receive prior written approval from **FileLocal**. **FileLocal** agrees to pay KUBRA's fees and expenses within thirty (30) days of **FileLocal** receipt of KUBRA's invoice.

Furthermore, all parties acknowledge and understand that the services being delivered hereunder will not commence until full execution of this SOW. The parties agree that execution and delivery of this SOW via facsimile or scanned PDF is legal, valid, and binding execution and delivery for all purposes.

The individuals executing this SOW on behalf of **FileLocal** and KUBRA do each hereby represent and warrant that they are duly authorized by all necessary action to execute this SOW on behalf of their respective principals.

Stakeholder	Action	Name (Print)	Signature	Date
KUBRA COE	Approval	Muhammad Kazmi		
KUBRA Sales	Approval	Andrew Duffy		
FileLocal Representative	Authorization and Approval	Kevin Fitzpatrick		

IMPORTANT DATES

Project Start* Date	**Project LIVE** Date	SOW **Expiration**** Date
Click here to enter a date.	**TBD**	**Thursday, October 31, 2019**

*The Project Start Date will be synonymous with one-of-two commencement milestones within the project schedule dependent upon the state of the estimate included in the SOW, being identified as either "Initial" or "Final". When the SOW is presented with an Initial Estimate, the Project Start Date will be synonymous with the **Requirements Kickoff Meeting**, unless otherwise stated. When the SOW is presented with a Final Estimate, the Project Start Date will be synonymous with the **Build Commencement Milestone**, unless otherwise stated.

**All "Final" SOW's will be presented with an Expiration Date. The SOW must be approved and returned to KUBRA by the end-of-business on the stated expiration date to ensure that the project schedule and associated milestones are honored. Once the SOW has expired, project scheduling and staffing will need to be revisited which may impact scheduled milestones, project staffing, project costs, and ultimately the project LIVE.

PRICING

☐ **Fixed Price** (where the Implementation Fees within this SOW are fixed)

Total: Click here to enter text.

	Time and Material	Hours	Rate	Not to Exceed
☑	Professional Services	120	$165.00	$19,800
	Total:	**120**		**$19,800**

Pricing Includes:

TERMS & CONDITIONS

- **Hours billed not to exceed the estimated hours without prior written approval**
- **Billing for this SOW will occur in the month following the LIVE of this project**
- **The hourly rate used to calculate the costs are based upon your current contractual rate**

ESTIMATE

Initial ☐ **Initial Estimates** are based on a top-down analogous estimating method which considers all information on-hand, expert judgment, and project historical performance. Initial Estimates are expected to be within +/- 15% of the final estimate for standard (non-customized) projects.

Final ☑ **Final Estimates** are the result of a completed requirements study (documented in our Business Requirements Document – BRd), systems design, project schedule, and assigned project team.

Phase	Initial	Final	Comment(s)
Analysis & Design	15	[hours]	[comment]
Build	60	[hours]	[comment]
Test	30	[hours]	[comment]
Implement	15	[hours]	[comment]
Post-Implementation	0	[hours]	[comment]
Total	120	[hours]	[Initial Estimate]

Statement of Scope

Custom Report Request

Requirements

1) Breakdown each FileLocal payment by associated city
2) Create a report that will provide all related payments for "One transaction", similar to how the email receipt functionality works. Also, we will allow client to access this information by sending a daily data file, similar to how remittance works.

Scope

At the time of recording a payment/transaction OR when a customer will submit the payment, a unique identifier will be stored in all Filelocal databases (Filelocal main database, one of more databases of 7 cities)
Four unique ID's at the city/agency level needs to be stored for each transaction – Transaction ID, Batch #, and Payment Confirmation #, along with the amounts by city. For Kubra, one amount only needs to be stored

Transaction ID – ties across the payments in each City's DB
Batch Number will tie back to FileLocal (MerchantID + remit Date)
Payment Confirmation – within iDOX

Daily report will be generated from all 8 iDoxs databases to provide a payment report. Any new cities will need to be included in this report as part of any new implementation.

AGENCY REPORT=Main report
In the above, the Agency Report is the summary of all agencies (Main report we are creating). FileLocal is also requesting a subset of the agency report to be sent to each city. Example: Seattle will receive a report with all Seattle payments for the time period. Kevin Fitzpatrick or another contact to be specified will receive the Main Report.

DOCWEB application will be created to handle the data from each Database and generate each report (Similar to the remittance application).

Necessary Fields will include

Transaction ID (New Field): Ties payments across cities together
MerchantOrderNumber/PaymentID
FileLocal Account Num
PaymentMode
Confirm #: Confirm # within KUBRA
InvoicedAmount
PaymentAmount – Needs to be +/- based on if Return or approved payment
MerchantActivityDate – Activity within CPT
PaymentStatus
PayerName
PaymentAccount
PaySource
Batch Num – (MerchantID + remit Date)
FL Merchant ID – Merchant ID for FL cities

Description/Summary

- Many of their payments are convenience fees (For the FileLocal Database) which have the same value. These values are always $4.00/city combined into one payment ($4.00, $8.00, $12.00 etc)
- If the client has an issue where they cannot find related payments for all of their separate cities, such as FLSeattle, FLTacoma, etc.
- FileLocal's setup uses different databases for each city but one website.
- Purpose is to enable the client to easily reconcile payments through the system

Proposed Solutions

1) Breakdown payments by city.

Currently we have no way to connect the payments in each of the databases. PaymentIDs are independent of one another and no other field aside from the payment date and account number that contains a possible connection.

Solution: - Update the Payment History with a new field that contains a "transaction ID" that is generated by the website at run time. This would be an incrementing field based on what is currently in the database.

Notes:
- Independent field would avoid any overwriting based off of other base code functions.
- Unique identifier in all FileLocal Databases.

2) Create a Report to pull all related information.

Will need to generate results based on the connected field. KUBRA will SFTP a file over to FileLocal, similar to how their remittance is working.

Solution: – Generate daily report to send to the client

Solutions (check all that apply)

BPO - Legacy	☐	ID Cards	☐	i-Mobile	☐	Remittance Processing	☑
Credit & Collections	☐	i-doxs Platform	☑	i-Pay	☐	**ENTER Other**	☐
Directories	☐	i-doxs Suite	☐	i-Pay EFT	☐	**ENTER Other**	☐
Document Imaging	☐	i-doxs Suite Insurance Edition	☐	i-Xchange	☐	**ENTER Other**	☐
Document Template Mgr.	☐	i-doxs Suite Utility Edition B2B	☐	KUBRABCS	☐	**ENTER Other**	☐
EZ-PAY	☑	i-doxs Suite Utility Edition B2C	☐	Merchant Acquiring	☐	**ENTER Other**	☐
i-Connect	☐	i-Lockbox	☐	Payment Gateway	☐	**ENTER Other**	☐
i-Direct SEDP	☐	i-Message	☐	Provider Search Websites	☐	**ENTER Other**	☐

Project Change Control Procedures

In the event that changes are required that would alter the scope outlined and agreed upon within this SOW and its supporting documentation, a Scope Change Request will be initiated.

A high level outline of the process is as follows:

1. A Scope Change Document ("SCd") will be provided by KUBRA, and will be completed by the requesting party with the support and assistance of our KUBRA Project Lead. The SCd will describe the change, provide the rationale for the change, and the effects (time, costs, staffing, etc...) the change will have on the project.
2. Approval of the Change Request, as documented within the SCd, must have an appropriate level of approval from both KUBRA and the other party.
3. The SCd is an executable document.

Understanding that new requirements are sometimes identified during the lifecycle of the project, our ability to identify those as early as possible is paramount to the timely delivery of the project as described.

Americans With Disabilities Act (ADA) Audit Update

December 2019

December 2019

- Q4’19 release ADA development work – on target for Q4’19 release

Violations by Priority								
Name	Media Type	Occurrence Rate	Severity	Noticeability	Tractability	Priority	Avenu Phase	Avenu Release
Provide a valid label for form fields	Forms	29%	10	6	2	8.5	2	Q4'19

FileLocal ADA Enhancements

Q4, 2019.4

GM-3087 – Provide a valid label for form fields

Vendor description:

[Issue]
The "Select a type" lacks a valid label. The aria-label in the option does not work.

[Impact]
When a field does not have an explicit label, assistive technology users will have a difficult time identifying and navigating to this field.

Non-compliant Code Example:

<select name="ctl00$ContentPlaceHolder1$ddlRecipientType" id="ctl00_ContentPlaceHolder1_ddlRecipientType" onfocus="..." onchange="...">
<option aria-label="Recipient Type" selected="selected" value="0">-- Select a Type --</option>

[Expected Behavior]

When the screen reader users navigate to the input fields, a label will be announced for them such that its purpose will be understood.

Developers must ensure that valid label is provided for the field. This can be achieved by providing a valid label with the for attribute and the id attribute for the select field.

Avenu Solution:

Added aria-labelledby attribute and descriptive labels where missing.

Pages Impacted:

Compose secure message, View Statement, FAQ Search results, Create Business Account, Activity Center, and UBINumber Questionnaire. NOTE: PaymentDetails is

impacted, but is on KUBRA's website and will need correcting via the payment processor.

GM-3088 – Ensure form field labels are unique

Vendor description:

[Issue]
Module 9:
The "Continue", "Delete" and "Print/View" buttons have no way of distinguishing them from one another.

Module 12:
The "Add" buttons have no way of distinguishing them from one another.

[Impact]
When buttons are labeled the same it can be difficult for the screen reader users to differentiate from one another.

[Expected Behavior]
Developers must provide unique visual and explicit labels (when present) for all form elements on the page.

The developer can use a title attribute or use aria-label or aria-labelledby attribute to create a unique label. The aria-label should contain the word "Continue" so something like aria-label="Continue GBL Application 6/26/2018".

Avenu Solution:

Added aria-labelledby attribute and alt tags to ensure reader reads out descriptive button names.

Pages Impacted:

Activity Center, My Account, and Compose Secure Message screen.

New Cities Update

December 2019

FileLocal

New City Status

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

Prospects

City	Launch	Type	Notes
Kent	2020.2	Principal	City is in the process of developing a backend system of record (SOR). They originally believed this would be completed by Q3'19 but this work has been delayed and they are now targeting Q2'2020. City Financial Leadership has had multiple changes over the past year with a new Finance Director starting in September. As part of this September transition, Kent's Licensing Group has decided to go with FileLocal. The city has contacted AWC about extending July 2020 go-live date.
Des Moines	~2020.1	TBD	City has finalized the FIT Analysis and informed the Agency they want to move forward with joining FileLocal. Agency is working with city to set go-live date.
Snoqualmie	~2020.2	Principal	City is in the process of selecting a backend SOR. City/Agency are meeting frequently to determine status. The city has contacted AWC regarding July 2020 extension.
Issaquah	~2020.2	Principal	City is in the process of selecting a backend SOR. City/Agency are meeting to determine status.

FileLocal
Quarterly Warrant List
September 30, 2019

Vendor Name	Payment for Current Quarter	Payments Year-To-Date
Association of Washington Cities	-	300.00
City of Seattle Capital Recovery	-	21,000.00
City of Seattle Treasury Dept	98,026.82	295,855.98
City of Tacoma Tax & License	-	110.00
e.Gov Systems	113,357.81	565,191.00
Francis & Company	33,712.50	42,517.00
Keeney's	68.73	68.73
Kenyon Disend	2,400.00	6,642.55
Kevin Fitzpatrick	2,260.89	3,471.50
Kubra	-	3,620.45
Leviathan	-	13,000.00
Washington Cities Insurance Authority	-	5,171.00
Washington State Auditor's Office	-	5,883.00
Wendy Thomaston	34.01	195.99