FileLocal

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

Executive Board:

Jamie Thomas
City of Auburn

Michael Chandler
City of Bellevue

Jeff Friend
City of Des Moines

Heide Brillantes
City of Everett

Paula Painter, Chair
City of Kent

Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Jamie Carnell, Vice-Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Agenda

November 21, 2024
SEATTLE MUNICIPAL TOWER
700 5TH AVE, ROOM 4086
SEATTLE, WA
TEAMS CONFERENCE CALL

1. **CALL TO ORDER**
   a. Roll Call

2. **PUBLIC COMMENT***

3. **APPROVAL OF 09-26-2024 MEETING SUMMARY**
   a. 09-26-2024 Meeting Summary

4. **REVIEW OF OCTOBER AND SEPTEMBER 2024 FINANCIAL STATEMENTS**
   a. October 2024 Financial Statements
   b. September 2024 Financial Statements

5. **ACTION ITEMS**
   a. Resolution **FL2024-07 Fiscal Manual Updates** (Supermajority Vote)
      i. Briefing Paper: **FL2024-07**
      ii. Resolution: **FL2024-07**
      iii. Attachment A: **Summary of Changes**
      iv. Attachment B **Fiscal Policies and Procedures**
   b. Resolution **FL2024-08 Final Budget 2025-2029** (Supermajority Vote)
      i. Briefing Paper: **FL2024-08**
      ii. Resolution: **FL2024-08**
      iii. Attachment A: **Final Budget 2025-2029**
   c. Resolution **FL2024-09 Francis and Company Contract 2025-2026** (Majority Vote)
      i. Briefing Paper: **FL2024-09**
      ii. Resolution: **FL2024-09**
      iii. Attachment A: **Francis and Company Contract 2025-2026**
   d. Resolution **Meeting Schedule 2025** (Majority Vote)
      i. Resolution: **FL2024-10**
      ii. Attachment A: **Meeting Schedule 2025**

6. **DISCUSSION ITEMS**
   a. Operational Performance Report
   b. Vendor Warrant List

7. **ADJOURNMENT**

FileLocal

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

Executive Board:

Jamie Thomas
City of Auburn

Michael Chandler
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Lindsey Vaughn
City of Lake Forest Park

Kari Roller
City of Renton

Jamie Carnel, Vice-Chair
City of Seattle

Andy Cherullo
City of Tacoma

Executive Board Meeting Summary

September 26., 2024

700 5TH AVE, ROOM 4096
TEAMS CONFERENCE CALL
SEATTLE, WA

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

Standing Items

1. CALL TO ORDER

The 09-26-24 meeting of the Washington Multi-City Business License and Tax Portal Agency (FileLocal) was called to order at 11:03 a.m. and conducted by Teams meeting.

ROLL CALL

Board Members Present: Michael Chandler (phone), Heide Brillantes (phone), Paula Painter (phone), Lindsey Vaughn (phone), Kari Roller (phone), Joseph Cunha for Jamie Carnell (phone) and Andy Cherullo (phone)

Staff and Guests: Scott Hitchcock (phone), Julie Panick (phone) April Arnold (phone), and Horace Francis (phone)

2. PUBLIC COMMENT

There were no public comments.

3. APPROVAL OF THE 06-06-24 MEETING SUMMARY

On a motion made by Andy Cherullo and seconded by Kari Roller, the board approved the 06-06-24 meeting summary.

4. REVIEW OF FINANCIAL STATEMENTS

Scott Hitchcock summarized the August 2024 financial statements and cash status. Labor costs are slightly higher due to new labor contracts. There were no questions or comments.

*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.

5. DISCUSSION ITEMS:

A. Operational Performance Report

Scott Hitchcock reviewed the Operational Performance Report. There were no questions or comments.

B. Vendor Warrant List

Scott Hitchcock reviewed the 2nd Quarter Vendor Warrant List. There were no questions or comments

6. ADJOURNMENT

On a motion made by Andy Cherullo and seconded by Lindsey Vaughn, the meeting of the Executive Board adjourned at 11:16 a.m.

Respectfully submitted,

Julie Panick
Secretary, FileLocal

Finance Statements – October 2024

FileLocal

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

FileLocal
Financial Statements
October 31, 2024

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FileLocal
Statements of Financial Position
October 31, 2024

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 221,068	$ 252,673	$ (31,605)
Short term investments	1,598,321	1,591,652	6,669
Accounts receivable	26,152	5,184	20,968
Due from other governments	103,181	90,264	12,917
Prepaid	-	-	-
Total current assets	1,948,722	1,939,773	8,949
TOTAL ASSETS	**1,948,722**	**1,939,773**	**8,949**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	106,860	113,883	(7,023)
Accrued expenses	132,933	109,390	23,543
Credit card payable	-	288	(288)
Total current liabilities	239,793	223,561	16,232
TOTAL LIABILITIES	**239,793**	**223,561**	**16,232**
NET ASSETS			
Capital reserve	250,000	250,000	-
Fund carryover reserve	465,778	473,061	(7,283)
Operating reserve	291,825	291,825	-
Platform replacement reserve	701,326	701,326	-
TOTAL NET ASSETS	**1,708,929**	**1,716,212**	**(7,283)**
TOTAL LIABILITIES AND NET ASSETS	**$1,948,722**	**$1,939,773**	**$ 8,949**
	-	-	-

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

FileLocal
Statements of Activities
October 31, 2024

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 127,497	$ 12,280	$ 13,744
Total revenues		**127,497**	**12,280**	**13,744**
OPERATING EXPENSES				
Contract labor	1	42,903	39,933	42,794
Contracts	2	6,869	7,827	4,500
Overhead	3	4,176	9,802	9,985
Technology costs	4	87,500	94,155	90,827
Total operating expenses		**141,448**	**151,717**	**148,106**
NET OPERATING SURPLUS/DEFICIT		**(13,951)**	**(139,437)**	**(134,362)**
OTHER REVENUE				
Investment income	5	6,669	7,400	8,670
Reimbursable costs	6	-	-	-
Total Other Revenue		**6,669**	**7,400**	**8,670**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(7,282)	(132,037)	(125,692)
Total Other Expenditures		**(7,282)**	**(132,037)**	**(125,692)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual
October 31, 2024

	Sch	Budget 2024	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,749	$ 646,813	$ 635,332	$ (11,481)
Total revenues		**791,749**	**646,813**	**635,332**	**(11,481)**
OPERATING EXPENSES					
Contract labor	1	484,120	403,433	417,789	(14,356)
Contracts	2	70,659	61,659	59,245	2,414
Overhead	3	41,023	36,502	49,596	(13,094)
Technology costs	4	1,349,584	1,141,319	1,012,438	128,881
Total operating expenses		**1,945,386**	**1,642,913**	**1,539,068**	**103,845**
NET OPERATING SURPLUS/DEFICIT		**(1,153,637)**	**(996,100)**	**(903,736)**	**92,364**
OTHER REVENUE					
Investment income	5	(112)	(93)	85,451	85,544
Reimbursable costs	6	812,793	812,793	812,793	-
Total Other Revenue		**812,681**	**812,700**	**898,244**	**85,544**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(340,956)	(183,400)	(5,492)	(177,908)
Total Other Expenditures		**(340,956)**	**(183,400)**	**(5,492)**	**(177,908)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
October 31, 2024

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 201,600	$ 168,000	$ 178,060	$ (10,060)
Contract labor - Seattle	282,520	235,433	239,729	(4,296)
1. Contract labor	**484,120**	**403,433**	**417,789**	**(14,356)**
Accounting fees	65,000	56,000	54,087	1,913
Bank fees	364	364	(11)	375
Insurance	5,295	5,295	5,169	126
State Auditor fees	-	-	-	-
2. Contracts	**70,659**	**61,659**	**59,245**	**2,414**
Agency IT costs	12,802	12,802	3,589	9,213
Legal fees	22,802	19,002	43,966	(24,964)
License and membership fees	1,761	1,761	637	1,124
Meals and entertainment	1,332	999	352	647
Office and operating supplies	620	516	1,052	(536)
Travel expense	1,706	1,422	-	1,422
3. Overhead	**41,023**	**36,502**	**49,596**	**(13,094)**
Platform replacement	100,000	100,000	96,000	4,000
Project management	85,000	70,833	-	70,833
SAAS fees	1,050,000	875,000	875,000	-
Software development	100,000	83,333	41,438	41,895
Software development recovery	-	-	-	-
Web security	14,584	12,153	-	12,153
4. Technology costs	**1,349,584**	**1,141,319**	**1,012,438**	**128,881**
Interest income	-	-	85,536	85,536
Investment expense	(112)	(93)	(86)	7
5. Investment income	**(112)**	**(93)**	**85,450**	**85,543**
Reimbursable costs - Auburn	10,978	10,978	10,978	-
Reimbursable costs - Bellevue	74,716	74,716	74,716	-
Reimbursable costs - Des Moines	7,192	7,192	7,192	-
Reimbursable costs - Everett	34,769	34,769	34,769	-
Reimbursable costs - Kent	10,234	10,234	10,234	-
Reimbursable costs - Lake Forest Park	6,134	6,134	6,134	-
Reimbursable costs - Renton	25,640	25,640	25,640	-
Reimbursable costs - Seattle	513,272	513,272	513,272	-
Reimbursable costs - Shoreline	9,064	9,064	9,064	-
Reimbursable costs - Tacoma	120,794	120,794	120,794	-
6. Reimbursable costs	**812,793**	**812,793**	**812,793**	**-**
Capital cost collected	(27,000)	(27,000)	(27,000)	-
Capital cost paid	27,000	27,000	27,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	(35,726)	(35,726)	(35,726)	-
Fund carryover reserve adjustment	(265,684)	(108,128)	65,780	(173,908)
Operating reserve adjustment	60,454	60,454	60,454	-
Platform replacement adjustment	(100,000)	(100,000)	(96,000)	(4,000)
8. Net reserve adjustment	**$ (340,956)**	**$ (183,400)**	**$ (5,492)**	**$ (177,908)**

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

FileLocal
Statement of Cash Flow
October 31, 2024

OPERATING ACTIVITIES	
Change in Net Assets	(7,282)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	(33,886)
Accounts Payable	(7,023)
Accrued Expenses	23,543
Credit card payable	(288)
Net cash provided by operating activities	**(24,936)**
Net cash increase for period	(24,936)
Cash at beginning of period	1,844,325
Cash at end of period	**1,819,389**

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FileLocal

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

Financial Statements – September 2024

FileLocal

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

FileLocal
Financial Statements
September 30, 2024

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FileLocal
Statements of Financial Position
September 30, 2024

	Current	Prior	Change
ASSETS			
Wells Fargo checking	$ 252,673	$ 89,119	$ 163,554
Short term investments	1,591,652	1,900,745	(309,093)
Accounts receivable	5,184	18,476	(13,292)
Due from other governments	90,264	37,005	53,259
Prepaid	-	-	-
Total current assets	1,939,773	2,045,345	(105,572)
TOTAL ASSETS	**1,939,773**	**2,045,345**	**(105,572)**
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	116,743	106,750	9,993
Accrued expenses	109,390	90,347	19,043
Credit card payable	289	-	289
Total current liabilities	226,422	197,097	29,325
TOTAL LIABILITIES	**226,422**	**197,097**	**29,325**
NET ASSETS			
Capital reserve	385,726	385,726	-
Fund carryover reserve	434,474	569,371	(134,897)
Operating reserve	291,825	291,825	-
Platform replacement reserve	601,326	601,326	-
TOTAL NET ASSETS	**1,713,351**	**1,848,248**	**(134,897)**
TOTAL LIABILITIES AND NET ASSETS	**$1,939,773**	**$2,045,345**	**$ (105,572)**
	-	-	-

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FileLocal
Statements of Activities
September 30, 2024

	Sch	Current	Prior 1	Prior 2
REVENUES				
User fees		$ 12,280	$ 13,744	$ 100,357
Total revenues		**12,280**	**13,744**	**100,357**
OPERATING EXPENSES				
Contract labor	1	42,793	42,794	45,718
Contracts	2	7,827	4,500	2,403
Overhead	3	9,802	9,985	-
Technology costs	4	94,155	90,827	111,500
Total operating expenses		**154,577**	**148,106**	**159,621**
NET OPERATING SURPLUS/DEFICIT		**(142,297)**	**(134,362)**	**(59,264)**
OTHER REVENUE				
Investment income	5	7,400	8,670	8,903
Reimbursable costs	6	-	-	-
Total Other Revenue		**7,400**	**8,670**	**8,903**
OTHER EXPENDITURES				
Capital cost recovery	7	-	-	-
Net reserve adjustment	8	(134,897)	(125,692)	(50,361)
Total Other Expenditures		**(134,897)**	**(125,692)**	**(50,361)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual
September 30, 2024

	Sch	Budget 2024	YTD Budget	YTD Actual	Variance
REVENUES					
User fees		$ 791,749	$ 549,683	$ 507,836	$ (41,847)
Total revenues		**791,749**	**549,683**	**507,836**	**(41,847)**
OPERATING EXPENSES					
Contract labor	1	484,120	363,090	377,746	(14,656)
Contracts	2	70,659	57,159	52,376	4,783
Overhead	3	41,023	34,408	45,420	(11,012)
Technology costs	4	1,349,584	1,037,188	924,938	112,250
Total operating expenses		**1,945,386**	**1,491,845**	**1,400,480**	**91,365**
NET OPERATING SURPLUS/DEFICIT		**(1,153,637)**	**(942,162)**	**(892,644)**	**49,518**
OTHER REVENUE					
Investment income	5	(112)	(84)	78,781	78,865
Reimbursable costs	6	812,793	812,793	812,793	-
Total Other Revenue		**812,681**	**812,709**	**891,574**	**78,865**
OTHER EXPENDITURES					
Capital cost recovery	7	-	-	-	-
Net reserve adjustment	8	(340,956)	(129,453)	(1,070)	(128,383)
Total Other Expenditures		**(340,956)**	**(129,453)**	**(1,070)**	**(128,383)**
CHANGE IN NET ASSETS		**$ -**	**$ -**	**$ -**	**$ -**

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FileLocal
Statement of Budget and Actual - Supporting Schedule
September 30, 2024

SCHEDULES	Budget	YTD Budget	YTD Actual	Variance
Contract labor - other	$ 201,600	$ 151,200	$ 161,560	$ (10,360)
Contract labor - Seattle	282,520	211,890	216,186	(4,296)
1. Contract labor	**484,120**	**363,090**	**377,746**	**(14,656)**
Accounting fees	65,000	51,500	47,218	4,282
Bank fees	364	364	(11)	375
Insurance	5,295	5,295	5,169	126
State Auditor fees	-	-	-	-
2. Contracts	**70,659**	**57,159**	**52,376**	**4,783**
Agency IT costs	12,802	12,802	3,589	9,213
Legal fees	22,802	17,102	40,127	(23,025)
License and membership fees	1,761	1,761	300	1,461
Meals and entertainment	1,332	999	352	647
Office and operating supplies	620	465	1,052	(587)
Travel expense	1,706	1,279	-	1,279
3. Overhead	**41,023**	**34,408**	**45,420**	**(11,012)**
Platform replacement	100,000	100,000	96,000	4,000
Project management	85,000	63,750	-	63,750
SAAS fees	1,050,000	787,500	787,500	-
Software development	100,000	75,000	41,438	33,562
Software development recovery	-	-	-	-
Web security	14,584	10,938	-	10,938
4. Technology costs	**1,349,584**	**1,037,188**	**924,938**	**112,250**
Interest income	-	-	78,859	78,859
Investment expense	(112)	(84)	(79)	5
5. Investment income	**(112)**	**(84)**	**78,780**	**78,864**
Reimbursable costs - Auburn	10,978	10,978	10,978	-
Reimbursable costs - Bellevue	74,716	74,716	74,716	-
Reimbursable costs - Des Moines	7,192	7,192	7,192	-
Reimbursable costs - Everett	34,769	34,769	34,769	-
Reimbursable costs - Kent	10,234	10,234	10,234	-
Reimbursable costs - Lake Forest Park	6,134	6,134	6,134	-
Reimbursable costs - Renton	25,640	25,640	25,640	-
Reimbursable costs - Seattle	513,272	513,272	513,272	-
Reimbursable costs - Shoreline	9,064	9,064	9,064	-
Reimbursable costs - Tacoma	120,794	120,794	120,794	-
6. Reimbursable costs	**812,793**	**812,793**	**812,793**	**-**
Capital cost collected	(27,000)	(27,000)	(27,000)	-
Capital cost paid	27,000	27,000	27,000	-
7. Capital cost recovery	**-**	**-**	**-**	**-**
Capital reserve adjustment	(35,726)	-	-	-
Fund carryover reserve adjustment	(265,684)	(89,907)	34,476	(124,383)
Operating reserve adjustment	60,454	60,454	60,454	-
Platform replacement adjustment	(100,000)	(100,000)	(96,000)	(4,000)
8. Net reserve adjustment	**$ (340,956)**	**$ (129,453)**	**$ (1,070)**	**$ (128,383)**

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

FileLocal
Statement of Cash Flow
September 30, 2024

OPERATING ACTIVITIES	
Change in Net Assets	(134,897)
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable	13,292
Due from other governments	(53,259)
Accounts Payable	9,993
Accrued Expenses	19,043
Credit card payable	289
Net cash provided by operating activities	**(145,539)**
Net cash increase for period	(145,539)
Cash at beginning of period	1,989,864
Cash at end of period	**1,844,325**

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

FL2024-07 Fiscal Manual Revisions

November 21, 2024

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-07 Briefing Paper - Revisions to the Fiscal Manual Section of the FileLocal Operations Policies and Procedures

Date: November 21, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("FileLocal") Executive Board approve revisions to the Fiscal Manual section of the Filelocal Operations Policies and Procedures as recommended by the Portal Agency Manager and Operations Committee?

Operating Committee Recommendation: The FileLocal Executive Board should pass Resolution FL2024-07 to adopt an updated Fiscal Policies and Procedures section (previously titled the Fiscal Manual) of the Operations Policies and Procedures, incorporating substantial changes as recommended by the Portal Agency Manager and Operations Committee.

Rationale: Agency operations policies and procedures must be updated to reflect current best practices, legal requirements, and ensure the efficient functioning of the Agency and its processes.

RESOLUTION NO. FL2024-07

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Approving Amendments to the Fiscal Manual section of the FileLocal Operations Policies and Procedures

Whereas, FileLocal's administrative and internal operations are governed by certain policies and procedures previously adopted by the Executive Board and compiled into a single document known as the Operations Policies & Procedures, which has been revised from time to time upon the recommendations of the Portal Agency Manager and Operations Committee; and

Whereas, the Portal Agency Manager and the Operations Committee have recommended substantial revisions to the section of the Operations Policies & Procedures known as the Fiscal Manual, along with other minor substantive, technical, and formatting changes and

Whereas, an updated version of the Fiscal Manual, including all of the recommended changes, is shown in Exhibit B hereto; and for ease of reference, the substantial changes are outlined and shown in Exhibit A hereto; and

Whereas, the Executive Board concurs that the recommended changes to the Fiscal Manual are appropriate and will improve the operating efficiency and day-to-day functioning of FileLocal;

Now, therefore,

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

SECTION 1. The Fiscal Manual section of the Operations Policies and Procedures is hereby amended to incorporate the changes the Portal Agency Manager and Operations Committee recommended.

SECTION 2. The Fiscal Manual is retitled Fiscal Policies and Procedures as shown in Exhibit B hereto.

SECTION 2. The updated Fiscal Policies and Procedures section of the Operations Manual shall be in full force and effect immediately upon the adoption of this Resolution.

ADOPTED this _____day of November 2024.

ATTEST:

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

_____ _____

Board Secretary **Board Chair**

This is a high-level summary of the changes that have been made to the FileLocal Fiscal Manual.

The motivation for making these changes stems from the results of our last state audit (2022), which identified issues with our Procurement Policy. At that time, our procurement policy indicated we would need to have competitive bids on larger contracts, which we had not done historically, and in fact, doing so would violate state procurement laws. This was a big problem.

Additionally, Julie had noticed, over the years, inconsistencies between the Interlocal Agreement and Agency Policies. Again, this was a big problem.

ID	Change	Notes
1	Portal Agency Manager	Throughout the various agency-forming documents and policy documents, different titles are used for the Portal Agency Manager, such as “Program Manager” and “Chief Operating Officer,” to name a few. In the ILA, this role is referred to as the Portal Agency Manager. This title is now used everywhere in the Fiscal Manual.
2	Changed Agency to FileLocal	For consistency, the organization is referenced as FileLocal. Previously, it was referenced as both the Agency and FileLocal throughout the document.
3	Purpose, Policy, Procedure	For consistency, every section in the document now includes a Purpose, Policy, and Procedure(s).
4	Fiscal Policies and Procedures	The document is now titled Fiscal Policies and Procedures as opposed to Fiscal Manual.
5	Section 4.3.4 replacement	Section 4.3.4 Procurement of Goods and Services has been completely replaced. The previous version included a requirement for selection of vendors based on bids which is not legal. We now have a policy that requires FileLocal to request proposals from at least three vendors.
6	New Section on Credit Cards	FileLocal did not have a credit card prior to 2023. Now that we do, we needed a policy to go with it.
7	Updated approval limits	The ILA Section 7. k. “A decision to acquire assets, equipment, real or personal property, or bind the PORTAL AGENCY to pay total or cumulative any contract amounts over $50,000, *provided that,* this threshold amount will be indexed on the fifth anniversary of the formation of the PORTAL AGENCY and every five (5) years thereafter by the CPI-U Seattle-Tacoma-Bremerton.” It is recommended that the Portal Agency Manager approval limits be increased from $50,000 per this same calculus.
8	New Payment and Procurement Section 4	Eliminates separate disbursement section Clarifies and updates approval limits Deletes references to forms no longer used (ex. Purchase Requisition Form)

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FILELOCAL FISCAL POLICIES AND PROCEDURES

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This document outlines the policies, procedures, and instructions concerning FileLocal's financial management. The policies and procedures in this document are designed to protect FileLocal's assets, ensure the maintenance of accurate records of FileLocal's financial activities, provide a framework for FileLocal's financial decision-making, and establish operating standards and behavioral expectations.

The overall financial management system of FileLocal includes three structural components: internal control procedures, an accounting system, and budgeting procedures. This document outlines policies and procedures for these components and the accounting system's traditional functional components.

This document focuses primarily on accounting operations, outlining specific policies and procedures relating to FileLocal's financial operations; it is not intended to be a complete listing of all financial management policies and procedures that could be relevant to FileLocal.

It is intended that these policies and procedures will be reviewed every three to five years and that improvements/changes will be made, when warranted, based on FileLocal's operational needs.

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1. INTERNAL CONTROL

1.1 Purpose

To ensure that FileLocal's revenues, receipts, and fees are received when tendered, protected while in custody, and used only for intended purposes. To segregate duties and responsibilities so that one person does not handle all transaction phases. To establish policies and procedures to detect and minimize errors, omissions, and irregularities.

1.2 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 FileLocal's assets, minimize and detect errors and omissions, and maintain an audit trail for independent review of FileLocal's activities.

1.3 Procedures

1.3.1 Financial statements and related supporting work prepared by FileLocal's accounting firm for FileLocal shall be reviewed by senior-level staff within FileLocal's accounting firm.

1.3.2 Financial statements prepared by FileLocal's accounting firm shall be reviewed monthly by FileLocal's Portal Agency Manager.

1.3.3 In accordance with FileLocal's Bylaws and the Interlocal Agreement, the Portal Agency Manager and Executive Board review financial reports, budget variances, and large or unusual transactions.

1.3.4 FileLocal's financial records shall be safely and securely maintained in accordance with FileLocal's financial management policies and procedures.

1.3.5 Although not designed exclusively to catch fraud, if fraud is discovered, the FileLocal Treasurer, or other FileLocal official if appropriate, will notify the Portal Agency Manager, the Executive Board, and the State Auditor within five business days and as required by applicable law.

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2. ACCOUNTING SYSTEMS

2.1 Purpose

To identify, document, and communicate the accounting system used for the financial management of FileLocal's business operations.

2.2 Policy

Electronic and manual accounting records shall be maintained and reconciled to provide a comprehensive and consistent accounting reporting system that meets applicable federal, state, and local requirements and generally accepted accounting principles.

2.3 Responsibility

The Portal Agency Manager shall provide oversight of FileLocal's accounting firm, consistent with the Bylaws and Interlocal Agreement. FileLocal's accounting firm shall establish and maintain a system that ensures that both electronic and manual accounting records are reconciled to FileLocal's general ledger and that proper internal controls exist to protect the integrity of the data, safeguard FileLocal's assets, and identify errors and irregularities in the ordinary course of financial operation.

2.4 Procedure

2.4.1 The automated accounting system needs to support three components that integrate to produce accurate financial reports and other pertinent information related to the accounting process:

2.4.1.1. General Ledger
2.4.1.2. Accounts Receivable
2.4.1.3. Accounts Payable

2.4.2 Prepaid expenses and long-term depreciable and amortizable assets and liabilities are maintained in Excel spreadsheets. These are designed for FileLocal to keep detailed information to meet its accounting needs. Manual records are reconciled to the automated accounting records monthly.

2.4.3 The automated accounting system is backed up periodically, at least once a year. FileLocal's accounting firm maintains all essential worksheets and files on its network server and backs them up daily. FileLocal's accounting firm retains all FileLocal accounting records in its control and possession for seven (7) years.

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3. FUNDS RECEIVED AND BANK DEPOSITS

3.1 Purpose

To outline accounting policies and procedures for funds received.

3.2 Policy

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

3.3 Procedure

3.3.1 Funds received by mail at FileLocal's office shall be forwarded to FileLocal's accounting firm. Funds received by mail at FileLocal's accounting firm are deposited into FileLocal's bank account within three business days. Checks received must be safely kept in a secured drawer.

3.3.2 FileLocal's accounting firm Administrator opens, sorts, and prepares deposit slips for funds received. Deposit slips and copies of checks are given to an accountant at FileLocal's accounting firm to record cash receipts in FileLocal's accounting system.

3.3.3 Service fees collected or received by the third-party service company are electronically transferred to FileLocal's bank account. The third-party service company shall provide FileLocal's accounting firm with monthly data and documents on daily cash receipts.

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

3.3.5 FileLocal's accounting firm reconciles funds received with bank statements monthly. The Portal Agency Manager shall review the monthly bank reconciliation.

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4. PROCUREMENT AND PAYMENTS

4.1 Purpose

To outline required expenditure authorizations, payment, and procurement policies, and procedures to instill public confidence in the award of public contracts and the expenditure of public funds.

4.2 Policy

FileLocal adopts the following code of ethics to govern its procurement of services, materials, and equipment:

4.2.1 Public employment shall not be used for personal gain, and FileLocal employees shall not solicit, accept, or agree to accept any gratuity for themselves, their families, or others that would or could result in personal gain, except where allowed explicitly under Chapter 42.23 RCW, Code of Ethics for Municipal Officers – Contract Interests.

4.2.2 Procurement decisions shall be made impartially based on FileLocal's specifications for the contract, FileLocal's needs, and potential vendors' qualifications.

4.2.3 No employee, officer, or agent of FileLocal may participate in the selection, award, or administration of a contract with FileLocal if they have a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or stands to receive a tangible personal benefit from, a firm considered for a FileLocal contract for goods or services.

4.3 Procedure

4.3.1 Expenditure Authorizations

4.3.1.1 Purchasing goods or services and making disbursements requires prior approval from the Executive Board, Portal Agency Manager, or Treasurer in accordance with Section 4.3.1.

4.3.1.2 Purchases of goods, contracts for services, and all other expenditures must be authorized as follows:

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4.3.1.2.1 All unbudgeted expenditures must be approved by Executive Board resolution.

4.3.1.2.2 Budgeted expenditures <$75,000 must be approved by the Portal Agency Manager.

4.3.1.2.3 Budgeted expenditures ≥$75,000 must be approved by the Executive Board Chair and Vice-Chair.

4.3.1.2.4 Before payment, the Treasurer and either the Executive Board Chair or Vice-Chair must approve the Portal Agency Manager's travel expenses over $5,000.

4.3.1.2.5 The Portal Agency Manager must report on and review all contracts of more than $5,000 with the Executive Board at the next quarterly business meeting following contract execution.

4.3.2 Payment Requests and Check Control

4.3.2.1 Expenditures may only be made for FileLocal purposes, and payment for goods and services must be requested in writing by submitting a payment request to FileLocal's accounting firm along with:

4.3.2.1.1 An executed contract and/or invoice, or

4.3.2.1.2 Receipts, if the payment request is for postage and shipping fees, professional membership dues, travel expenses, or other out-of-pocket costs.

4.3.2.2 All requests must be approved and signed by the appropriate expenditure authorizer in accordance with Section 4.3.1.

4.3.2.3 FileLocal's accounting firm prepares checks and maintains and initiates electronic payments. Before payment, FileLocal's accounting firm will verify the authorization of purchase, expenditure, or invoice. Payments will be made directly to the payee.

4.3.2.3.1 Signed checks payable to "bearer" or "cash" or with the payee line left blank are prohibited.

4.3.2.3.2 Checks or electronic payments that are returned or rejected must be investigated and resolved within two business days of receipt/notification.

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4.3.2.3.3 FileLocal's accounting firm shall review and reconcile bank statements to the general ledger monthly. Copies of checks must be matched to the supporting documentation. Bank reconciliations and canceled checks will be available for review by the Portal Agency Manager.

4.3.2.3.4 A list of vendor names and disbursements is prepared by FileLocal's accounting firm and sent to the Executive Board for review every quarter.

4.3.2.3.5 Recurring payments under approved contracts do not require a formal request for approval for each recurring payment, as these expenditures have been expressly or implicitly authorized in connection with the contract approval process.

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

4.3.2.3.7 Check stock will be secured in a locked cabinet at FileLocal's accounting firm.

4.3.2.3.8 All checks must be signed by an authorized signer (Portal Agency Manager, Executive Board Chair, Vice Chair, or Treasurer).

4.3.3 Travel Expenses

4.3.3.1 FileLocal will reimburse staff for reasonable and necessary expenses incurred in connection with approved travel. Staff should exercise care to incur the lowest reasonable travel expenses and avoid any appearance of impropriety with public funds. Reimbursement of travel expenses is based on pre-approval in accordance with Section 4.3.1 and documentation of reasonable and actual expenses supported by the original itemized receipts in accordance with the procedures below:

4.3.3.1.1 Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Staff travel must be authorized before expenditures are incurred.

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4.3.3.1.2 Conference registration fees may be pre-paid with FileLocal's credit card.

4.3.3.1.3 Within 14 days of trip completion, the traveler must submit a payment request and supporting documentation to obtain reimbursement of expenses.

4.3.3.1.4 Airfare: An original itemized airline receipt, an e-ticket receipt/statement, or an internet receipt/statement is required. The receipt must show the payment method 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 bought for a subsequent upgrade in seating. First-class tickets are not reimbursable.

4.3.3.1.5 Personal Vehicle: Reimbursement for using a personal automobile is based on the mileage rate issued by the Internal Revenue Service.

4.3.3.1.6 Rental Vehicle: Vehicle rentals in a destination city are 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 must fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

4.3.3.1.7 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, a canceled check, credit card slips/statement, or documentation that the amount was paid is required for reimbursement.

4.3.3.1.8 Lodging: The lodging rate must be pre-approved. 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 to determine the maximum allowable expense for all lodging at the travel destination, with the following exceptions:

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

4.3.3.1.8.2 When the event sponsor arranges the lodging for the event participant, the participant rate is allowable. If the hotel where the scheduled event is unavailable to the employee, lodging expenses at the rate charged at the nearest hotel of similar quality and value are authorized.

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

4.3.3.1.8.4 If reserved rooms are not needed, the traveling employee must ensure the room is canceled.

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

4.3.3.1.9.1 The 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.

4.3.3.1.9.2 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 at a meeting, conference, or training session will not reduce the employee’s meal allowance.

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4.3.3.1.9.3 Reimbursement of meal expenses will be based on actual expenditures per meal, limited to the allowable maximum established by the Runzheimer Cost Index. Employees must collect original meal receipts for all permissible expenses incurred and submit those receipts with their reimbursement request.

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

4.3.3.1.11 Other: Other travel expenses, including faxes, photocopies, internet charges, data ports, and business telephone calls incurred while traveling, are reimbursable expenses and may be approved by the Portal Agency Manager. Original itemized receipts are required. Where the hotel bills internet access charges, the hotel lodging invoice may be used as a receipt.

4.3.4 Procurement of Goods and Personal Services

4.3.4.1 Purchase of materials, equipment, and supplies: Expenditures for materials, equipment, and supplies require authorization pursuant to Section 4.3.1. The following process for purchasing materials, equipment, and supplies shall be followed:

4.3.4.1.1 Purchases ≤ $7,500: No state-law required procurement process. FileLocal personnel are encouraged to compare prices from at least three vendors when reasonably practical to do so.

4.3.4.1.2 Purchases > $7,500 and ≤ $15,000: Must obtain at least three verbal or written bids for the desired materials, equipment, and/or supplies. Alternatively, FileLocal may piggyback on a competitively bid purchase contract with another government agency in accordance with state law.

4.3.4.1.3 Purchases > $15,000: Must solicit competitive bids by advertising a request for proposal. Notice of the request for proposals must be posted on FileLocal's website and advertised once in a newspaper of general circulation at least ten (10) days before the deadline for submitting proposals. Alternatively, FileLocal may piggyback on a competitively bid purchase contract with another government agency in accordance with state law.

4.3.4.1.4 Competitive bidding requirements may be waived by resolution of the Executive Board for purchases of materials, equipment, and supplies in accordance with RCW 39.04.280(1)(a) through (d). Competitive bidding may also be waived in an emergency in accordance with RCW 30.04.280(2)(b).

4.3.4.2 Purchase of Personal Services: Procurement of personal services (such as accounting, cyber security, IT support, legal, staffing, and management consulting services) shall be by contract, with the expenditure authorized in accordance with Section 4.3.1 and the contractor selected in accordance with this subsection. FileLocal's attorney shall approve as to form all FileLocal contracts. Per requirement of FileLocal's governing Interlocal Agreement, all contracts for legal, accounting, and auditor services must be approved by the Executive Board, regardless of contract value.

4.3.4.2.1 Contracts for personal services with an anticipated value of less than $75,000 over the contract term and which are covered by an approved FileLocal budget are not subject to the formal competitive selection process and may be approved by the Portal Agency Manager. The Portal Agency Manager (or, in appropriate circumstances, an evaluation team chosen by the Portal Agency Manager) shall select the contractor he or she believes will provide the best combination of expertise, value, experience, and service considering FileLocal's needs.

4.3.4.2.1.1 For contracts with an anticipated value greater than $25,000 but less than $75,000 and covered by an approved FileLocal budget, the Portal Agency Manager is encouraged to solicit proposals from three or more contractors who are believed to possess the necessary qualifications to meet FileLocal's service requirements.

4.3.4.2.2 Contracts for personal services with an anticipated value of $75,000 or more over the term of the contract and which are covered by an approved FileLocal budget shall be advertised by posting a notice in a publicly available publication or website, which may include FileLocal's website, and by distributing a request for proposals to at least three qualified contractors. This notice shall be posted and distributed ten (10) days before the deadline for submitting proposals. The Portal Agency Manager (or, in appropriate circumstances, an evaluation team chosen by the Portal Agency Manager) shall make a recommendation for approval to the Chair and Vice Chair based on an assessment of which contractor will provide the best combination of

expertise, value, experience, and service considering FileLocal's needs.

4.3.4.2.2.1 Unavailability of three or more qualified vendors, contractors, or proposers.

4.3.4.2.2.1.1 The Executive Board may waive the requirement under this policy to solicit proposals from three or more qualified vendors, contractors, or proposers when the Executive Board determines by resolution there are likely fewer than three qualified vendors, contractors or proposers available to solicit proposals from, or in any other circumstances involving a special situation or market condition, such as a patented technology only available through a sole vendor.

4.3.4.2.3 Contracts for personal services not covered by an approved FileLocal budget shall be awarded by the Executive Board following a recommendation by the Portal Agency Manager. The Portal Agency Manager (or, in appropriate circumstances, an evaluation team chosen by the Portal Agency Manager) shall make a recommendation to the Executive Board based on an assessment of which contractor will provide the best combination of expertise, value, experience, and service considering FileLocal's needs.

4.3.4.2.3.1 If the contract is expected to have a value of $25,000 or less over the term of the contract, no competitive selection process is required.

4.3.4.2.3.2 For contracts with a value greater than $25,000 but less than $75,000, three or more contractors believed to possess the necessary qualifications shall be invited to submit proposals.

4.3.4.2.3.3 For contracts with an expected value of $75,000 or more over the term of the contract, FileLocal shall advertise by posting a notice in a publicly available publication or website, which may include FileLocal's website, and by distributing a request for proposals to at least three qualified contractors.

4.3.4.2.4 Contracts for personal services shall have a maximum term of five (5) years and shall not be renewed or extended beyond five (5) years without Executive Board approval, provided that

the initial and renewal term of a contract for FileLocal's online business license and tax payment platform may exceed five (5) years when required by the vendor. Contracts with an initial term of less than five years may be renewed at the discretion of the Portal Agency Manager up to a total of five (5) years, after which any extension or renewal shall require Board approval.

4.3.4.3 Procurement of Public Works and Professional Services

4.3.4.3.1 FileLocal is expected to rarely, if ever, need to contract for public works or professional services (defined by RCW as architectural, engineering, surveying, and landscape architecture services). All public works (as defined by RCW 39.04.010) and professional services (as defined by RCW 39.80.020) shall be procured in accordance with the requirements of state law.

4.3.5 Credit Cards

4.3.5.1 FileLocal credit cards shall only be used for FileLocal business purposes, and credit card purchases shall only be made for authorized budget expenditures pursuant to Section 4.3.1. FileLocal credit cards should be kept in a secure location and shall be used only by the cardholder and not lent to another person. Each cardholder shall sign a cardholder agreement before using a FileLocal credit card.

4.3.5.2 Credit card receipts and/or other detailed documentation identifying each credit card purchase must be retained. Each cardholder shall review account statements promptly for purchases made using their card and reconcile the charges. Any unauthorized charges against a FileLocal credit card shall be repaid by the FileLocal employee who incurred such charges. If any disallowed charges are not repaid before the charge card billing is due and payable, FileLocal shall have a prior lien against and a right to withhold any and all funds payable to or to become payable to the employee up to the amount of the disallowed charges and interest at the same rate charged by the company that issued the credit card.

4.3.5.3 FileLocal's accounting firm shall pay credit card bills monthly, and FileLocal will not pay interest and/or penalties on any credit card.

4.3.5.4 FileLocal credit cards may not be used for non-reimbursable travel or other unauthorized expenses, even if an employee intends to reimburse FileLocal.

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4.3.5.5 Credit limits are established to meet FileLocal's needs and are set at $10,000 per month for each employee. FileLocal's accounting firm must approve any requested increase in a credit card limit.

4.3.5.6 A cardholder is responsible for immediately reporting a lost or stolen FileLocal credit card. The cardholder must report the card to the issuing credit card company and FileLocal's accounting firm.

4.3.5.7 FileLocal's accounting firm will conduct an annual physical card inventory to verify all FileLocal credit cards are accounted for.

4.3.5.8 FileLocal credit cards must be returned to FileLocal's accounting firm upon termination or separation of employment with FileLocal.

4.3.5.9 Credit cards may not be used for any of the following:

4.3.5.9.1 Cash advances

4.3.5.9.2 Items or services for personal use

4.3.5.9.3 Expenses incurred by an employee's spouse, family member, or other person not authorized by FileLocal policy

4.3.5.9.4 Alcoholic beverages

4.3.5.9.5 Celebrations, meals, refreshments, or employee events when not consistent with FileLocal policy

4.3.5.9.6 Gifts

4.3.5.9.7 Fuel for privately owned vehicles

4.3.5.9.8 Charges made outside an employee's approval authority

4.3.5.9.9 Purchases restricted or prohibited by any other law, policy, or guideline

5. REVENUE AND RECEIVABLES

5.1 Revenue Recognition

5.1.1 Purpose

To establish revenue recognition policy and procedures.

5.1.2 Policy

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

5.1.3 Procedure

5.1.3.1 Current revenue consists of service fees collected from customers for each transaction on the FileLocal Portal, reimbursable costs (e.g., costs that are passed through to the participating cities for platform changes they request), and shared cost reimbursement from participating cities (the portion of FileLocal's revenue that is subsidized by the participating cities) of FileLocal.

5.1.3.2 Service fees are recognized when a customer completes his or her tax payment and/or licensing application. A cash basis might be used for monthly financial reporting; however, service fees would be accrued under GAAP (generally accepted accounting principles) on the annual financial statements.

5.1.3.3 For a given fiscal year, which is referred to in this subsection as the "current year," shared cost reimbursement from participating cities is estimated at the beginning of the current year as part of the annual budgeting process for the next year according to the Interlocal Agreement and subscriber agreement, including any amendments. The budget for the next year will be approved by the Board before the end of the current year (typically in December). Shared cost reimbursement from participating cities for the next year is billed by the end of January of the next year and recognized as revenue in that year. At the beginning of the next year, after the current year has closed, any surplus/deficit budget resulting from FileLocal operations in the current year is calculated. The surplus/deficit will be applied to the future budget; however, it will skip a year before it is applied. For example, the 2024 surplus/deficit will be applied to the 2026 budget. The reason for skipping a year is that the budget for the next year will have been approved by the Board (typically in December) before the surplus/deficit amount is known. Skipping a year avoids having the Board re-approve the next year's budget.

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

5.2 Billings and Accounts Receivable

5.2.1 Purpose

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

5.2.2 Policy

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

5.2.3 Procedure

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

5.2.3.2 FileLocal's accounting firm prepares invoices for shared cost reimbursement from participating cities based on the approved final budget for the year and/or the prorate share of new cities.

5.2.3.3 FileLocal's accounting firm reconciles accounts receivable monthly. For any delinquent balance, the firm emails the contact person of the participating city requesting payment and makes a reasonable effort to contact and collect outstanding balances via other means. A monthly accounts receivable aging report is included in the monthly financial statement packet for the Portal Agency Manager and the Executive Board's review.

5.2.3.4 Any adjustments or write-offs of accounts receivable (excluding purely accounting adjustments/corrections) are subject to approval by the Portal Agency Manager. Any write-off over $2,000 is also subject to approval by the Executive Board.

5.2.3.5 All payments received by FileLocal's accounting firm are reconciled to accounts receivable, the general ledger, and the bank deposits (part of monthly bank reconciliation).

6. CAPITAL ASSET MANAGEMENT

FileLocal does not own any capital assets or intend to acquire any capital assets in the foreseeable future. All capital assets used by FileLocal, such as telephones, computers, computer systems, and office equipment, are provided by and owned by the City of Seattle in accordance with the terms of agreements between FileLocal and the City of Seattle. Thus, FileLocal has not adopted any policies related to capital asset management, inventory, or disposition. Should FileLocal

desire to acquire capital assets, it will adopt appropriate policies before acquiring any capital assets.

7. JOURNAL ENTRIES

7.1 Purpose

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

7.2 Policy

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

7.3 Procedure

7.3.1 Journal entries are used to:

7.3.1.1 Correct errors: To correct misclassified amounts, or to record transactions that were previously unrecorded. The journal entry must include debit and credit entries to produce the required accounting effects correctly. No review or approval is required for this type of journal entry before or after posting the journal entries.

7.3.1.2 Record cost allocation: FileLocal's accounting firm processes cost allocation based on the approved cost-sharing, per the Interlocal Agreement, relating to the City of Seattle's initial costs for the initial setup of Filelocal.

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

7.3.1.4 Journal entries for month-end and year-end closing, such as accruals, are subject to internal controls within FileLocal's accounting firm following GAAP.

7.3.1.5 Implement accounting policies and guidance: FileLocal's accounting firm prepares a memo for the Portal Agency Manager to review and approve regarding implementing a new accounting standard. The memo will reference the new accounting standard, its accounting effects, and a proposed journal entry.

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8. FINANCIAL REPORTING

8.1 Purpose

To establish and catalog the reporting requirements for accounting.

8.2 Policy

Financial statements and supporting reports shall be prepared monthly and annually to provide the Portal Agency Manager, Executive Board, and external auditors with sufficient financial information to communicate the results of operations and against the budget accurately and consistently.

8.3 Procedure

8.3.1 On an annual basis, FileLocal's accounting firm prepares and presents:

8.3.1.1 Annual financial statements with proper footnote disclosures,

8.3.1.2 Other required supplemental schedules and information.

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

8.3.2 The list of payments made, including payees, check numbers, and amounts paid, is submitted to the Executive Board quarterly as part of FileLocal's financial operating data presented to the governing body.

8.3.3 Every month, FileLocal's accounting firm prepares and presents:

8.3.3.1 Internal financial statements

8.3.3.2 Schedule of actual and budget comparison and

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

9. BUDGET

9.1 Purpose

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The annual budget and related processes provide a tool for guiding and assessing FileLocal's financial operation and economic well-being. In addition, the budget enables the Portal Agency Manager and Executive Board to focus on anticipated revenue, estimated expenditures, capital asset acquisition, long-term financial health, and continuity of services.

9.2 Policy

FileLocal will develop and propose an annual budget for revenue and expenditures for the overall program and administration in accordance with Section 13 of the Interlocal Agreement.

9.3 Procedure

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

10. RESERVE FUNDS

10.1 Purpose

Consistent with Sections 13 m. and 13 n. of the Interlocal Agreement, FileLocal has established and maintains a reserve fund for the purpose of supporting its operations.

10.2 Policy

FileLocal's goal is to maintain a reserve fund equal to 25% of the annual FileLocal budget.

10.3 Procedure

10.3.1 Excess cash, as defined in this policy, shall be invested in the Local Government Investment Pool (LGIP) to keep bank funds within the federally insured limits.

10.3.2 For this policy, "excess cash" means any amount exceeding $250,000 at the end of the month.

10.3.3 FileLocal's accounting firm calculates the excess cash monthly for the LGIP investment. The Portal Agency Manager reviews the calculation.

DRAFT

10.3.4 After the Portal Agency Manager reviews and approves any LGIP contributions or withdrawals, FileLocal's accounting firm processes the transaction according to the LGIP Operation Manual. The LGIP requires a minimum contribution or withdrawal of $5,000 in accordance with WAC 210-01-060.

10.3.5 LGIP administrative requirements, such as the Local Government Investment Pool Authorization Form and Online Web Access, shall be completed by the Portal Agency Manager or Treasurer (CEO of FileLocal's accounting firm). Per Resolution No. FL2020-02, the Portal Agency Manager and Treasurer are the only individuals approved to authorize all amendments, changes, or alterations to LGIP documents.

10.3.6 FileLocal's accounting firm receives monthly LGIP statements and reconciles them monthly. The Portal Agency Manager reviews the monthly reconciliation.

10.3.7 The Portal Agency Manager will present FileLocal's LGIP statements to the Executive Board for the Board's review quarterly.

DRAFT

FileLocal

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

FL2024-08 Final Budget 2025-2029

November 21, 2024

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-08 Briefing Paper Final Budget 2025-2029

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("FileLocal") Executive Board approve the final 2025-2029 budget?

Recommendation: The Portal Agency Executive Board should pass Resolution FL2024-08 approving the final 2025-2029 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 21, 2024, meeting and formalized in Resolution FL2024-03 at the June 6, 2024, 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 subscriber cities no later than July 1.

- A final budget must be approved by December 31.

The Executive Board approved the 2025-2029 draft budget at their June 6, 2024 meeting included as an attachment to FL2024-03. The draft budget was submitted to each principal/subscriber city.

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

The final budget is provided as Attachment A to Resolution FL2024-08.

RESOLUTION NO. FL2024-08

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board adopting a final 2025-2029 Budget

Whereas the Washington Multi-City Business License and Tax Portal Agency ("FileLocal") Interlocal Agreement ("Agreement") requires the Executive Board to adopt a draft FileLocal 2025 budget by June 15.

Whereas the Portal Agency 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 Operations Committee's recommendations with respect to the proposed budget.

Whereas the Executive Board received a draft 2025-2029 budget for review on March 21, 2024, and approved the draft budget on June 6, 2024.

Whereas, the cities of Auburn, Bellevue, Des Moines, Everett, Kent, Lake Forest Park, Renton, Seattle, and Tacoma have each informed FileLocal by December 1, 2024, that they will, or have approved their shares of the FileLocal budget for 2025-2029.

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 2025-2029 budget for the Portal Agency as set forth in Exhibit A to this Resolution.

ADOPTED this _____ day of November 2024.

ATTEST:

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

_____
Board Secretary

_____
Board Chair

Washington Cities Business License and Tax Portal
Agency Summary of Budget
Final Budget 2025 - 2029 (Nov 2024)

Budget		2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
User Fees	1	437,628	616,180	637,552	767,588	776,803	791,800	803,700	813,800	817,800	821,900	9,215	14,997
Revenue		**437,628**	**616,180**	**637,552**	**767,588**	**776,803**	**791,800**	**803,700**	**813,800**	**817,800**	**821,900**	**9,215**	**14,997**
Contract Labor	2	(418,788)	(398,016)	(415,137)	(532,687)	(507,143)	(536,920)	(548,920)	(561,320)	(574,020)	(587,020)	25,545	(29,777)
Contracts	3	(51,221)	(54,536)	(77,159)	(73,367)	(68,244)	(85,700)	(72,400)	(74,200)	(76,000)	(77,900)	5,122	(17,456)
Overhead	4	(10,116)	(7,800)	(26,096)	(26,654)	(53,729)	(71,700)	(32,375)	(33,100)	(33,800)	(34,500)	(27,076)	(17,971)
Technology Costs	5	(216,695)	(299,682)	(339,233)	(588,509)	(1,187,438)	(1,520,000)	(1,638,400)	(1,715,776)	(1,661,205)	(1,818,036)	(598,929)	(332,562)
Transaction Fees	6	(217,541)	(296,810)	(322,697)	(246,983)	-	-	-	-	-	-	246,983	-
Operating Costs		**(914,360)**	**(1,056,843)**	**(1,180,322)**	**(1,468,199)**	**(1,816,554)**	**(2,214,320)**	**(2,292,095)**	**(2,384,396)**	**(2,345,025)**	**(2,517,455)**	**(348,355)**	**(397,766)**
Operating Deficit		**(476,732)**	**(440,663)**	**(542,770)**	**(700,611)**	**(1,039,751)**	**(1,422,520)**	**(1,488,395)**	**(1,570,596)**	**(1,527,225)**	**(1,695,555)**	**(339,140)**	**(382,769)**
Capital Cost Recovery	7	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	8	-	(199,852)	(265,684)	(165,833)	130,027	224,197	132,663	161,083	(159,489)	(163,108)	295,860	94,170
Investment income	9	589	979	26,610	88,269	96,931	-	-	-	-	-	8,662	(96,931)
Cost Reimbursement	10	839,331	854,893	781,844	778,175	812,793	1,198,323	1,355,732	1,409,514	1,686,714	1,858,663	34,618	385,530
Surplus/ (Deficit)		**363,188**	**215,357**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Washington Cities Business License and Tax Portal Agency
Notes and key assumptions
Final Budget 2025 - 2029 (Nov 2024)

Revenue

User Fees	1	User Fees are fees charged to the business user for each city-specific transaction net of zero-dollar returns. The allocation methodology is based on projected transaction amounts.

Operating Costs

Contract Labor	2	Labor is broken into two primary categories. Agency employees are budgeted based on the City of Seattle estimates and Incremental Labor is based on new city additions with the calculation determined in the Interlocal Agreement.
Contracts	3	Contracts are comprised of Outside Accounting, State Auditor, Insurance, and Bank Fees.
Overhead	4	Overhead comprise of Legal, City of Seattle Technology Fees, Office and Operating Supplies, Licensing and Membership and Travel.
Technology Costs	5	Technology Costs comprise of Software as a Services (SAAS), Software Development, Platform Replacement, Web Security and Project Management.
Transaction Fees	6	Transaction fees historically represented the per transaction fee charged by the Platform software provider. Under the new agreement these costs have been converted into a fixed SAAS fee included in Technology costs above.

Operating Deficit		The amount by which the User Fees are less than the amount necessary to pay all Operating Expenses.
Capital Cost Recovery	7	Capital Cost Recovery Charge is an annual fee charged to all participating cities other than Seattle, for the purposes of reimbursing Seattle for a portion of the funding provided to pay for the start-up of the Portal Agency, See Section 13.j in the Interlocal Agreement for further information. Funds are collected on and paid to Seattle on their behalf.
Reserves	8	Operating Reserve is an unrestricted fund balance set aside to provide a cushion against unexpected events. The current operating reserve is 15% of total operating expenditures.
Investment income	9	Income generated by bank deposits and interest-bearing assets.
Cost Reimbursement	10	An annual amount paid by participating cities to cover the operating deficit. From 2025 the charge is based on budgeted transitions.

Washington Cities Business License and Tax Portal Agency
Cost Reimbursement
Final Budget 2025 - 2029 (Nov 2024)

City	2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
Auburn	-	-	9,897	9,850	10,978	10,124	11,454	11,908	14,250	15,626	1,128	(854)
Bellevue	71,951	72,142	67,357	67,041	74,716	149,637	169,293	176,009	210,624	232,105	7,675	74,921
Bremerton	36,825	37,008	-	-	-	-	-	-	-	-	-	-
Des Moines	10,662	16,095	15,028	14,957	7,192	20,142	22,788	23,692	28,352	31,243	(7,765)	12,950
Everett	33,426	33,572	31,345	31,198	34,769	93,546	105,834	110,033	131,672	145,101	3,571	58,777
Kent	-	8,594	16,335	16,258	10,234	11,516	13,029	13,545	16,209	17,862	(6,024)	1,282
Lake Forest Park	8,093	8,164	7,623	7,587	6,134	16,848	19,061	19,817	23,714	26,133	(1,453)	10,714
Poulsbo	-	-	-	-	-	5,230	5,917	6,152	7,362	8,113	-	5,230
Renton	35,773	35,946	33,562	33,405	25,640	69,003	78,067	81,164	97,126	107,032	(7,765)	43,363
Seattle	493,538	495,593	462,720	460,549	513,272	620,935	702,500	730,368	874,005	963,144	52,723	107,663
Shoreline	13,597	13,651	12,745	12,686	9,064	21,304	24,102	25,058	29,986	33,045	(3,622)	12,240
Snoqualmie	19,325	17,495	16,335	16,258	-	-	-	-	-	-	(16,258)	-
Tacoma	116,141	116,633	108,897	108,386	120,794	180,037	203,687	211,767	253,414	279,259	12,408	59,243
Total	**839,331**	**854,893**	**781,844**	**778,175**	**812,793**	**1,198,323**	**1,355,732**	**1,409,514**	**1,686,714**	**1,858,663**	**34,618**	**385,530**

Washington Cities Business License and Tax Portal Agency
Capital Cost
Final Budget 2025 - 2029 (Nov 2024)

City	2020 (A)	2021 (A)	2022 (A)	2023 (A)	2024 (P)	2025 (B)	2026 (B)	2027 (B)	2028 (B)	2029 (B)	YOY Change 2023 (A) vs 2024 (P)	YOY Change 2024 (P) vs 2025 (B)
Collected from Cities												
Auburn	-	-	500	2,500	1,000	1,000	1,000	1,000	1,000	1,000	(1,500)	-
Bellevue	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	-
Bremerton	2,000	500	-	-	-	-	-	-	-	-	-	-
Des Moines	500	1,000	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	1,000	-
Everett	1,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-
Kent	-	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Lake Forest Park	1,000	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-
Poulsbo	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	-	1,000
Renton	4,000	2,000	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	2,000	-
Seattle	-	-	-	-	-	-	-	-	-	-	-	-
Shoreline	2,000	500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	-	-
Snoqualmie	500	1,000	1,000	1,000	-	-	-	-	-	-	(1,000)	-
Tacoma	6,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	6,000	6,000	2,000	-
Total Charged to Cities	**21,000**	**16,000**	**20,500**	**22,500**	**27,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**4,500**	**1,000**
Paid to Seattle												
Capital Recovery Payment	(21,000)	(16,000)	(20,500)	(22,500)	(27,000)	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	(4,500)	(1,000)
Total Capital Recovery	**(21,000)**	**(16,000)**	**(20,500)**	**(22,500)**	**(27,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(28,000)**	**(4,500)**	**(1,000)**
Capital cost Recovery	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	Per InterLocal Agreement				
Transactions	**<1000**	**<4001**	**<14401**	**<31001**	**>31001**
Capital Cost	**$500**	**$1,000**	**$2,000**	**$4,000**	**$6,000**

FileLocal

Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

FL2024-09 Francis and Company Contract (Accounting Services)

November 21, 2024

700 5th Avenue, M/S SMT 60-70
P.O. Box 94669
Seattle, WA 98124-4669

FL2024-09 Briefing Paper Francis and Company Accounting Services Contract 2025-2026

Date: November 21, 2024

Issue: Shall the Washington Multi-City Business License and Tax Portal Agency ("FileLocal") Executive Board authorize the Program Manager to execute a contract for accounting services with Francis and Company for 2025-2026?

Operating Committee Recommendation: The FileLocal Executive Board should pass Resolution FL2024-09 approving the continued use of Francis and Company as FileLocal's accounting services vendor.

Rationale: Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles for Agency integrity and accountability were established for FileLocal. The Executive Board is also empowered under Section 6 of the ILA to enter into contracts with third parties for services necessary to fulfill the purposes of FileLocal and the Interlocal Agreement. FileLocal contracted with Francis and Company as our initial accounting firm

FileLocal believes the vendor provides a unique service due to their history and familiarity with FileLocal.

RESOLUTION NO. FL2024-09

A Resolution of the Washington Multi-City Business License and Tax Portal Agency Executive Board Authorizing a Contract with Francis and Company to Provide Accounting Services for 2025-2026.

Whereas, Pursuant to Section 4 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, guiding principles of integrity and accountability were established for FileLocal; and

Whereas, Pursuant to Section 6 of the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement, the Executive Board of FileLocal has the power to enter into agreements with third parties for the provision of services necessary to fully implement the purposes of FileLocal and the Interlocal Agreement; and

Whereas FileLocal has previously contracted with Francis and Company to provide accounting services to FileLocal, pursuant to contract, and

Whereas to preserve the continuity and quality of accounting services, FileLocal would like to retain Francis and Company as its accounting services vendor for the period 2025-2026 due to it history and familiarity with FileLocal.

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 authorizes the Portal Agency Manager to execute a contract with Francis and Company covering the period 2025-2026, substantially in the form as set forth in Attachment A to this Resolution.

ADOPTED this _____ day of November 2024

ATTEST:

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

_____
Board Secretary

_____
Board Chair

CONSULTANT SERVICES CONTRACT BETWEEN THE WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY AND FRANCIS & COMPANY, PLLC, FOR ACCOUNTING AND TREASURER SERVICES

This Agreement ("Agreement") is made by and between the Washington Multi-City Business License and Tax Portal Agency d/b/a FileLocal ("Agency"), and Francis & Company, PLLC (hereinafter the "Consultant"), a corporation organized under the laws of the State of Washington, located and doing business at 200 W. Mercer St., Suite 208, Seattle, WA 98119.

RECITALS

WHEREAS, the Agency is required by law and its Fiscal Manual to prepare annual budgets, maintain accurate accounting and financial records, and implement financial controls; and

WHEREAS, the Agency previously selected Consultant to provide accounting and financial management services, and Consultant has provided such services pursuant to previously executed contracts; and

WHEREAS, the Agency recognizes Consultant's expertise and extensive knowledge of Agency's financial policies, procedures, and operations in this area and desires for Consultant to continue providing Agency with such services, and Consultant has agreed to provide these services on the terms and conditions provided in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

TERMS

I. Description of Work.

Consultant shall perform the services specified in Exhibit A ("Scope of Services") attached hereto. Consultant represents and warrants that it and any staff member assigned to the work will have the requisite training, skill, and experience necessary to provide the services required by this Agreement and, where required, is/are appropriately accredited and licensed by all applicable agencies and governmental entities. Services provided by Consultant and its subconsultant(s) under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances. Consultant shall not subcontract for the performance of any work under this Agreement without prior written permission of the Agency.

II. Payment

A. The Agency shall pay Consultant an amount based on Consultant's hourly rates for the services described in Section I herein. The total compensation to be paid to Consultant for services provided under this Agreement shall not exceed $78,000, for annual accounting and financial management services, and $10,000 for external audit support services, in any calendar year except upon approval in advance and in writing by the Agency. Consultant shall bill Agency based on the hourly rates and charges attached hereto as Exhibit B ("Consultant's Hourly Rates and Charges") and incorporated herein by this reference.

B. Consultant shall submit monthly invoices to the Agency for all work performed during the previous month. The Agency shall pay the full amount of an invoice within sixty (60) days of receipt. If the Agency objects to all or any portion of any invoice, it shall so notify Consultant within fifteen (15) days from the date of receipt of the invoice and shall pay that portion of the invoice not in dispute, and the parties shall immediately make a good faith effort to settle the disputed portion.

C. Consultant will not undertake any work or otherwise financially obligate the Agency in excess of the not-to-exceed amount in Section II(A) above without a duly authorized amendment to this Agreement.

III. Relationship of Parties

The parties intend that an independent contractor-client relationship will be created by this Agreement. As Consultant is customarily engaged in an independently established trade which encompasses the specific service provided to the Agency hereunder, no agent, employee, representative or sub-consultant of Consultant shall be or shall be deemed to be the employee, agent, representative, or sub-consultant of the Agency. In the performance of the work, Consultant is an independent contractor with the ability to control and direct the performance and details of the work, with the Agency being interested only in the results obtained under this Agreement. None of the benefits provided by the Agency to its employees including, but not limited to, compensation, insurance, and unemployment insurance are available from the Agency to the employees, agents, representatives, or sub-consultants of Consultant. Consultant will be solely and entirely responsible for its acts and for the acts of its agents, employees, representatives, and sub-consultants during the performance of this Agreement. The Agency may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that Consultant performs hereunder.

IV. Duration of Agreement

This Agreement is effective as of the date it is last signed by the parties hereto, and shall remain in effect until December 31, 2026, unless terminated sooner by written notice in accordance with Section V, below.

V. Termination

A. Termination of Agreement. The Agency may terminate this Agreement for public convenience, Consultant's default, Consultant's insolvency or bankruptcy, or Consultant's assignment for the benefit of creditors, at any time prior to the expiration of this Agreement. Termination shall be effective immediately upon delivery of written notice by the Agency to Consultant, or on such date as stated in the Agency's notice, whichever is later.

B. Rights Upon Termination. In the event of termination, the Agency shall pay for all services satisfactorily performed by Consultant up to and including the effective date of termination, as described on a final invoice submitted to the Agency. Said amount shall not exceed the amount in Section II above. After termination, the Agency may take possession of all work product, records, and data within Consultant's possession pertaining to this Agreement, which records and data may be used by the Agency without restriction. Upon termination, the Agency may take over the work and prosecute the same to completion, by contract or otherwise.

VI. Discrimination

In the hiring of employees for the performance of work under this Agreement or any sub-contract hereunder, Consultant, its subcontractors, or any person acting on behalf of Consultant or its sub-consultants shall not by reason of race, religion, color, sex, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

VII. Indemnification

Consultant shall defend, indemnify, and hold the Agency, its officers, officials, employees, agents, contractors, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including all legal costs and attorneys' fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the Agency. The Agency's inspection or acceptance of any of Consultant's work when completed shall not be grounds to avoid any of these covenants of indemnification. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Consultant and the Agency, its officers, officials, employees, agents, contractors, and/or volunteers, Consultant's liability hereunder shall be only to the extent of Consultant's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES CONSULTANT'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER. CONSULTANT'S WAIVER OF IMMUNITY UNDER THE PROVISIONS OF THIS SECTION DOES NOT INCLUDE, OR EXTEND TO, ANY CLAIMS BY CONSULTANT'S EMPLOYEES DIRECTLY AGAINST CONSULTANT.

The provisions of this section shall survive the expiration or termination of this Agreement.

VIII. Insurance

A. Consultant shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Consultant, its subconsultants, agents, representatives, or employees.

B. Minimum Scope of Insurance. Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The Agency shall be named by endorsement as an insured under Consultant's Commercial General Liability insurance policy with respect to the work performed for the Agency.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to Consultant's profession.

C. Minimum Amounts of Insurance. Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of $1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than $1,000,000 each occurrence, $2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than $1,000,000 per claim and $1,000,000 policy aggregate limit.

D. Consultant is responsible for the payment of any deductible or self-insured retention that is required by any of Consultant's insurance. If the Agency is required to contribute to the deductible under any of Consultant's insurance policies, Consultant shall reimburse the Agency for the full amount of the deductible within 10 working days of the Agency's deductible payment.

E. The Agency shall be named as an additional insured on Consultant's commercial general liability policy. This additional insured endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary in subsections B and C, above. The Agency reserves the right to receive a certified and complete copy of all of Consultant's insurance policies.

F. Consultant's insurance coverage shall be primary insurance as respects the Agency. Any insurance, self-insurance, or insurance pool coverage maintained by the Agency shall be excess of Consultant's insurance and shall not contribute with it. The Agency's own liability policy(ies) will be considered excess coverage with respect to defense and indemnity of the Agency only and no other party.

G. Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

H. If any coverage is written on a "claims made" basis, then a minimum of three years' extended reporting period shall be included with the claims made policy, and proof of this extended reporting period provided to the Agency upon request.

I. Acceptability of Insurers. Consultant's insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

IX. Exchange of Information

The Agency warrants the accuracy of any information supplied by it to Consultant for the purpose of completion of the work under this Agreement. The parties agree that Consultant will notify the Agency of any inaccuracies in the information provided by the Agency as may be discovered in the process of performing the work, and that the Agency is entitled to rely upon any information supplied by Consultant pursuant to this Agreement.

X. Ownership and Use of Records and Documents

Original documents, drawings, designs and reports (“work product”) developed under this Agreement shall belong to and become the property of the Agency. All written information submitted by the Agency to Consultant in connection with the services performed by Consultant under this Agreement will be safeguarded by Consultant to at least the same extent as Consultant safeguards like information relating to its own business. If such information is publicly available or is already in Consultant's possession or known to it, or is rightfully obtained by Consultant from third parties, Consultant shall bear no responsibility for its disclosure, inadvertent or otherwise.

XI. Agency's Right of Inspection

Even though Consultant is an independent contractor with the authority to control and direct the performance and details of the work authorized under this Agreement, the work must meet the applicable deadlines established by the Agency for completion, and the work must meet the approval of the Agency. Consultant’s work shall be subject to the Agency’s general right of inspection to secure the satisfactory completion thereof. Consultant agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now applicable or become applicable to Consultant's business, equipment, and personnel.

XII. Consultant to Maintain Records to Support Independent Contractor Status

By the effective date of this Agreement (or shortly thereafter), Consultant shall comply with all federal and state laws applicable to independent contractors including, but not limited to the maintenance of a separate set of books and records that reflect all Items of income and expenses of Consultant's business, pursuant to the Revised Code of Washington (RCW) Section 51.08.195, as required to show that the services performed by Consultant under this Agreement do not give rise to an employer- employee relationship between the parties which is subject to RCW Title 51, Industrial Insurance.

XIII. Work Performed at Consultant’s Risk

Consultant shall take all precautions necessary and shall be responsible for the safety of its employees, agents, and sub-consultants in the performance of the work hereunder and shall utilize all protection necessary for that purpose. All work shall be done at Consultant's own risk, and Consultant shall be responsible for any loss of or damage to materials, tools, or other articles used or held by Consultant for use In connection with the work.

XIV. Non-Waiver of Breach

The failure of the Agency to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances, shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options and the same shall be and remain in full force and effect.

XV. Resolution of Disputes and Governing Law

Should any dispute, misunderstanding, or conflict arise as to the terms and conditions of this Agreement, the matter shall first be referred to the Program Manager of the Agency, who shall determine the term or provision's true intent or meaning. The Program Manager shall also decide all questions that may arise between the parties relative to the actual services provided or to the sufficiency or timeliness of Consultant's or Agency's performance hereunder.

If any dispute arises between the Agency and Consultant under any of the provisions of this Agreement that cannot be resolved by the Program Manager's determination in a reasonable time, or if Consultant does not agree with the Program Manager's decision on the disputed matter, then any resulting litigation must be filed in King County Superior Court, King County, Washington, which the parties agree shall be the exclusive venue for disputes relating to the interpretation, performance, or enforcement of this Agreement. This Agreement is governed by and shall be interpreted in accordance with the laws of the State of Washington, without reference to its choice-of-law rules. The non-prevailing party in any action brought to interpret or enforce this Agreement shall pay the other party's expenses, including reasonable attorney's fees.

XVI. Written Notice

Unless otherwise specified, any written notice required by this Agreement shall become effective upon the date of receipt (which may be conclusively determined by certified mail, return receipt requested, or other equivalent proof of receipt), and shall be deemed sufficiently given if delivered to the addressee at the address stated below:

CONSULTANT:

Francis & Company, PLLC
Attn: Horace Francis, CPA
200 W. Mercer St., Suite 208
Seattle, WA 98119

AGENCY:

FileLocal
Attn: Program Manager
700 Fifth Avenue, Suite 4350
Seattle, WA 98104

XVII. Assignment

Any assignment of this Agreement by Consultant without the written consent of the Agency is void. If the Agency gives its consent to any assignment, this paragraph shall continue in full force and effect and no further assignment may be made without the Agency's consent.

XVIII. Modification and Severability

No waiver, alteration, or modification of any of the provisions of this Agreement is binding unless in writing and signed by the duly authorized representatives of the Agency and Consultant.

The provisions of this Agreement are declared to be severable. If any provision of this Agreement is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision.

XIX. Entire Agreement

The written provisions and terms of this Agreement, together with any Exhibits attached hereto, supersede all prior verbal statements of any officer or other representative of the Agency, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner whatsoever this Agreement. The entire agreement between the parties with respect to the subject matter hereunder is contained in this Agreement and any Exhibits attached hereto, which may or may not have been executed prior to the execution of this Agreement. Should any language in any of the Exhibits to this Agreement conflict with any language contained herein, then this Agreement controls.

AGREED TO AND EXECUTED BY:

CONSULTANT

By: _____
Managing Director, CEO
Francis & Company PLLC

Date: _____

AGENCY

By: _____
Scott Hitchock, Program Manager

Date: _____

APPROVED AS TO FORM:

_____
Agency Attorney

ATTEST:

_____
Agency Secretary

EXHIBIT A

Scope of Services

1. Annual Accounting and Financial Management Consulting Services

Partner or Manager work with the Program Manager throughout the year as necessary to ensure that accounting and compliance issues are properly considered in the ongoing operation of the Agency. These services could include attendance at meetings with the Executive Director, Board and or Committee meetings.

Work with the Program Manager to track expenditures, verify expenditures, conduct periodic compliance monitoring, provide monthly financial statements, maintain accounting information within chart of accounts, maintain general ledger, reporting formats, internal control policies and procedures, and applicable governmental accounting requirements.

Assist with other financial and banking items such as, invoicing to cities, receipts of payments from cities, deposits to bank, bank account reconciliation and provide supporting documents for bank account along with monthly financial statements.

Work with the Program Manager to prepare annual operating budget.

Produce a full set of year-end financial statements (including management's discussion and analysis and footnotes) in accordance with generally accepted accounting principles for annual audit. Present compiled annual financial statements to management and file the annual report with the State Auditor.

2. Supporting Services for External Audits of Filelocal by the State Auditor

Serve as the primary contact on behalf of Filelocal for its annual or biannual audits performed by the State Auditor. Meet with the auditor for planning of the audit, work with the auditor during each audit to supply the supporting documents needed and for resolution of issues identified during the audit process. Keep management updated on the progress of the audit. The external audit has been done biannually, every two years. The next audit, for the years 2022 and 2023, is expected to start in December 2024.

EXHIBIT B

Consultant's Hourly Rates and Charges

Partner	$375
Senior Manager	$250
Manager	$210
Senior Accountant	$200
Staff Accountant	$170
Bookkeeping	$100

FL2024-10 Meeting Schedule 2025

November 21, 2024

RESOLUTION NO. FL2024-10

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 2025.

Whereas, the Washington Multi-City Business License and Tax Portal Agency ("FileLocal") bylaws section 4.5 establishes that FileLocal 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 emergencies 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 November 2024.

ATTEST:

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

Board Secretary

Board Chair

Executive Board Meetings, 2025

All Executive Board meetings will be held at the Seattle Municipal Tower (SMT, and via Microsoft Teams; the meeting call-in number is 206-686-8357. The dates and conference ID numbers are listed below.

Dates	Meeting ID	Location	Time
March 20, 2025	**240 702 453 363**	**SMT 4096**	**11:00 a.m.**
June 5 2025	**237 149 431 646**	**SMT 4096**	**11:00 a.m.**
September 18. 2025	**232 986 383 746**	**SMT 4086**	**11:00 a.m.**
December 4, 2025	**229 428 173 421**	**SMT 4096**	**11:00 a.m.**

Operations Committee Meetings, 2025

Date	Meeting ID	Time
March 5, 2025	**295 510 586-682**	**11:00a.m.**
May 21, 2025	**269 426 822 709**	**11:00a.m.**
September 3, 2025	**211 399 582 840**	**11:00a.m.**
November 19, 2025	**212-533-941-503**	**11:00a.m.**

FileLocal

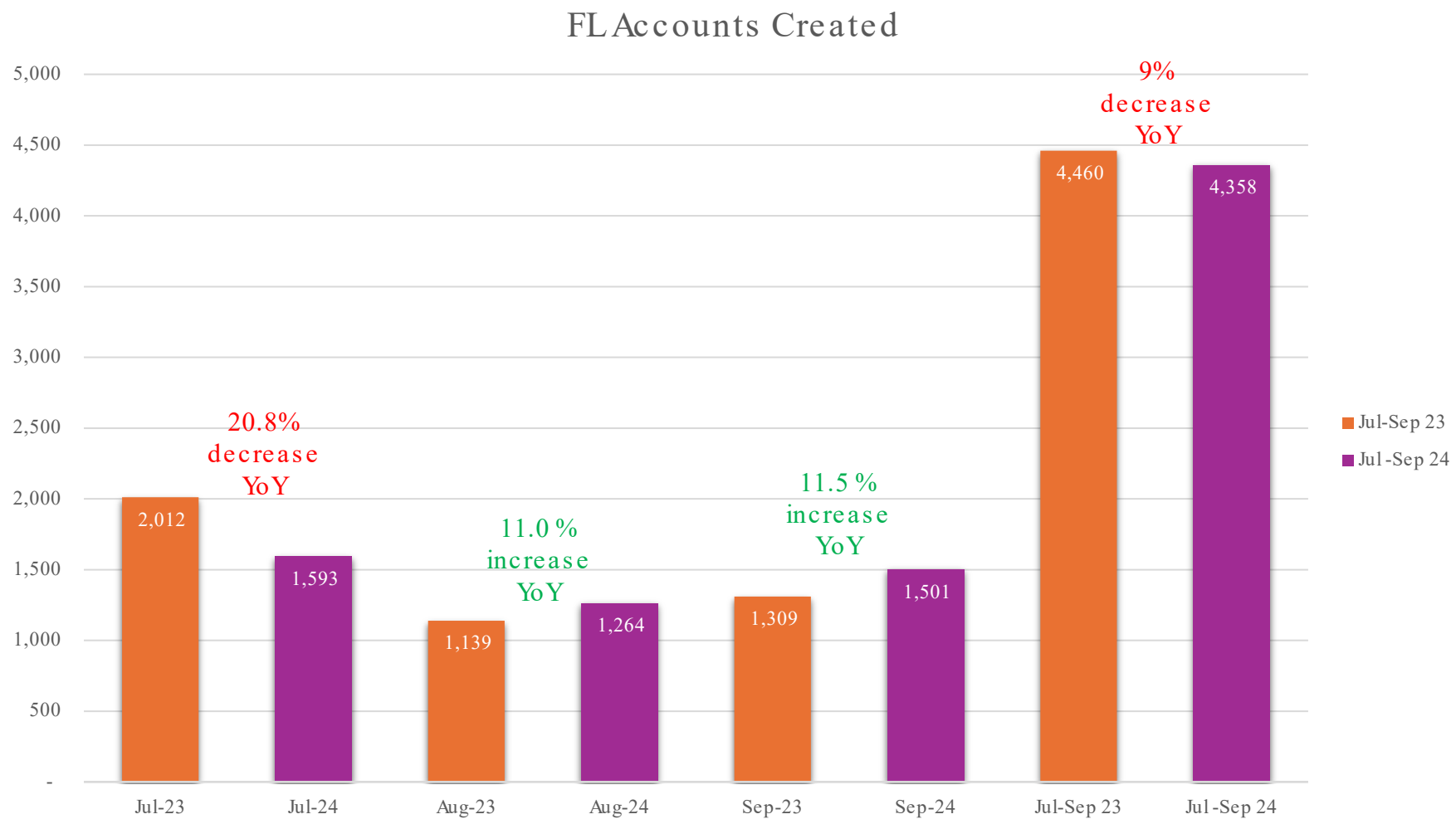
Your one stop for local business licensing and tax filing

www.filelocal-wa.gov

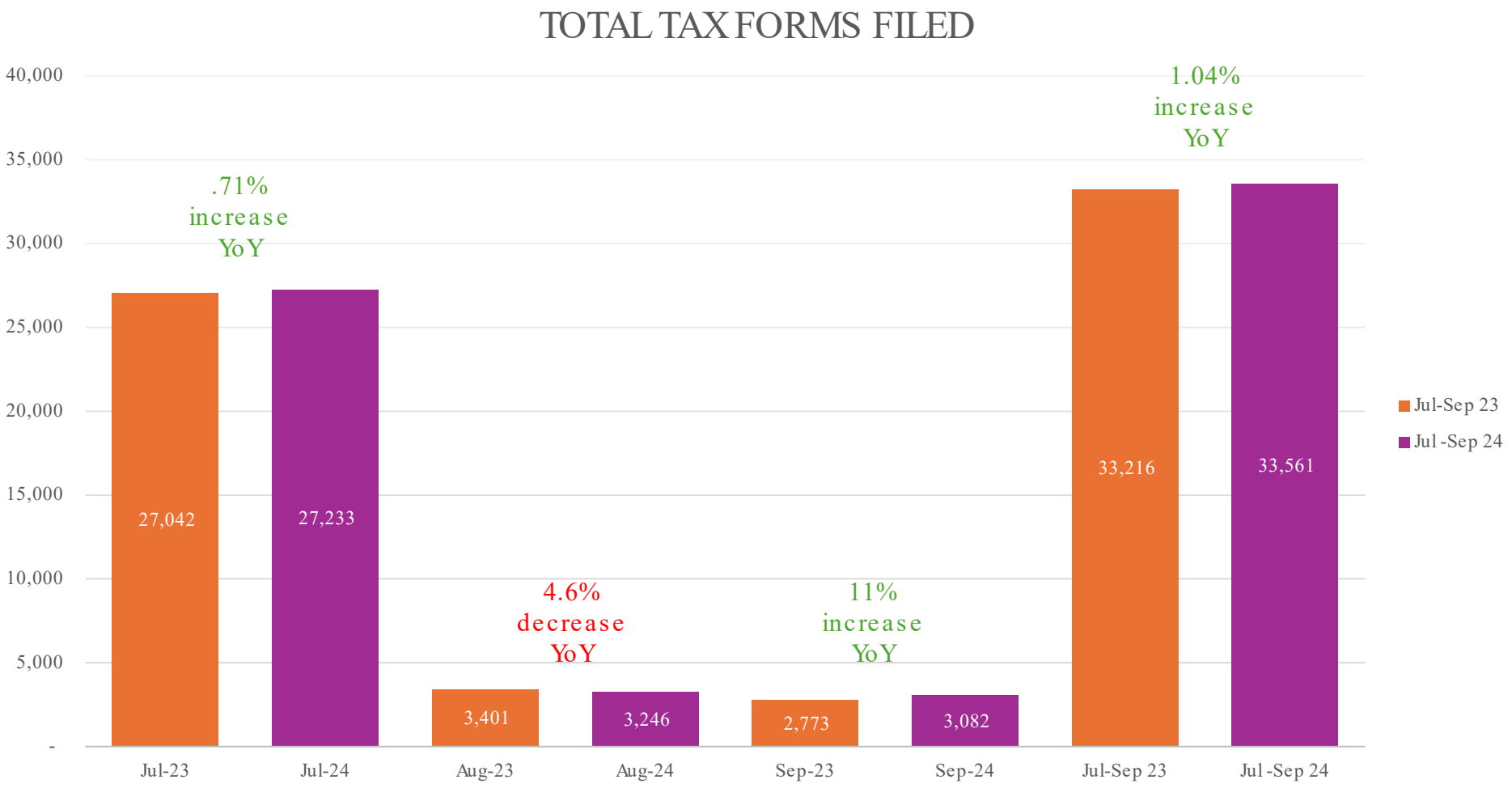
Operational Performance Report
July-September 2024

November 21, 2024

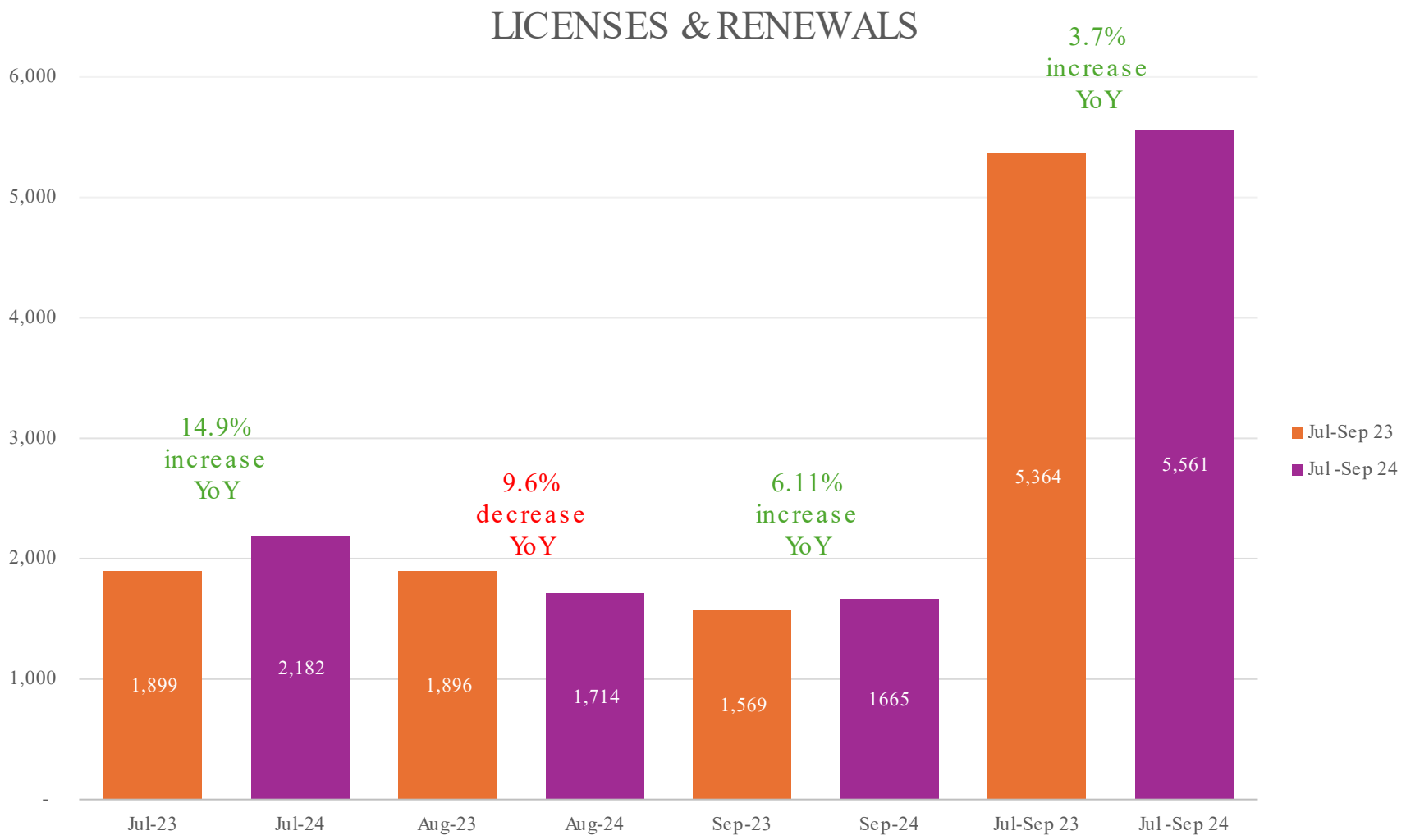
Accounts Created



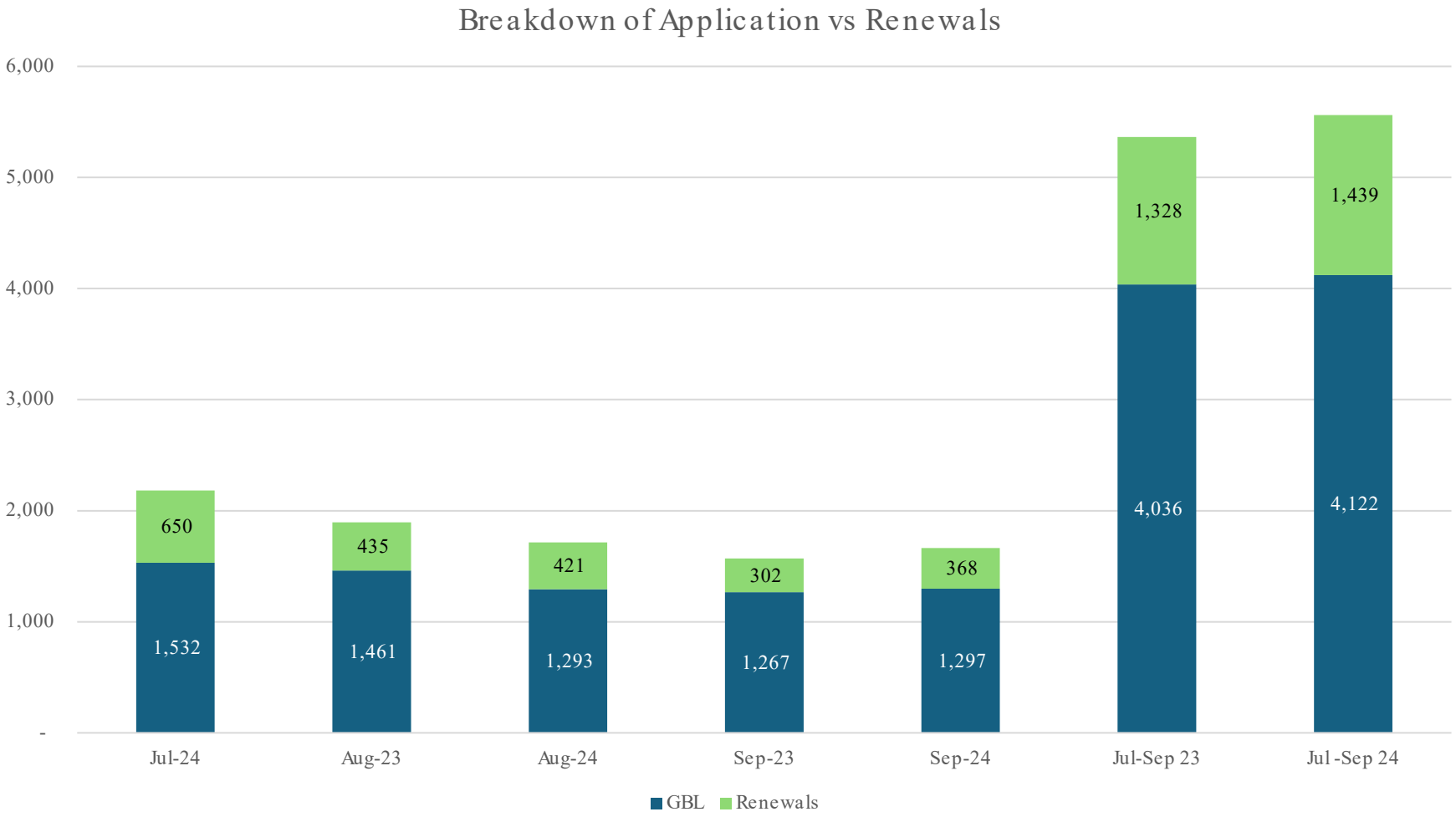
Tax Form Filed



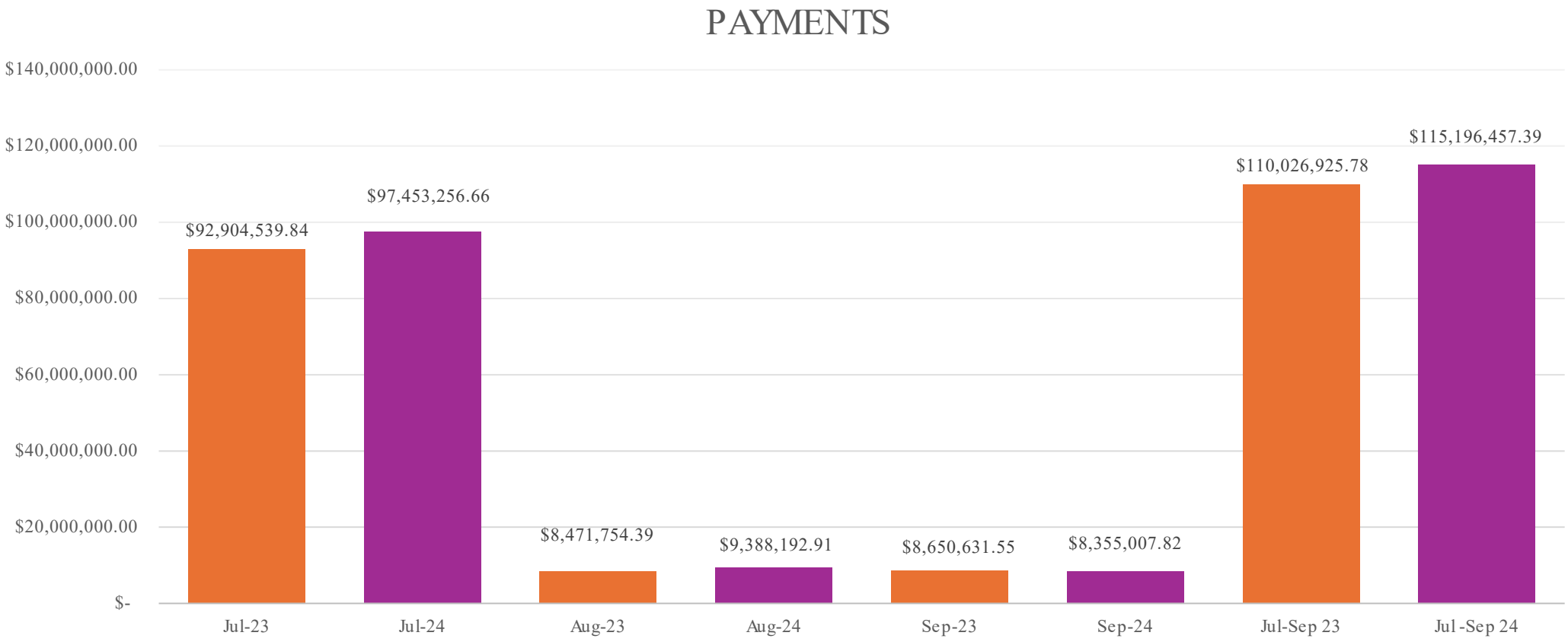
Licenses and Renewals



Licenses and Renewals



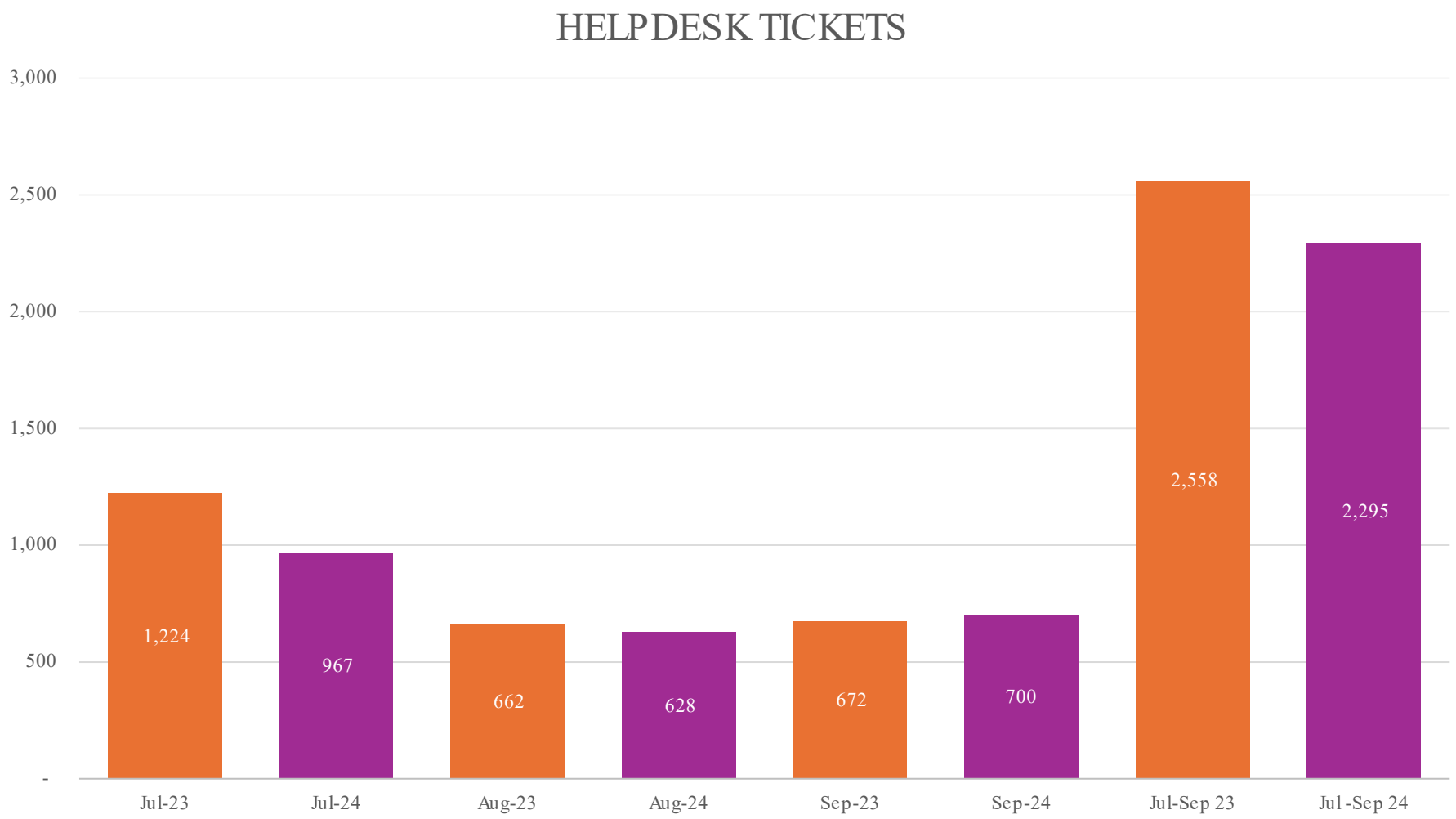
Payments


PAYMENTS
$140,000,000.00
$120,000,000.00
$100,000,000.00
$80,000,000.00
$60,000,000.00
$40,000,000.00
$20,000,000.00
$-
$92,904,539.84
$97,453,256.66
$8,471,754.39
$9,388,192.91
$8,650,631.55
$8,355,007.82
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Aug-23
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Sep-24
Jul-Sep 23
Jul-Sep 24

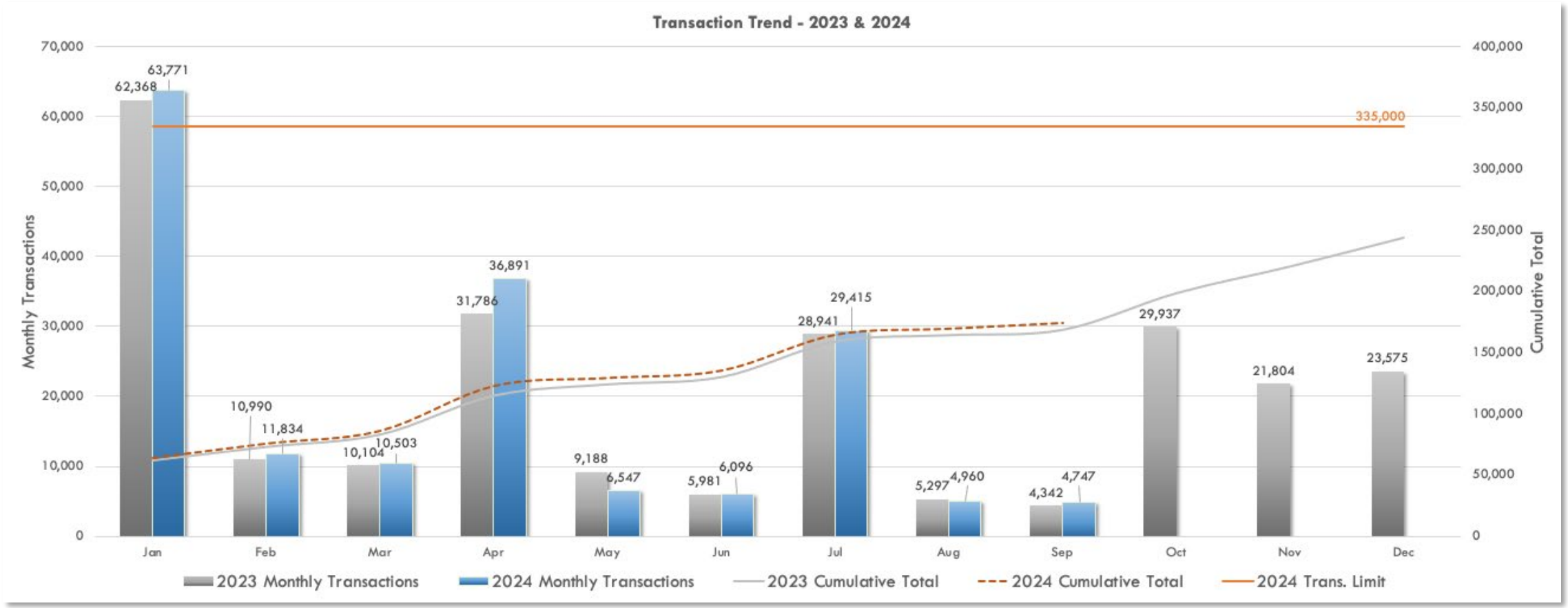
Help Desk Calls

Top 5 Categories (2024)

1. Login Assistance
2. License
3. Account
4. Tax
5. Payments



Transactions



Vendor Warrant List – 3rd Quarter 2024

FileLocal
Quarterly Warrant List
9/30/2024

Vendor Name	Payments for Current Quarter	Payments Year-To-Date
Avenu	339,734.38	988,012.50
Francis & Company	15,997.00	44,591.00
Inslee Best	-	4,277.50
Kubra	4,750.00	5,200.00
Madrona Law Group, PLLC	31,575.00	36,009.50
Seattle	54,944.84	213,931.89
Tamazari, Inc.	54,320.00	156,983.75
TokuSaku Incorporated	43,000.00	96,000.00
Washington cities insurance authority	-	5,169.00
Wells Fargo	226.89	1,104.82
	544,548.11	1,551,579.96