THIS CHECKLIST IS DESIGNED TO DOCUMENT COMPLIANCE WITH

CONTROLS SET FORTH IN STATE LAW FOR MUNICIPAL FINANCES.

DETERMINING COMPLIANCE WITH THESE STATE LAWS HELPS

ESTABLISH THE LEVEL OF INTERNAL CONTROLS IN EXISTENCE.

THIS CHECKLIST IS NOT ALL INCLUSIVE AND IS NOT DESIGNED

TO REPLACE COMPLIANCE TESTING REQUIREMENTS CONTAINED

IN GAGAS.

**RECAP – Yes = \_\_\_\_\_\_ NO = \_\_\_\_\_\_ N/A = \_\_\_\_\_\_ = Total 43**

1. Did the governing board advertise for competitive sealed

bid, or competitive sealed proposals when permitted for contracts

**(advertisement shall appear as a legal notice in the**

**appointed legal newspaper)** in accordance with the amounts

specified in SDCL 5-18A-14 (contract for any public improvement

that involves the expenditure of $100,000 or more, or a contract

for the purchase of supplies or services, other than professional

services, that involves the expenditure of $50,000 or more.

SDCL 5-18A-22 lists procurements exempt from

chapters 5-18A through 5-18D. \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 2. Did the governing board publish a complete list of officers

and employees' salaries with the proceedings of the

first meeting of the year, or within 30 days thereafter or in

the minutes of the first meeting following the completion

of salary negotiations or within thirty days thereafter?

(6-1-10) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 3. If the municipality gave funds to nonprofit organizations to

promote the municipality, did these organizations

provide a certified audit or a financial statement

of their records to the municipality at the close

of each fiscal period? For purposes of this section, promotion

includes, but is not limited to, any costs incidental to the hosting

of events held within the municipality. (9-12-11) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 4. Did the municipality designate at a meeting of its governing

body an official newspaper or newspapers for the

ensuing year? (9-12-6) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 5. Did the governing board establish a bond for the

finance officer equal to an amount estimated to be

the maximum monetary total on hand at any one time

but may not exceed $250,000 for first class

and $150,000 for second and third class municipalities or

purchase a blanket bond, blanket crime coverage, an insurance

policy, or an individual bond, issued to the political subdivision

as the insured, covering the faithful performance of each officer,

member, and employee? (9-14-6.1 and 3-5-14) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 6. Did the finance officer keep regular books of account

for all financial transactions? (9-14-17, 9-14-18) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 7. Did the finance officer draw and sign all warrants along

with the mayor or president of the board of trustees? If

a signature stamp (or stamps) were used, was proper

control maintained over these stamp(s)? (9-14-17,

9-14-18, 9-23-3, 9-23-7) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 8. Did the appointed financial official audit and adjust all

claims and demands against the municipality before they are allowed

by the governing body? (9-14-21) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

 9. Did the governing body publish, within twelve business days, the minutes

for each meeting of the governing body including a detailed statement of all

expenditures of money and the name of each person paid and the service

provided? (9-18-1) \_\_\_\_ \_\_\_\_\_ \_\_\_\_

10. Did the governing body fix and determine by ordinance or

resolution, the amount of salaries and compensation of

all municipal officers and the times at which the same

shall be paid? (9-14-28) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

11. If the Municipality by ordinance moved the deadline for introducing

the annual appropriation or budget, did the Municipality by ordinance

establish a budget hearing and publication deadlines pursuant to

SDCL 9-19-17 and was it introduced by the first regular meeting of

the governing board in November? (9-21-34 and 9-21-34.1) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

12. Did the annual appropriation ordinance appropriate the

sums of money necessary to meet all lawful expenses and

liabilities of the municipality and did the ordinance

specify the function and subfunction and the amounts

appropriated for each function and subfunction, by fund?

(It is not necessary to appropriate revenue to be

expended from an enterprise or agency fund if they are

not supported or subsidized by revenue derived from the

annual appropriated tax levy, but the annual budget for

these funds shall be developed and published no later than

December thirty-first of each year.) (9-21-2) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

13. Did the classification of expenditures in the annual

appropriation ordinances of first and second class

municipalities conform to the uniform classification

in the Municipal Accounting Manual published by DLA?

(9-21-6) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

14. Were any amounts of contingency limited to 5 percent of

the total municipal budget and used by transferring, by

resolution of the governing body, to any other appropria-

tion in which insufficient amounts were provided or for

items for which no appropriation was provided (no expendi-

tures shall be charged directly to the contingency)?

(9-21-6.1) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

15. In the event that there was a failure to provide by the

annual appropriation ordinance, sufficient revenue to

enable the municipality to conduct the indispensable functions

of government in any department, or to discharge any duty

 which it is the lawful duty of the municipality to discharge and which

requires the incurring of liabilities or expenditures of

funds for a purpose or object for which no provision was

made in the annual appropriation ordinance, did the

governing body properly make, approve and adopt a supple-

mental appropriation ordinance? (9-21-7) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

16. Did all supplemental appropriation ordinances set out in

detail each item for which an appropriation was made and

the corresponding amount appropriated? (9-21-7) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

17. Was the adoption of any supplemental appropriation

ordinances conducted in accordance with the laws

pertaining to the adoption of the annual appropriation

ordinance? (9-21-7) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

18. Did officials refrain from spending in excess of the

amount appropriated for any purpose or any department

for each year except as otherwise specially provided for

in statute? (9-21-9, 9-21-9.1, 9-21-9.2, 9-21-10, 9-21-15) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

19. If the governing body transferred surplus money of one

fund to another, or appropriated such surplus to pay any

outstanding indebtedness of the municipality, was this action

taken by a two-thirds vote of the governing body?

(9-21-26.1) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

20. Were no balances in any fund, raised for the purpose of

paying interest and principal on bonded debt, ever trans-

ferred to any other fund unless enough money is retained

in the fund to retire all outstanding bonds and to pay

any interest which will accrue on the bonds? (9-21-27) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

21. Did the finance officer receive all moneys belonging to

the municipality and keep accurate and detailed accounts of the

same as the governing body may direct? (9-22-2) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

22. Did the finance officer issue duplicate receipts showing

amount, date paid and upon what account paid for all money

received? (9-22-3) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

23. If uncollectibles were removed from the records, were

they removed only after being approved by the governing

board? (9-22-4) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

24. If the governing board directed that uncollectibles be

removed from the records, was evidence of the debt

retained by the municipality to support possible subsequent

collection of that debt? (9-22-4) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

25. Did the finance officer keep all municipality money separate

and distinct from his own money and not use, directly

or indirectly, the municipality's money or warrants in

his custody for his own benefit or that of any other

person? (9-22-5) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

26. Did the municipality designate the depository or depositories

in which the funds belonging to the municipality shall be

deposited (such depositories shall be a bank

within the State of South Dakota, unless otherwise

specifically provided by law)? (9-22-6) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

27. Were interest earnings on debt service funds and bond

proceeds credited to the fund from which the investment

was made? (9-22-12, AGR No. 81-42) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

28. Did the finance officer keep a separate account of each

fund or appropriation and of the debits and credits

belonging thereto? (9-22-16) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

29. Did the finance officer keep a register of all warrants

paid during the year, describing the warrants, their date,

amount, number, the fund from which paid, the person paid

and specifying the time of payment? (9-22-18, 9-23-8) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

30. Was the annual report: (9-22-21)

A. given to the board at the first

meeting in May? \_\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

B. filed with the Department of Legislative Audit by the last day

of May? \_\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

1. published in the official newspaper within thirty days of being

presented to the board or within thirty days of completion of

the annual audits? \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

31. Did the finance officer keep a bond record showing to

whom issued, for what purpose, when and where payable,

and the rate of interest for all municipal bonds issued?

(9-22-22) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

32. Before any claim against the municipality was allowed, was an

itemized invoice accompanied by a voucher verified by the

appropriate municipal official that the goods or services

(except for those provided by municipal employees) have

been received filed in the office of the municipal

finance officer? However, the governing body of any municipality

may authorize the prepayment of claims against the municipality

for services before they have been provided if the municipality

has adopted an ordinance in advance that specifies the maximum

amount allowable for any such prepayment and if a service contract

exists. (9-23-1) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

33. Before any claim against the municipality was allowed, was it

fully itemized and entered upon the minutes of the

meetings of the governing body? (9-23-2) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

34. If the municipality borrowed money, was a promissory note

issued in accordance with SDCL 9-25-12?

(9-25-12, 9-25-13, AGR 97-07) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

35. If bonds were issued, was it only after being approved by

a 60 percent vote of all the voters voting at an election

for that purpose? (6-8b-2) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

36. Were all taxes levied to retire general obligation bonds

placed in a special debt service fund when collected and

used for no other purpose than to pay the interest and

principal of the bonds for which they were levied and

collected? (9-26-27) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

37. Did the special assessment roll include: (a) name of the owner

of each lot to be assessed as shown by the assessment roll of the

county director of equalization; (b) the legal description of each lot

to be assessed; (c) the amount assessed against each lot;

(d) if the assessment is payable in installments the number of

installments; (e) the rate of interest; (f) that the whole of such

assessment or any installment thereof may be paid at any time

and that all installments paid prior to their respective due dates

shall be deemed paid in inverse order of their due dates; (g) each

item of assessment shall be numbered consecutively by the finance

officer without regard to date, character of improvement or

description of property and no number may be duplicated?

(9-43-87, 9-43-89 and 9-43-97) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

38. Did the municipality refrain from entering into any contracts for labor,

services, materials, supplies or equipment with any

officer who was elected or appointed except as allowed

by SDCL 6-1-2? See SDCL 6-1-2.1 regarding bids placed

on the central bid exchange pursuant to SDCL 5-18A-13)

(6-1-1, 6-1-2, 6-1-2.1 and 5-18A-13) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

39. Did the municipality receive its share of the five percent of

the revenue from the dwelling unit rentals received from housing

projects collected as payments in lieu of taxes? (11-7-1, 11-7-73) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

40. Did the municipality make a proper report (and transmittal

 of the corresponding monetary amounts) before November first

of all of its outstanding checks as of the preceding June 30th

that were not cashed within one year of their issuance date?

(43-41B-14, 43-41B-18) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

41. If the municipality offers a retirement plan to its employees

 other than the state retirement system (SDRS) did the

 municipality first become a participating unit of SDRS?

 (3-12C-305) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

42. Did the municipality NOT include as compensation, for

SDRS purposes, travel, meals, lodging, moving, or any other

expenses incidental to an employer's business which is reimbursed

by the employer; lump sum payments for sick leave; lump sum

payments for annual leave; payments for insurance coverage of any

kind or any other employee benefit by an employer on behalf of an

employee or an employee and dependents; any amount paid in a

one-time lump sum payment or over a period of time and based on

or attributable to retirement or an agreement to retire in the future;

payments made upon dismissal or severance; worker's compensation

payments; and payments contingent on a member terminating

employment at a specified time in the future paid or payable in a lump

sum or over a period of time? (3-12C-105) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_

43. If the municipality received an independent audit, did the municipality

make the audit report available on the entity’s website? (4-11-12) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_