

Southeast Wisconsin Professional Baseball Park District Financial Policy

**Adopted:
March 8, 2016**

BUDGET INFORMATION

Background

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), “A district shall adopt a calendar year as its fiscal year for accounting purposes. The district board shall annually prepare a budget for the district.”

Policy

The District shall adopt a calendar year as its fiscal year for accounting purposes and shall annually prepare a budget for the District.

Procedure

The following information will be incorporated into the notice regarding the budget public hearing and the budget document.

- Proposed budget, the budget in effect and the actual revenues and expenditures for the preceding year. A summary budget will include:
 - a. All expenditures by major expenditure category
 - b. All revenues by major revenue source
 - c. Any financing source and use not included in (a) and (b) above
 - d. All beginning and year-end fund balances
- The place where the budget, in detail, is available for public inspection
- The time and place for holding the public hearing

The budget document will include the following items.

- Actual revenues and expenditures of the preceding year
- Actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the year
- All anticipated revenue from all sources and all proposed appropriations for the following year (proposed budget)

The summary budget, the notice of the place where the budget is in detail and notice of the time and place for holding the public hearing shall be published at least 15 days prior to the time of the public hearing. The budget must be formally adopted by the Board of Directors.

ANNUAL BUDGET

Background

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), “The district board shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the district and to pay interest, amortization, and retirement charges on bonds.”

Policy

The District shall annually prepare a budget. Rates and other charges received by the District shall be used for the general expenses and capital expenditures of the District and to pay interest, amortization, and retirement charges on bonds.

Procedure

- The annual budget will include the following major expense categories:
 - District Operations, Management and Administration
 - Debt Service
 - Annual Maintenance, Repairs and Improvements

- The annual budget will include the following major revenue categories:
 - Sales Tax
 - Investment Income
 - Milwaukee Brewers Baseball Club (MBBC) Rent
 - Milwaukee Brewers License Plate Sales
 - Other Miscellaneous Receipts

- The major expense and revenue categories may be revised from time to time as circumstances warrant.

- Expenditures that exceed the annual approved budget will be reviewed by the Finance Committee. The Executive Director / Finance Manager will keep the Finance Committee informed of budget related issues at its regularly scheduled meetings. The Finance Committee may approve budget changes during the year unless the change represents 10% (ten percent) or more of the budget in the major expense category, in which case action by the full District Board is required.

- All appropriations lapse at year end, however, specific items may carry forward to the next year by action of the Finance Committee. Requests for carry forward of funds between budget years should be submitted in writing to the Finance Committee for inclusion in the budget resolution.

- Expenditures must be identified and budgeted for during the budget preparation period by line item accounts. The District office, with the assistance of the District's Accounting Firm, will maintain a budgetary control system to ensure adherence to the budget and will prepare timely, monthly financial reports comparing actual revenues and expenditures to budgeted amounts under the GAAP basis of accounting.
- The Executive Director / Finance Manager and the District's Accounting Firm will provide the Finance Committee with reports on the status of the budget.

APPROPRIATIONS

Policy

The District shall spend within the total appropriation adopted for each line item as approved by the District Board. When this is not possible, the Finance Committee must be alerted as soon as an overrun is anticipated.

The Finance Committee may approve budget changes during the year unless the change represents 10% (ten percent) or more of the budget in the major expense category, in which case action by the full District Board is required.

Procedure

- If the District knows in advance that an event unanticipated during the budget process will cause expenditures to exceed the appropriations in a line item, the Executive Director / Finance Manager will notify the Finance Committee at the next regularly scheduled Committee meeting. An estimate will be given to the Committee of the amount of the overrun, and a plan to offset the over-expenditure.
- If the District knows in advance that an event unanticipated during the budget process will cause expenditures to exceed the appropriations in total for all items, the Executive Director / Finance Manager will supply a request for transfer of funds to the Finance Committee at the next regularly scheduled Committee meeting. An estimate will be given to the Committee of the amount of the overrun, and a plan to lessen the effect of the over-expenditure on the finances of the District. If the amount represents 10% (ten percent) or more of the budget in the major expense category, action by the full District Board is required.
- If an emergency procurement causes expenditures to exceed the appropriations in total for all items, the Executive Director / Finance Manager will report the situation to the Finance Committee at the next regularly scheduled Committee meeting with their recommendation for resolution. The amount of the overrun and a plan to lessen the effect of the over-expenditure on the finances of the District shall be provided. If the amount represents 10% (ten percent) or more of

the budget in the major expense category, action by the full District Board will be requested.

ASSET – LIABILITY MATCHING FUND

Background

Pursuant to 1995 Wisconsin Act 56, and specifically Wis. Stat. §229.685 (2) and §229.76, before making a certification to the Wisconsin Department of Revenue as a precursor for retiring the Stadium Tax, the District must not only retire all bonds issued for the initial construction of baseball park facilities and all bonds issued to fund or refund those bonds, it must also ensure that it has funded a fund for maintenance costs and capital improvements sufficient to meet any maintenance or capital improvement obligations and must make adequate provision for the performance of its contracts.

Policy

The District shall maintain a segregated investment account that contains securities guaranteed as to principal and interest by the United States Government or its agencies. The securities purchased and held in this investment account shall be matched to and committed for the purpose of payment of the following specific future contractual District liabilities: 1) Segregated Reserve Fund (SRF) Deposits 2) Annual Maintenance and Repair Contributions (AMRC) 3) Miller Park property insurance premiums 4) District Operations, Management and Administration. The assets held within this account must be used for its committed contractual liability. The assets held within this account are automatically released from this fund to the Operations Fund upon maturity.

Procedure

- The Chairperson, Treasurer and/or Finance Committee Chairperson, acting alone or together, shall determine the timing and amount of securities to purchase and hold in the Asset – Liability Matching Fund.
- The Finance Manager shall work with the District’s Investment Manager to purchase the authorized securities.
- The Executive Director / Finance Manager and the District’s Investment Manager will provide the Finance Committee with reports on the status of the Asset – Liability Matching Fund.
- When the security for a specific contractual liability matures it will be automatically released from the Asset – Liability Matching Fund and transferred to the District’s Operations Fund for payment of the liability.

STABILIZATION FUND

Background

Pursuant to 1995 Wisconsin Act 56, and specifically Wis. Stat. §229.685 (2) and §229.76, before making a certification to the Wisconsin Department of Revenue as a precursor for retiring the Stadium Tax, the District must not only retire all bonds issued for the initial construction of baseball park facilities and all bonds issued to fund or

refund those bonds, it must also ensure that it has funded a fund for maintenance costs and capital improvements sufficient to meet any maintenance or capital improvement obligations and must make adequate provision for the performance of its contracts.

Policy

The District shall maintain a segregated investment account that contains securities authorized under the District's current Investment Policy. Securities purchased and held in this investment account shall be at least ten percent (10%) of the total estimated future contractual liability amount periodically purchased for the Asset – Liability Matching Fund.

The purpose of the fund shall be to help ensure the District has sufficient funds to meet its future contractual obligations. The Stabilization Fund shall be a committed fund and only be used for the following purpose: to pay any difference between the estimated and actual contractual liability in any given year of the 1) Segregated Reserve Fund (SRF) Deposit 2) Annual Maintenance and Repair Contribution (AMRC) 3) Miller Park property insurance premium, and 4) District Operations, Management and Administration amount as held in the Asset – Liability Matching Fund.

Procedure

- The Chairperson, Treasurer and/or Finance Committee Chairperson, acting alone or together, shall determine the timing and amount of securities to purchase and hold in the Stabilization Fund.
- The Finance Manager shall work with the District's Investment Manager to purchase the authorized securities.
- The Executive Director / Finance Manager and the District's Investment Manager will provide the Finance Committee with reports on the status of the Stabilization Fund.
- The Chairperson, Treasurer and/or Finance Committee Chairperson, acting alone or together, shall authorize the withdrawal of funds from the Stabilization Fund to the Operations Fund when required as based on this policy's stated purpose of the fund.

PROCUREMENT

Background

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.68 (4)(d)), the District may "Enter into contracts, subject to such standards as may be established by the district board. The district board may award any such contract for any combination or division of work it designates and may consider any factors in awarding a contract, including price, time for completion of work, and qualifications and past performance of a contractor."

Policy

All District procurements of goods and services shall be obtained within the adopted budget amount.

District Funds

As part of the District's General Fund, the District maintains and tracks two funds used for the payment of District obligations, the Operations Fund and the Segregated Reserve Fund.

Operations Fund

The Operations Fund is used for payment of District Operations, Management and Administration, Debt Service, and Annual Maintenance, Repairs and Improvements. Operations Fund Revenues consist of Sales Tax, Investment Income, Milwaukee Brewers Baseball Club (MBBC) Rent, Milwaukee Brewers License Plate Sales, and Other Miscellaneous Receipts.

Segregated Reserve Fund

The Segregated Reserve Fund (SRF) is used for the payment of SRF expenditures and shall be maintained in accordance with the current Lease Agreement by and between the District and the Milwaukee Brewers Baseball Club.

Procedure

Before making a procurement, the Executive Director / Finance Manager will ensure authority for such purchase exists either (a) by virtue of the annual budget appropriation, or (b) by virtue of specific Board or designated Committee action where the item or service to be procured has not been contemplated and provided for in the annual budget.

District Operating Expenses

District operating expenses primarily consist of utilities, office and computer equipment and maintenance, postage, office supplies, and other such items as necessary for the efficient operation of the District's office. Where applicable, such purchases shall be reviewed from time to time by the District. Authority for such purchases within the budgeted amounts shall reside with the Executive Director / Finance Manager.

Professional Service Contracts

Professional service contracts are those contracts which require the services of an outside, independent, professional consultant or contractor. Professional services contracts shall be awarded on a qualification based selection process. On-going service contracts (accounting, auditing, engineering, legal, public communications, etc.) may be extended by dollars and time frames specifically defined when feasible and appropriate. On-going service contracts may be subject to a periodic professional service provider review process as directed and approved from time to time by the District Board or its designated Committee. Authority for the engagement of such services within the budgeted amounts shall reside with the Executive Director / Finance Manager.

Construction Contracts

Construction contracts are those contracts which are directly related to the design or construction of Segregated Reserve Fund (SRF) projects.

The District shall seek competitive proposals for all construction contracts estimated to cost more than \$50,000. The competitive proposal process, including, when appropriate, a formal Request for Proposals (RFP) process, may be waived by the Operations Committee. Circumstances that may warrant the District's waiver of the competitive proposal process include:

1. The requirement for a unique or unusual level or type of expertise, not readily available within an industry
2. The need for historical knowledge or familiarity with a specific issue or circumstance within the Miller Park complex
3. The requirement of an unusual urgency for specific construction services making the competitive proposal process impractical from a scheduling perspective

Authority for the execution of such construction contracts within the budgeted amounts and consistent with the above guidelines shall reside with the Executive Director / Finance Manager.

Emergency Purchases or Procurements

Emergency purchases or procurements are those requests for goods or services which, due to time constraints, do not permit the use of normal requisition procedures. An emergency exists when a breakdown in equipment, withdrawal of a contractor or other unforeseen circumstances cause dangerous conditions to develop, or to maintain the integrity of the facility and/or cost effective operations. The Executive Director has authority to enter into such purchases or procurements within adopted budgeted amounts. If the emergency purchase or procurement exceeds the adopted budget, appropriations procedures will be followed.

No Personal Purchases

No personal purchases shall be allowed on any District established procurement accounts.

PAYMENT PROCESSING

The following outlines the procedure for proper payment processing related to the District's operations.

1. Invoices are received and logged in at the District's office.
2. The Finance Manager attaches expenditure authority information (purchase order amount, invoices paid against purchase order, and remaining expenditure authority) to the invoice. The invoice is routed to the appropriate Project Manager for review.
3. The Project Manager reviews the invoice and does the following.
 - Verifies project progress

- Verifies work identified in the pay request was completed as required and within the terms of the purchase order or contract
 - Verifies that the anticipated targeted firm participation for the purchase is being achieved
 - Identifies and receives from the vendor any documents required as a condition of payment (e.g., Targeted Firm Participation Form, lien waiver, O&M manual, warranty, etc.)
4. When all required documentation has been received and the verification process has been completed, the Project Manager will initial the invoice and return it to the Finance Manager.
 5. The Finance Manager will prepare the invoice for processing. The Finance Manager checks for the following.
 - Expenditure authority exists
 - The project manager has recommended payment
 - The invoice conforms to the terms of the contract or purchase order
 - The invoice conforms to the District's Guidelines Governing Professional Service Providers
 6. When the review is complete, the Finance Manager will initial the invoice.
 7. Once the Project Manager and Finance Manager have recommended an invoice for payment, a voucher is prepared.
 8. A list of vouchers to be paid and copies of all vouchers are provided to Finance Committee members for review and to the District's Accounting Firm, who will enter expenditure information into the District's accounting system and prepare checks for distribution.
 9. The Finance Committee will approve all vouchers to be paid through a normally scheduled Finance Committee meeting or per Finance Committee Resolution FC-09-01.
 10. The Finance Manager ensures adequate funds exist within the District's Operations and SRF checking accounts. If necessary, a fund transfer is made to the District's checking account to cover the corresponding expenditures.
 11. The Finance Manager provides the following information to the District's Accounting Firm:
 - Individual vouchers and a summary list of all vouchers approved for payment by the Finance Committee;

- Fund transfer(s)
12. The District's Accounting Firm sends checks for the approved vouchers to the District. Checks may only be signed by designated officers of the District as the appropriate District representatives on record at the bank. The Finance Manager retains a copy of each check for inclusion in the voucher packet and mails the checks.

For efficiency, and to take advantage of early payment credits or to avoid late payment fees, if contracts are properly executed and annual budgets are not exceeded, the Executive Director / Finance Manager are authorized to make payments to service providers or suppliers up to the contracted / budgeted amount prior to approval by the Finance Committee. Any such payments will be included in the next normally scheduled Finance Committee meeting or approved per Finance Committee Resolution FC-09-01.

RECONCILIATION AND REPORTING

Background

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), "A district shall maintain an accounting system in accordance with generally accepted accounting principles..."

Policy

The District shall maintain an accounting system in accordance with generally accepted accounting principles (GAAP).

The following outlines the procedure for financial reconciliation and reporting.

- Bank statements of all District bank accounts and accounts held by trustees are provided to District's Accounting Firm directly from the corresponding banks and trustees. The District's Accounting Firm will reconcile the accounts. Bank statements and trustee statements are reviewed by the Finance Manager for deposit and withdrawal accuracy.
- By the 20th of each month, the District's Accounting Firm will prepare for the previous month the "Month-end Closing" which will include the review of general ledger coding for all vouchers approved by the Finance Committee and review of bank reconciliations. Upon completion, a Treasurer's Report will be sent to the District Finance Manager.
- The Finance Manager will prepare a monthly report that includes the following:
 - Operating and SRF budgets compared to actual expenditures
 - Budgeted sales tax amounts compared to actual receipts
 - Treasurer's Report for the prior month ended

AUDIT

Background

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), “A district shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant.”

Policy

The District shall have its financial statements and debt covenants audited annually by an independent certified public accountant.

Procedure

The District’s Finance Committee is authorized to monitor and administer all financial aspects of the District’s operations and expenditures. To this end, the Finance Committee shall annually present the District’s independently audited financial statements to the Board of Directors for its acceptance.

LICENSE PLATE REVENUE

Background

Pursuant to Wis. Stat. 77.705, “Any moneys received under s. 341.14(6r)(b)13.b. and credited to the appropriation account under s. 20.835(4)(gb) shall be used exclusively to retire the district’s debt.”

Policy

Any moneys received from the State of Wisconsin related to the issuance of special Milwaukee Brewers license plates shall be used exclusively to retire the District’s debt.

Procedure

The Finance Manager and the District’s Accounting Firm will track revenue received from the State of Wisconsin for the sale of special license plates. Revenue received from special license plate sales will be used exclusively to retire the District’s debt.

FEE FOR ADMINISTRATION OF DISTRICT SALES TAX

Background

Pursuant to Wis. Stat. 77.705, “Any moneys transferred from the appropriations account under s. 20.566(1)(gd) to the appropriation account under s. 20.835(4)(gb) shall be used exclusively to retire the district’s debt.”

Policy

Any excess administration fees returned to the District from the State of Wisconsin will be used exclusively to retire the District's debt.

Procedure

The Finance Manager and the District's Accounting Firm will track revenue from the return of excess administration fees. Revenue from the return of excess administration fees will be used exclusively to retire the District's debt.

TRAVEL AND RELATED EXPENSE REIMBURSEMENT

Background

Pursuant to Wis. Stat. 19.59(1)(g):

- No district board member may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with this paragraph.
- A district board member may receive and retain reimbursement or payment of actual and reasonable expenses for a published work or for the presentation of a talk or participation in a meeting related to processes, proposals and issues affecting a district if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.
- A district board member may receive and retain from the district or on behalf of the district transportation, lodging, meals, food or beverage, or reimbursement therefor or payment or reimbursement of actual and reasonable costs that the member can show by clear and convincing evidence were incurred or received on behalf of the district and primarily for the benefit of the district and not primarily for the private benefit of the member or any other person.

Policy

District Board members shall only accept or retain transportation, lodging, meals, food or beverage or reimbursement of in accordance with the provisions of 1995 Wisconsin Act 56.

A District Board member may receive and retain reimbursement for payment of actual and reasonable expenses for a published work or for the presentation of a talk or participation in a meeting related to processes, proposals and issues affecting the District if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.

A District Board member may receive and retain from the District or on behalf of the District, transportation, lodging, meals, food or beverage, or reimbursement or payment of actual and reasonable costs that the member can show by clear and convincing evidence were received on behalf of the District and primarily for the benefit of the District and not primarily for the benefit of the Board member or any other person.

Procedure

The following paragraphs detail the guidelines and procedures for reimbursement of Board and District Contract Employee travel and related expenses incurred in relation to District business. All requests for reimbursement shall be accompanied by a signed expense report. Travel expense reimbursement must be pre-approved by the Chairperson of the District Board and/or the Executive Director.

Vehicle Expenses

Mileage expenses shall be reimbursed for the use of personal vehicles for all travel at the maximum rate per mile currently allowed under Federal law. Miles traveled shall be recorded on a District expense report and include the location traveling from, to, and return point.

Other travel expenses for public transportation and/or rental cars shall be reimbursed for District Board members and District Contract Employees. The appropriate receipts shall be attached to the expense report. District board members and District Contract Employees shall limit travel expenses to best available rates.

Overnight Lodging

The District shall reimburse District Board members and District Contract Employees for all necessary expenses incurred in staying overnight on District business. Requests for reimbursement shall include a receipt and a written description of the business purpose of the trip. Any overnight lodging expenses shall be limited to best available rates.

Meal Reimbursement

Meal expenses shall be reimbursed for District Board members and District Contract Employees and guests (where appropriate) as a result of District business. Receipts substantiating claimed expenses shall be attached to the expense report. Requests for reimbursement for business meals shall include a written description of the attendees. All requests for reimbursement shall be accompanied by receipts.

Miscellaneous Reimbursements

All other reimbursements (tips, taxi, parking fees, telephone charges, etc.) will be reimbursed without receipts as part of a signed District expense report.

Reimbursement For Office Expenses

Reimbursement shall be made for reasonable office expenses that are incurred in connection with District business.

Expense Reimbursement Payment

For reimbursement of Vehicle, Overnight Lodging, Meal, Miscellaneous or Office Expenses, District Board members and District Contract Employees shall submit a District expense report and receipts to the Finance Manager. The Finance Manager shall determine the reasonableness of all requests for reimbursement and submit such requests for approval by the Executive Director. Upon review and approval by the Executive

Director, reimbursement of such expenses will conform to the Payment Processing provisions outlined in this policy.

CASH RECEIPTS

Policy

The District shall provide for the safe handling of cash received at its office.

Procedure

1. Cash and checks received at the District office are received by the Finance Manager who records all receipts in the District's pre-numbered cash receipts book.
2. Cash or checks are deposited into the District's account by the Finance Manager.
3. The District's Accounting Firm prepares the entry to record cash receipts and transfers in the general ledger from the information detailed in the cash receipts book.
4. The District's Accounting Firm reconciles all District bank accounts monthly.