

## Legislation Text

---

File #: 15-8575, Version: 1

---

### Updated Rules for Pre-audit of Electronic Payments

#### **Action:**

- A. Adopt a resolution authorizing the City of Charlotte to engage in electronic payments as defined by G.S. 159-28,**
- B. Authorize the Finance Officer to adopt a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03 .0409, and**
- C. Authorize the Finance Officer to adopt a written policy outlining procedures for disbursing public funds by electronic transaction as required by NC Administrative Code 20 NCAC 03 .0410.**

#### **Staff Resource(s):**

Randy Harrington, Management and Financial Services  
Teresa Smith, Management and Financial Services

#### **Explanation**

- GS 159-28 was modified in 2015 by the NC legislature to allow the Local Government Commission (LGC) to adopt rules to address the execution of the pre-audit and disbursement process related to electronic payments for local government units.
- The LGC issued new regulations to municipalities in March 2018 to address the revised legislation.
- A pre-audit is a stamp indicating budgeted funds are available which is applied to purchase orders, contracts, and checks. These new rules were necessary since an electronic payment has no physical form and cannot be stamped.
- In order for the City to be exempt from affixing the pre-audit and disbursement certificate requirements on electronic payments:
  - Council must adopt a resolution authorizing electronic payments,
  - Council may delegate authority to develop policies and procedures for electronic payments to the Finance Officer,
  - Policies and procedures for electronic payments must be developed, and
  - Quarterly reporting of budget to actuals must be made to the Council.

#### **Attachment(s)**

Resolution