



ORDINANCE

AMENDING THE WARRANT PROCESS TO MAXIMIZE EFFICIENCIES UNDER THE ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM

CITY OF NASHUA

In the Year Two Thousand and Eleven

The City of Nashua ordains that Part I "Administrative Legislation", Chapter 5 "Administration of Government", Part 7 "Taxation and Finances", of the Nashua Revised Ordinances, as amended, be hereby further amended as follows:

1. In Article XXIV "Finance Committee", Section 5-122 "Composition; duties", subsection B, delete the struck-through language and add the new underlined language as follows:

"§ 5-122. Composition; duties.

...

- B. ...The Committee shall supervise the finances and accounts of the City. The Committee shall carefully examine and audit all accounts and demands properly laid before it to determine that they were charged to appropriate funds and accounts and ~~shall allow and approve such accounts and demands if they are found to be correct or due.~~

2. In Article XXVI "Accounts and Warrants", delete the struck-through language and add the new underlined language as follows:

"§ 5-128. Certification of accounts or claims.

No accounts or claims against the City shall be examined or audited ~~received or acted upon~~ by the Finance Committee unless such accounts or claims are accompanied by a certification that the same is correct. The Chief Financial Officer shall preaudit all accounts and claims against the City and prepare the certification which shall be signed by the Mayor and the Chief Financial Officer."

“§ 5-129. Record of accounts or claims allowed.

The Chief Financial Officer shall keep a record of expenditures, in which he or she shall enter:

- A. The ~~date and amount~~ and date paid of every account or claim to be examined and audited allowed by the Finance Committee.
- B. The name of the person to whom the account or claim is was allowed.
- C. The fund or appropriation from which the account or claim ~~is to be~~ was allowed.
- D. The certificate of the Finance Committee examination and audit ~~allowing of~~ the account or claim.”

“§ 5-131. ~~Warrants on~~ Payments from City treasury.

- A. Money shall be drawn out of the City treasury only after the proper approvals are received according to financial operating procedures as determined by the Chief Financial Officer. ~~upon written warrant of~~ A record of expenditures from the Mayor, addressed to the Treasurer, countersigned by the Chief Financial Officer shall be submitted to the Finance Committee prior to their examination and audit and numbered so as to correspond with the number on the account or claim it shall be drawn to pay.
- B. ~~Except as provided in Subsection C of this section, the Mayor may draw warrants on the treasury only for payments of accounts and claims allowed and certified by the Finance Committee. He~~ The Mayor shall not draw any warrant in payment for any service rendered or any material furnished for any department beyond the sum appropriated therefore by the Board of Aldermen.
- C. ~~The Mayor may draw warrants on the treasury without the approval of the Finance Committee:~~
 - (1) ~~For payment of the stated annual salaries of the City officers and employees;~~
 - (2) ~~For payment of any sum of money which has been specifically appropriated for the payment of principal or interest due on any note or other security of the City;~~
 - (3) ~~Whenever it shall in his opinion be necessary to pay money in advance on contracts made, or for work begun but not completed, in which case he may draw a sum not exceeding \$1,000 at any one time;~~

~~(4) — For payment of taxes and other periodic payments required by law or contract to be paid by definite deadlines, including social security taxes, withholding taxes, pension plan contributions, health and life insurance premiums, workers' compensation indemnity and similar payments;~~

~~(5) — For payment of court judgments.~~

~~D. — Whenever any money has been drawn from the treasury for a purpose specified in Subsection C of this section, the Chief Financial Officer shall report the same, and the amount thereof, to the Finance Committee at its next meeting, and shall charge the same under the appropriate head of expenditures.”~~

All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

This ordinance shall become effective upon passage.

LEGISLATIVE YEAR 2011

ORDINANCE:

O-11-85

PURPOSE:

Amending the warrant process to maximize efficiencies under the enterprise resource planning (ERP) system

ENDORSERS:

Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

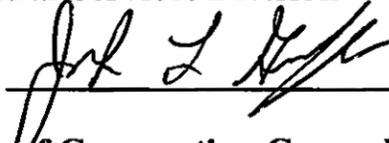
This ordinance change will allow the City to maximize the efficiencies that will be possible through the use of the enterprise resource planning (ERP) system. Such efficiencies include, but are not limited to, being able to take discounts per the specific payment terms associated with each particular vendor, managing cash flow by not paying any amounts either early or late, and allowing the payments to be processed using the full capabilities of the system thus avoiding additional manual intervention.

ANALYSIS

This legislation amends the warrant process in order to take full advantage of the functionalities of the new enterprise resource planning (ERP) system. Charter § 50 provides that the finances and accounts of the city shall be under the supervision of a finance committee. Currently, the ordinances call for a twice-a-month warrant process, whereby the finance committee allows certain payments to be made by the city. There are a significant number of payments that can be and are made prior to that approval of the warrant, payroll being a primary example. However, there are still issues with holding checks to coincide with the twice-a-month warrant process. The ERP system will enable payment terms to be entered into the system and allow payments to be made on an ongoing basis when due. This legislation amends the city's payment process to enable that to happen. Twice-a-month, the finance committee would examine and audit a record of expenditures to determine that payments were charged to appropriate funds and accounts.

**Approved as to account
structure, numbers,
and amount:**

Financial Services Division

By: 

Approved as to form:

Office of Corporation Counsel

By: 

Date: Sept 8, 2011

