

**RESOLUTION ADOPTING A POLICY ON REIMBURSEABLE COSTS
IN CITY CONTRACTS**

WHEREAS, SDCL 9-21-10 requires that no contract shall be made by the governing body of any municipality unless an appropriation shall have been previously made concerning such expense; and

WHEREAS, reimbursable expenses are a normal cost included in many contracts entered into by the City of Rapid City; and

WHEREAS, the exact amount of reimbursable expenses are not ascertainable at the time contracts are approved by the Common Council; and

WHEREAS, the City of Rapid City deems it to be in the City's best interest to draft a policy regarding reimbursable expenses in City contracts that complies with state law.

NOW THEREFORE, BE IT RESOLVED by the City of Rapid City that, it is the policy of the Common Council that at any time a contract containing a clause that includes reimbursable expenses is being approved, the following procedure be used:

1. That the person or entity who will be receiving the reimbursable expenses estimate what they anticipate the total amount of reimbursable expenses will be at the conclusion of the contract.
2. That the estimate of the reimbursable expenses, along with all other funds to be allocated on the project, be submitted to the Common Council at the time the contract is approved.
3. That the request for reimbursable expenses be a separate line item in the contract and submitted to the Common Council in the form of "an amount not to exceed."
4. That the Common Council allocate all the funds necessary for the completion of the contract, including the amount that the reimbursable expenses are not to exceed.
5. That included in the contract is a clear statement of what services will be reimbursable and at what rate, or charge, they will be billed at.
6. That, upon completion of the work contemplated in the contract, the person or entity requesting reimbursable expenses provide an itemized bill to the City showing what they are requesting for reimbursable expenses per the rates established in the contract.
7. That the City approve only the actual expenses incurred per the itemized bill, but in no event more than the amount "not to exceed" previously approved by the

Council, unless the Council approves an amendment to the contract allocating more money for reimbursable expenses than was previously approved.

CITY OF RAPID CITY

Jim Shaw, Mayor

ATTEST:

Finance Officer