



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

Memo No. 4

TO: MEMBERS OF THE SPECIAL COMMITTEE ON DIFFERENCES IN LAWS
APPLICABLE TO CITIES AND VILLAGES

FROM: Ronald Sklansky, Senior Staff Attorney, and Don Dyke, Chief of Legal Services

RE: Claims Procedures

DATE: July 24, 2008

This Memo reviews the current statutory regulation of claims procedures for cities and villages. The Memo is intended to facilitate discussion by the Special Committee as to whether the committee should address differences in that regulation as applied to cities and villages.

CITIES

Section 62.12 (8), Stats., provides that all claims and demands against a city must be itemized and filed with the clerk, who delivers the claims and demands to the comptroller for examination. The comptroller must, within 30 days, examine each claim or demand and return them to the clerk with the comptroller's written report. The clerk then must place the report before the city's common council for action at its next meeting. The payment of regular wages or salary, under the budget and salary schedule adopted by the common council, may be by payroll, verified by the proper official, and filed in time for payment on the regular pay day.

Section 62.09 (10), Stats., provides that the city comptroller has specified duties, including the following:

1. Provide a monthly written report to the common council that describes the condition of outstanding contracts and city funds and describes the claims payable from the funds.
2. Provide, on or before October 1, to the city clerk a detailed statement of the receipts and disbursements on account of each fund.
3. Examine each claim presented against the city and determine whether it is in proper form and, if it is on contract, whether it is authorized and correct. If the comptroller finds no

objection, the comptroller must approve the claim. If the comptroller disapproves the claim in whole or in part, the comptroller must report the reasons for that disapproval to the common council.

[A city may dispense with the office of comptroller and provide that the comptroller's duties be performed by other officers or a board, the common council, or a committee of the common council. See s. 62.09 (1) (b), Stats.]

VILLAGES

Section 61.51 (1), Stats., provides that no account or demand against a village may be paid until it has been audited and allowed and an order for the account or demand has been drawn on the treasurer. The auditing will be conducted by the village manager or any other officer the village board designates. The village clerk allows or disallows a claim. The minutes of the proceedings of the board, or a statement attached to the minutes, must show to whom and for what purpose, and in what amount, each account or demand was allowed. Payment of regular wages or salaries may be by payroll, verified by the proper official, and filed in time for payment on the regular pay day.

ALTERNATE METHOD

Section 66.0609, Stats., provides that a village or city may by ordinance enact an alternate method of approving financial claims against the treasury, other than claims for damages under s. 893.80, Stats.* The ordinance must provide that payments may be made from the treasury after the comptroller or clerk of the city or village audits and approves each claim as a proper charge against the treasury and endorses his or her approval on the claim after having determined that all of the following conditions have been met:

1. That funds are available.
2. That the item or service covered by the claim has been appropriately authorized.
3. That the item or service has been supplied or rendered in conformity with the appropriate authorization.
4. That the claim is just and valid under law. The comptroller or clerk may require submission of proof to support the claim as the officer considers necessary.

Section 66.0609, Stats., also requires that the clerk or comptroller file with the governing body at least monthly, a list of the claims approved, showing the date paid, name of claimant, purpose, and amount. An annual detailed audit of the city or village transactions and account must be prepared by a certified public accountant.

The alternate method of approving claims is operative in a city or village only if the comptroller or clerk is covered by a fidelity bond of not less than \$5,000 in villages and fourth class cities, of not less than \$10,000 in third class cities, and of not less than \$20,000 in second class cities.

RS:DD:jal

* Section 893.80 applies to damage claims for both villages and cities. See ss. 61.51 (4) and 62.25 (1), Stats.