



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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April 2, 2026

Caes Linner, Chairperson
Village of Upland
PO Box 67
Upland, NE 68981

Dear Chairperson Mr. Linner:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Village of Upland (Village) for the fiscal year ending 2025. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (Supp. 2025), the preliminary examination necessary to determine whether the audit waiver should be allowed or further audit work would be required, the APA noted certain internal control or compliance matters, or other operational issues, within the Village.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comments and Recommendations

1. Personal Use of Village Debit Card

During our review of the Village's audit waiver request, it was brought to the APA's attention that, subsequent to the fiscal year end, the Village Clerk mistakenly utilized the Village's debit card to make personal Amazon purchases, totaling \$233.96, as detailed in the table below:

Date	Transaction Time	Payee	Amount	Total Paid	Date Reimbursed	Days Passed	Check #	Total Reimbursed
10/22/2025	4:45 p.m.	Amazon	\$ 6.84	\$ 106.30	11/11/2025	20	7120	\$ 106.30
10/26/2025	2:46 a.m.	Amazon	\$ 74.84					
10/29/2025	10:43 a.m.	Amazon	\$ 24.62					
11/11/2025	10:43 a.m.	Amazon	\$ 21.39	\$ 127.66	12/8/2025	27	7122	\$ 127.66
11/11/2025	8:52 p.m.	Amazon	\$ 80.60					
11/13/2025	2:27 p.m.	Amazon	\$ 25.67					
Total								\$ 233.96

The Village Clerk informed the APA that she used the municipal debit card to purchase an item for the Village through her personal Amazon account. Afterward, the Village Clerk forgot to remove the debit card as a payment option from her account. As a result, the Clerk later made other personal purchases on her account without realizing that she had used the Village's debit card to do so. Upon receiving the Village's October and November 2025 bank account statements and discovering what had occurred, the Village Clerk informed the Village Board of her mistake and repaid the full \$233.96 expended with the municipal card. That reimbursement was made in two installments – \$106.30 on November 11, 2025, and \$127.66 on December 8, 2025.

Prior thereto, the Board has approved the Village’s purchasing card policies through Resolution No. G5-2023 (“Establishing a Village Credit Card Policy For the Elected Officials and Employees of the Village”). That resolution provides the following, in relevant part:

SECTION 3. Authorized employees and Board members: The Board must authorize use of the Village credit card for intermittent use or continuing use for any appointed Village official or employee. If a Village credit card is used for personal use or a stated violation in the Prohibited Purchases section of this policy, the cost of such purchase(s) shall be the responsibility of the officials/employee who shall reimburse the Village for the full amount of the unauthorized charges. If payment is not received by the Village within ten (10) days, the unauthorized charge(s) shall be deducted from [sic.] the payroll. Charges and dismissal could result in the inappropriate use of said credit card.

* * * *

SECTION 5. Prohibited Purchases: The Village credit card may not be used for personal use or any combination of personal and Village use. The use of a Village credit card shall not be used for the purchase of alcohol. Anyone who make[s] an unauthorized purchase shall be liable for the amount of such purchase, plus any administrative fees charged by the bank or card issuer in connection with the misuse.

The misuse of the Village credit card may result in any or all of the following actions: written warning, revocation of the credit card privileges, termination, removal from the Board and/or criminal prosecution. The Village Board members will each have the authority to investigate and determine whether a violation has occurred and to determine the appropriate disciplinary action pursuant to applicable law and/or Village policy.

(Emphasis added.) Additionally, Neb. Rev. Stat. § 13-610(6) (Reissue 2022) states the following:

No officer or employee of a political subdivision shall use a political subdivision purchasing card for any unauthorized use as determined by the governing body.

Further, with the use of a debit card, the Village increases its risk of unrecoverable loss of funds due to fraud because debit cards do not provide as much fraud protection as a credit card or other purchasing cards. The Village also increases its risk of payments being made without Board approval because the debit card does not require dual signatures.

Good internal controls require procedures to ensure that Village funds are used only as provided by law.

Without such procedures, there is an increased risk for not only loss or misappropriation of public monies but also violation of State statute.

We recommend the Village review this situation and determine whether it would be beneficial to replace its debit card with a credit card. We further recommend the Village implement adequate controls over the municipal purchasing card to preclude any future disbursement of Village funds for personal, as opposed to public, purposes, regardless of whether such expenditures are subsequently reimbursed.

2. Lack of Policies

The APA noted that the Village lacked the following policies described in further detail below:

Use of Village Owned Equipment and Vehicles

The APA received allegations that Village employees were allegedly using Village-owned equipment and vehicles for personal use. However, the Village does not require its employees to maintain mileage logs nor has the Village implemented a formal policy that outlines the allowable and unallowable uses of such Village-owned equipment and vehicles.

It is important to note that Neb. Rev. Stat. § 49-14,101.01(2) (Reissue 2010) of the Nebraska Political Accountability and Disclosure Act (Act), which is set out at Neb. Rev. Stat. § 49-1401 (Cum. Supp. 2018) et seq., restricts the use of property under the “official care and control” of a public official or public employee, as follows:

A public official or public employee shall not use or authorize the use of personnel, resources, property, or funds under his or her official care and control other than in accordance with prescribed constitutional, statutory, and regulatory procedures or use such items, other than compensation provided by law, for personal financial gain.

Per subsection (7) of that same statute, “[A]ny person violating this section shall be guilty of a Class III misdemeanor” The prohibition in § 49-14,101.01(2) applies to all public property.

Utility Billing Procedures

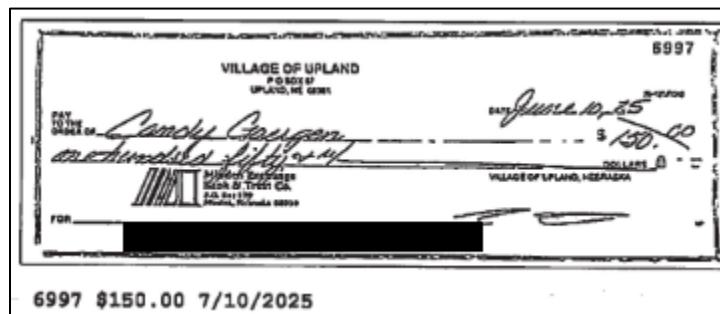
The APA was made aware that Village employees receive free water service to their property as a benefit of being an employee of the Village. However, the Village does not have a formal, written policy, resolution, or agreement that outlines such benefit of being a Village employee.

Without formal policies governing both 1) the allowable and unallowable use of all Village-owned equipment and vehicles, and 2) Village employee benefits, there is an increased risk that such vehicles and equipment will be used, contrary to State statute, for personal purposes, and of the possible loss, misuse, or theft of Village funds.

We recommend the Village implement formal, written policies that outline the following: 1) the allowable and unallowable use of all Village-owned equipment and vehicles; and 2) all Village employee benefits.

3. Lack of Dual Signatures

The APA obtained the bank statements for the Village’s accounts from its fiscal year 2025 audit waiver request. From these statements, the APA noted that three Village checks written during the examination period contained only one signature. An example of such checks is shown below.



State statute requires Village checks to be signed by both the Chairperson of the Board of Trustees (Board) and the Village Clerk. Specifically, Neb. Rev. Stat. § 17-711 (Reissue 2022) provides the following:

All warrants drawn upon the city treasurer of a city of the second class or village treasurer must be signed by the mayor or chairperson of the village board of trustees and countersigned by the city clerk or village clerk, stating the particular fund to which the same is chargeable, the person to whom payable, and for what particular object. No money shall be otherwise paid than upon such warrants so drawn. Each warrant shall specify the amount included in the adopted budget statement for such fund upon which it is drawn and the amount already expended of such funds.

(Emphasis added.) Good internal control and sound accounting practices require procedures to ensure that Village checks contain the statutorily required endorsements.

Without such procedures, there is an increased risk for not only failure to comply with State statute but also loss and/or misuse of Village funds.

We recommend the Board implement procedures to require dual signatures, from the Board Chairperson and the Village Clerk, on all Village checks, as required by law.

4. Lack of Claim Purpose

During our comparison of the Village’s bank account details to claims approved by the Board, the APA reviewed meeting minutes dated May 13, 2025, and noted that the following three claims listed therein lacked descriptions of their respective purposes.

Claim Date	Name/Vendor	Amount
5/13/2025	Southern Public	\$ 26.29
5/13/2025	Franklin Co Treasurer	100.00
5/13/2025	Franklin Co Chronicle	112.19
Total		\$ 238.48

Neb. Rev. Stat. § 84-1413(1) (Reissue 2024) of the Open Meetings Act (Act), which is set out at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2024, Supp. 2025), requires political subdivisions and other public entities to “keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.” (Emphasis added.)

Additionally, Neb. Rev. Stat. § 19-1102 (Reissue 2022) requires publication of the Board’s official proceedings, which must include, among other things, the purpose of each claim allowed, as follows:

It shall be the duty of each city clerk or village clerk in every city or village having a population of not more than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census to prepare and publish the official proceedings of the city council or village board of trustees within thirty days after any meeting of the city council or village board of trustees. The publication shall be in a legal newspaper in or of general circulation in the city or village, shall set forth a statement of the proceedings of the meeting, and shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item. Between July 15 and August 15 of each year, the employee job titles and the current annual, monthly, or hourly salaries corresponding to such job titles shall be published. Each job title published shall be descriptive and indicative of the duties and functions of the position. The charge for the publication shall not exceed the rates provided for in section 23-122.

(Emphasis added.) Good internal control and sound accounting practices require procedures to ensure that the Board’s meeting minutes describe the purpose of each claim allowed.

Without such procedures, there is an increased risk of not only failure to comply with statutory requirements pertaining to the keeping of proper meeting minutes and the publication of the municipality’s “official proceedings” but also a lack of transparency regarding the nature of public expenditures.

We recommend the Board implement procedures to ensure the purpose of each claim allowed is included in both the Board’s meeting minutes and the “official proceedings” required to be published afterwards.

5. Payment of Unapproved Claims

During our comparison of the Village’s bank account details to claims approved by the Board, the APA identified two debit card payments, totaling \$469.88, which were paid but not included on the claims listing to be approved by the Board.

Details of the unapproved payments are included in the table below:

Date	Type	Name/Vendor	Amount
5/15/2025	Debit Card	Clover	\$ 63.48
5/28/2025	Debit Card	Amazon	406.40
Total			\$ 469.88

Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024) sets out the proper method for the appropriation or payment of money by the Village, as follows:

All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all elected members of the city council in a city of the second class or village board of trustees.

(Emphasis added.) Good internal control requires procedures to ensure that all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

6. Payment of Claims Prior to Board Approval

During our comparison of the Village’s bank account details to claims approved by the Board, the APA noted that three payments, totaling \$1,261.73, were issued before the underlying claims were approved by the Board.

The table below provides a summary of the premature payments:

Type	Name/Vendor	Amount	Approval Date	Check Date	Days Paid Before Approval
Debit Card	League of Municipalities	\$ 438.00	5/13/2025	5/5/2025	8
ACH	John Deere Fin	726.10	5/13/2025	5/7/2025	6
Check	Hi-Line Motors	97.63	5/13/2025	4/22/2025	21
Total		\$ 1,261.73			

Neb. Rev. Stat. § 17-614(1)(a) (Cum. Supp. 2024) sets out the proper method for the appropriation or payment of money by the Village, as follows:

All ordinances and resolutions or orders for the appropriation or payment of money shall require for their passage or adoption the concurrence of a majority of all elected members of the city council in a city of the second class or village board of trustees.

(Emphasis added.) Good internal control requires procedures to ensure that all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Village funds.

We recommend the Board implement procedures to ensure all claims are authorized by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Village's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to offer comments and suggestions that we hope will prove useful to the Village.

This communication is intended solely for the information and use of the Village and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions, please contact **Dakota Christensen at 402-499-8702 or dakota.christensen@nebraska.gov**.

Sincerely,

A handwritten signature in black ink that reads "Mark Avery". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor