

## Money Handling Procedures

### Town Clerk's Office

The purpose of the following list of financial processes is to identify the money controls used by the Town to ensure that no one individual or related individuals have control over several areas of Town finances and that no opportunity is presented in which fraud can easily occur.

#### Receiving Taxes:

When tax monies are received at the Town Clerk's Office the Town Treasurer or the Assistant Treasurer posts them to an Excel spread sheet, enters them into the register, attaches the register receipt to the cumulative check receipt document, endorses the checks via a stamp that states - *Town of Hardwick for deposit only*, and place the funds in a locked box in the records vault. The Treasurer and the Assistant Treasurer are the only Town Staff that know the vault combinations.

#### Depositing Taxes:

At least once a week, the Town Clerk's office will deposit the reconciled cash from the register. At that time, the Excel sheet, the register, the NEMRC program and the funds must all balance. Then the Clerk's Office will do a deposit ticket to the Union Bank and record the transaction in the Cash Receipts Journal.

#### Receiving Water & Sewer:

When Water & Sewer monies are received the Town Treasurer or the Assistant Treasurer, will post them to an Excel spread sheet, post them to the NEMRC program, enter them into the register, attach the register receipt to the deposit ticket, stamp the ticket - *Town of Hardwick for deposit only*, and place them in a locked box in the vault.

#### Depositing Water & Sewer:

At least twice a month (on the 15<sup>th</sup> and the 30<sup>th</sup>), the Town Clerk's Office reconciles the Town cash register for the water and sewer funds. At that time, the Excel sheet, the register, the NEMRC program and the funds must balance. The Town Treasurer reconciles the register and the Assistant Treasurer reconciles the register against the receipts journal. After the reconciliation, the Town Clerk's office will draft a deposit ticket and record the transaction in the Cash Receipts Journal.

#### Receiving Recording Fees:

When recording fees are received, the Town Treasurer or the Assistant Treasurer posts them in the recording day log, then to an Excel spreadsheet. Next the fee amounts are entered into the register, with the attached register receipts, they are stamped - *Town of Hardwick for deposit only* and placed into a locked box in the vault until they are deposited.

### Depositing Recording Fees:

At least once a week, the Town Treasurer or the Assistant Town Treasurer will reconcile the register. At that time, the Excel spreadsheet, the register and the funds must balance. The work is split between the Town Treasurer and the Assistant Town Treasurer. Once the reconciliation is complete, the Town Clerk's office will draft a deposit ticket and record the transaction in the Cash Receipts Journal.

### Receiving Misc. Monies:

When Misc. funds are received either the Town Treasurer or the Assistant Town Treasurer will post them to the special green Cash Receipts - Journal sheets, enter them into the register, stamp them *Town of Hardwick for deposit only* and place them in a lock box in the vault for future deposit.

### Depositing Misc. Monies:

When there is a reconciliation of the cash register, the resulting monies are handled as a separate deposit. The Town Treasurer will add up the miscellaneous funds in the Cash Receipts Journal including the checks. The Assistant Town Treasurer will perform the second check back to the register. If all three balance the money is deposited to the back as miscellaneous funds.

### Receiving Licenses & Fees/Copier Fees:

These are monies that the Town Clerk's Office collects on a daily basis for the copying of land records, issuance of birth certificates, or for other paper work for attorney's or residents. This work effort including title searchers using Town records or for time the Clerk's office spends finding information and/or transferring information. When these funds are collected, the Town Treasurer or the Assistant Treasurer will enter them into the register and place them in the register drawer. The Town Treasurer and the Assistant Town Treasurer move the register drawer into the vault every night. The register is kept locked during the day when not in use.

### Depositing Licenses & Fees/Copier Fees:

When there is a reconciliation performed on the register, the resulting figures are entered into an Excel spreadsheet that is used to log the money taken from the register. The Town Treasurer or Assistant Town Treasurer will balance the register tape for licenses and fees and for copying fees - to the receipts that are in the register and to the cash and checks in the register. All these have to balance to each other. The Town Treasurer will reconcile the register and the Assistant Town Treasurer will balance the reconciliation to the receipts, cash, checks and to the spreadsheet.

### Receiving Dog Licenses:

When a person registers their dog with the Town, either the Town Treasure or the Assistant Town Treasure will take the fees, post them to the NEMRC program, post them to an Excel spreadsheet and place them in a locked box in the vault for later deposit.

### Depositing Dog Licenses:

For every 25 dog licenses that are issued, the Clerk's office will initiate a deposit. Either the Town Treasurer or the Assistant Town Treasurer will run the spreadsheet, the NEMRC animal fees payment report and then balance both reports to the money on hand. The numbers are checked by the Town Treasurer and if they balance, a deposit ticket is drafted and the deposit is posted to the Cash Receipts Journal.

### **Town Manager's Office**

#### Depositing Delinquent Property Taxes:

When monies are received at the Town Manager's office, either the Office Manager or the Executive Assistant will collect the funds and provide the customer with a receipt. A three receipt system is used by State Mandate. One copy goes to the taxpayer, one stays with the Office Manager and one is given to the Town Treasurers' office. When tax money is taken in, the Office Manager prepares a breakdown sheet with the account name, parcel id #, the tax, the penalty, and the interest for the payment. The breakdown sheet and money are brought to the Town Treasurer's office and run as a separate deposit from other funds. The funds received are posted to the Cash Receipts Journal and deposited on the day they received by the Town Treasurer or the Assistant Town Treasurer.

#### Over Weight Permits:

Overweight Permits are issued at the Town Manager's office by the Office Manager. The Office Manager collects either \$5.00 (single truck) or \$10.00 (Fleet) from the customer and issues the overweight permit. The permittee is given a receipt for the funds. The funds are brought to the Treasurer's office and posted to the Cash Receipts Journal and deposited with the miscellaneous funds deposit by the Town Clerk's office as outlined above.

#### Cash Receipt Journals:

Every time the Town Treasurer performs a reconciliation on the Town cash register, the Treasurer or the Assistant Treasurer will add up the Cash Receipts Journal and deliver it to the Executive Assistant so the funds can be posted to the NEMRC General Ledger Program. The Cash Receipts Journal is also used when the bank statements are balanced monthly.

#### Deposit & Checking Accounts:

The Town Treasurer and Assistant Town Treasurer are the only people who have access and signing power for the deposit and checking accounts. The Town Clerk's office has the authority to review accounts and to perform electronic transfers for all Town of Hardwick accounts. Any transfers are tracked by the Town Executive Assistant on a monthly basis.

There are 8 accounts at the Union Bank – Drug Seizure Account, General Fund Capital, Loan – Economic Development Fund, General Checking, General Operating Money Market Fund, Jag Fund, VCDP Fund, and the Cemetery Fund.

There are 3 Cemetery Accounts at the Merchants Bank.

All Town deposits are made to the General Money Market fund.

All bills are paid from the General Operating Checking Account.

When bills are paid and payroll is completed, the funds to cover those checks are transferred electronically from the Money Market Account at the Union Bank to the Union Bank Checking account. The transfer request is initiated by the Town Treasurer or the Asst. Town Treasurer.

#### Checks:

All of the checks for payroll and bills are kept in the locked cabinet in the Town Manager's Office. Access is limited to the Town's Office Manager and the Executive Assistant.

#### Payroll:

Every Wednesday Town departments submit time sheets to the Office Manager to be paid. The Office Manager processes the time sheets with the NEMRC payroll program and brings the checks to the Town Treasurer or Assistant Town Treasurer for a signature. The Office Manager also brings the sheets for those employees who received electronic payroll for the Town Treasurer or Assistant. Town Treasurer to review. All time sheets are reviewed by the Department Head and then by the Town Manager before being finalized by the Office Manager. Payroll checks are written and the warrants are signed by the Town Manager and a Select Board member.

#### Paying Bills:

Town bills are paid out of the Town Manager's office on a biweekly basis. The Executive Assistant collects all invoices for payment from the various Town department heads. Invoices are to be initialed by the department head and account #'s for payment are to be attached. Once the Executive Assistant has posted them to the NEMRC General Ledger program and run the checks, the Town Treasurer receives the invoices and the checks. The Town Treasurer reviews the invoices to be sure the checks and invoices match and if everything matches, the Town Treasurer or Assistant Town Treasurer will sign the checks and return them to the Executive Assistant for mailing. The Executive Assistant mails out the checks. The NEMRC

program also generates a report called a warrant. The warrants are reviewed and approved by the Town Manager and a designated Select Board member who reviews the invoices and the warrants and signs off on the validity of the payment.

#### Funds Transfers:

All fund transfers are performed online by a program called Net Teller through the Union Bank. The funds can only be transferred between Town of Hardwick accounts. Money cannot be moved outside of the Town of Hardwick accounts through this program. Only the Town Treasurer or Assistant Town Treasurer have access to these accounts.

#### Balancing Accounts:

On a weekly basis when the Town Treasurer performs the Money Market Account to Checking Transfer, the Town Treasurer balances the Money Market Account to the Net teller account to be sure all deposits have been posted to the book and to the bank.

On a monthly basis the Executive Assistant receives the bank statements and by using the NEMRC General Ledger and Accounts Payable programs, she balances the accounts to the bank.

#### Jeudevine Memorial Library

**Revenue taken at circulation desk:** Money is received for computer printed copies, copies from the copier, conscience box (for late items), book sale, replacement costs for damaged items and small donations. This money is recorded in the Library Revenue Book under the appropriate date and heading each day by the employee who actually receives the money. The money is collected, counted, and then turned over to the Town Clerk by the Library Director at the end of the month. The Town Manager's Administrative Assistant gets a copy of the Revenue Account sheet from both the Library Director and the Town Clerk. When the library is closed the cash box is stored in a locked cabinet.

**Grants:** Checks for grants are given to the Town Manager's Executive Assistant and credited to the appropriate grant account or a new grant account is made whichever is appropriate. As the grant account is spent down, the receipts and requests for funding are brought to the Town Executive Assistant who cuts the necessary checks. All check warrants are reviewed and approved by the Town Manager and one Select Board member. The accounts are reconciled monthly. A budget sheet for every fund is provided to the Library Director and to the Library Trustees on a monthly basis.

#### Petty Cash Funds:

**Town Clerk** - The Town Treasurer's office has a Petty Cash Fund of \$300.00 that is kept in the cash register during the day, which is lockable and locked whenever the office is vacated. At night the Petty Cash is transferred and stored in the records vault. The expenditures from the fund is tracked weekly on a spreadsheet and balanced to the receipts on a monthly basis by the

Town Treasurer. The receipts and spreadsheet is provided to the Town Manager's office monthly and money is allocated back to the fund to match the expenditures, keeping the fund at \$300.00. Checks to resupply the fund are written by the Town Administrative Assistant, which the Town Treasurer signs and cashes the checks for the fund.

At the end of the month the Library Director goes through the receipts and prepares a balance sheet for the Town Manager's Administrative Assistant. The library then receives the difference to bring the balance back to \$100.00. All the receipts and the remaining balance must add up to \$100.00 at the end of the month. Checks to resupply the fund are written by the Town Administrative Assistant, which the Town Treasurer signs and cashes for the fund.

**Town Managers Office** - has a Petty Cash Fund of \$200.00 – general fund, \$50.00 water and \$50.00 sewer. The money is kept in a locked box in the supply cabinet in the Town administrative offices. In general, the funds are used for postage and miscellaneous purchases of supplies for all three departments. The funds are reconciled by the Town Payroll administrator. Checks to resupply the fund are written by the Town Administrative Assistant, which the Town Treasurer signs and cashes for the fund.

**The Hardwick Police Department** - has a Petty Cash Fund of \$100.00 that is kept in a locked file drawer. Key access to the storage location is for the Chief and the Dispatcher only. The fund is used for minor material and supply purchases. Purchase receipts are kept along with a receipt reconciliation form. The receipts and the reconciliation form are periodically reconciled when the fund reserves are nearly depleted and at that time the reconciliation form and receipts are brought to the Town Manager's office Administrative Assistant. The Town Administrative Assistant reviews the receipts and compares them to the reconciliation form and allocates the difference in the fund to bring it back up to \$100.00. Checks to resupply the fund are written by the Town Administrative Assistant, which the Town Treasurer signs and cashes for the fund.

**Jeudevine Library Fund** - The Library receives \$100.00 in petty cash for each month. Only the Library Director and the Assistant Librarian/Youth Services Librarian have access to the petty cash which is kept in a locked cabinet. When an item is going to be purchased, money is taken from the petty cash. Then receipt for the item is put into the cash bag. At the end of the month the Library Director goes through the receipts and prepares a balance sheet for the Town Manager's Administrative Assistant. The library then receives the difference to bring the balance back to \$100.00. All the receipts and the remaining balance must add up to \$100.00 at the end of the month. Checks to resupply the fund are written by the Town Administrative Assistant, which the Town Treasurer signs and cashes for the fund.