

CASH RECEIPTS, PETTY CASH, AND RETURNED CHECK POLICY

TOWN OF WHEELOCK

PURPOSE. The purpose of this Cash Receipts Policy is to establish proper management practices over cash, checks, and other receipts in order to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which financial decisions can be made.

AUTHORIZED PERSONNEL. For internal control purposes, only the following officers, employees, and volunteers are authorized to receive funds on behalf of the Town of Wheelock: treasurer, assistant treasurer, town clerk, assistant town clerk, and collector of delinquent taxes.

PROPER PAYEE. All checks, money orders, and credit card payments, regardless of function, must be made payable to the Town of Wheelock. No instruments may be made payable to a Town officer, employee, volunteer, department, committee, board, or group.

RECEIPTS. Persons authorized to receive funds on behalf of the Town must issue a fully completed collection receipt for any cash received *[using a three-part, pre-numbered receipt, or some other receipt or reporting system acceptable to the treasurer]*. The original completed receipt must be issued to the person from whom the funds are received. The second copy must be delivered to the treasurer with the funds. The third copy must be retained by the person authorized to receive funds for audit purposes, and it shall be countersigned by the treasurer when funds are deposited with the treasurer.

SAFEGUARDING FUNDS. Safeguarding funds prior to deposit with the treasurer is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, credit card information, and money orders must be retained in a secure place until deposited with the treasurer in accordance with the section below.

PREPARING AND DEPOSITING FUNDS. Funds collected by authorized persons should be turned over to the Treasurer as soon as reasonably possible for depositing. Funds collected at the Town Office should be turned over to the Treasurer daily. Funds collected by the delinquent tax collector must be turned over to the Treasurer in accordance with state regulations. Funds collected by authorized persons must be turned over to the Treasurer within seven days of a written request. In every event, any and all cash collected should be turned over to the Treasurer immediately and Treasurer shall deposit within 1-2 business days.

Each person depositing funds with the Treasurer must submit a spreadsheet or adding machine tape of the checks in the same sequential order and totaled with each deposit. The treasurer will count and verify the amount deposited in the presence of the person depositing the funds. All deposits made to the treasurer will be issued a receipt or other acknowledgement. The treasurer will take the deposits to the bank weekly and retain copies of all deposit statements issued by the bank. Each department will receive from the treasurer a monthly list of deposits that have been verified through the bank statement. Any discrepancies shall be reported to the treasurer.

PETTY CASH. No officer, employee, volunteer, department, committee, board, or group may establish a petty cash system without consent from the selectboard and the treasurer. The selectboard will appoint an officer, employee, or volunteer to be custodian for each petty cash account. A base petty cash amount must be determined by the treasurer. A lockable cash box will be used to store petty cash and must be locked at all times. The key will be kept in a secure location. Only the petty cash custodian and the treasurer will have access to the locked petty cash box and key.

A pre-numbered, two-part receipt will be issued by the custodian or the treasurer for each payment made out of petty cash. This receipt is to be signed by the custodian or treasurer and the officer, employee, or volunteer receiving the petty cash. Payments out of petty cash will be made only when a valid receipt is presented. Should prepayments out of petty cash be necessary, a memo explaining the purpose of the prepayment must be signed by the custodian or treasurer and the officer, employee, or volunteer and placed in the petty cash box or drawer.

At all times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash amount. Under no circumstance will personal funds be used to compensate shortages. All shortages must be brought to the attention of the treasurer immediately upon discovery.

RETURNED CHECKS. A returned check will be recorded in the accounting system against the revenue in which it was originally posted if the check is not replaced. First-time returned checks will be re-deposited. Upon second receipt of a returned check, the treasurer will notify the check writer and inform him or her that his or her check did not clear and advise that there may be a charge to cover the cost of any expense's incurred by the Town due to the returned check. Thereafter, full payment, including the return check fee, if any, must be in the form of cash, money order, or bank certified check.

The foregoing Policy is hereby adopted by the selectboard and the treasurer of the Town of Wheelock, Vermont, this 3 day of May, 2022 and is effective as of this date until amended or repealed.


Treasurer


Chairperson