

CASH RECEIPTS, PETTY CASH, AND CHECK POLICY

Town of Groton

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 Groton: treasurer, assistant treasurer, town clerk, assistant town clerk, collector of delinquent taxes, selectboard members, cemetery commissioners, constable, fire warden, town manager, service officer, trustees of public funds, zoning administrator, library trustees, librarian.

PROPER PAYEE. All checks, money orders, and credit card payments, regardless of function, must be made payable to the Town of Groton. 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 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.

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 totaling \$ 1000.00 or more must be deposited with the treasurer no later than the following business day. Funds collected totaling less than \$250.00 must be deposited with the treasurer no later than the first business day of the following week.

Each person depositing funds with the treasurer must submit a spreadsheet or Nemrc report 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 make the deposit to the bank and retain copies of all deposit statements issued by the bank.

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 may 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.

Groton's Petty Cash system is primarily used to make change & is replenished to a set amount determined by the treasurer.

Check Acceptance Policy.

The following items are to clarify the Town of Groton's check acceptance policy:

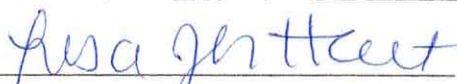
- Post-dated checks will not be accepted. If a post-dated check is received by mail or dropped off at the office, it will be deposited on the day it is received. Checks will not be placed on hold.
- A check received that is incorrectly filled out - where the dollar amount does not match the written amount - is the responsibility of the check holder. The line where the amount is written out governs. Therefore, the bank considers the amount written out to be the actual check amount even if it does not match the amount written in the dollars box. If the written amount is insufficient to cover tax payment, then late fees and penalties incurred due to an incorrectly written check are the responsibility of the check holder.

Note: It is illegal to postdate checks. Once you sign the check it becomes legal tender, so it's 100% legal for a bank to cash a postdated check before the date on it...

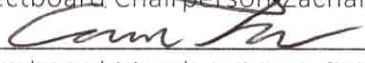
Once you sign a check, it can legally be cashed-regardless of the date you wrote on it-by the payee.

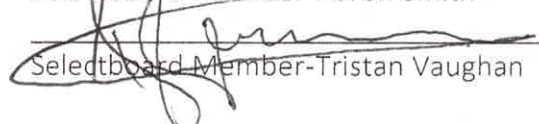
RETURNED CHECKS. A returned check will be recorded in the accounting system against the revenue in which it was originally posted if the check is not replaced. First-time returned checks will be re-deposited. Upon second receipt of a returned check, the treasurer will notify the check writer and inform him or her that his or her check did not clear and advise that there is a return check fee that will be due. This fee will match what the current bank charges. Thereafter, full payment, including the return check fee, 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 Groton, Vermont, this 3 day of AUGUST, 2022 and is effective as of this date until amended or repealed.


Treasurer- Lisa JL Hart


Selectboard Chairperson- Zachary Conaway


Selectboard Member- Aaron Smith


Selectboard Member- Tristan Vaughan