

CASH RECEIPTS, PETTY CASH AND RETURNED CHECK POLICY

Town of Highgate

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 by permission are authorized to receive funds on behalf of the Town of Highgate: treasurer, assistant treasurer, town clerk, assistant town clerk, collector of delinquent taxes, trustees of public funds, library trustees, librarian, recreation director.

PROPER PAYEE. All checks, money orders, and credit card payments, regardless of function, must be made payable to the Town of Highgate. 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. 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. Planning & Zoning must sign off on Planning & Zoning Receipt block for any applicable application form.

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 must be deposited with the treasurer no later than the following business day.

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, or designate will take the deposits to the bank 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 locked 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. Returned checks will be recorded in the accounting system against the revenue in which it was originally posted if the check is not replaced. 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 due equaling that charged by the bank. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or bank certified check.

All authorized personnel listed above are required to review and acknowledge receipt of this policy.

The foregoing Policy is hereby adopted by the Selectboard and the treasurer of the Town of Highgate, Vermont, this day of April 15, 2010 and is effective as of this date until amended or repealed.


Henry Rainville, Chair


Jeff Towle, Vice-Chair


Brian Rowell, Board Member


Tom Racine, Town Clerk and Treasurer