**Town of Whitefield**

**INTERNAL CONTROL POLICY**

The importance of internal controls is that they provide checks and balances for handling financial transactions in the Town Office. The policy sets the guidelines for required processes to be used every day.

**OVER THE COUNTER RECEIPTS:**

All over the counter transactions such as motor vehicle registrations, boat registrations, snowmobile registrations, ATV registrations, hunting and fishing licenses, all marriage, birth, death and burial fees, plumbing fees, dog licenses, state and federal monies, etc. require a physical receipt from the computer system to be printed and given to the customer.

Each clerk will start with a $200.00 drawer at the beginning of each day. At the end of the day each clerk will run a teller’s report to show how many transactions and how much money they have processed. Clerks will add all checks to verify the total matches the checks total per the teller’s report. Once checks are verified, each clerk will count the cash in their drawer, subtract the $200.00 starting amount, and verify the result to the total cash amount per the teller’s report. After all checks and cash are counted, each clerk should initial their add tape with the day’s date and put it in the deposit bag given to them along with all cash (except for the $200.00) and checks. Afterwards, all clerks should add their cash drawer to make sure that they have $200.00 to start the next day.

If a clerk’s cash drawer does not tally with to the teller’s report, they should first figure out what happened. If the clerk is unable to find the error, then the Treasurer should be notified for resolution.

The deposit bag will be given to the Treasurer to be put in the safe. The following day the Treasurer will reconcile all monies received with all copies of transactions to the cash receipts report. Afterwards, the Treasurer will process checks online with the town’s bank and print the deposit report. The Treasurer will prepare the cash deposit and copy the deposit slip. The Treasurer will make the deposits once a week or more often when needed. Then all deposits slips will be given to the Tax Collector to verify the deposits and posting for those transactions. When the cash deposit receipt comes from the bank, the Tax Collector will verify that the cash has been deposited.

It is not acceptable for clerks to process transactions for their family members. The clerk should ask them to wait for the other clerk to do so.

If a clerk needs change for their cash drawers, the clerk will ask the Treasurer to make change for them. At no time will the clerk go into the petty cash to get their own change. If the Treasurer is not available then the clerk must ask the Tax Collector for change.

**INCOMING MAIL:**

All incoming mail will be given to the Administrative Assistant to open. All invoices will be stamped, dated and initialed by the Administrative Assistant and forwarded to the Tax Collector for cash disbursement processing (see below).

All checks will be forwarded to the Tax Collector for processing into the computer system. If the Tax Collector is not working that day, the checks will be given to one of the clerks to be processed in Trio.

The Tax Collector will enter all invoices into the computer system. Once invoices are entered, a warrant preview will be processed. All invoices and the warrant preview will be given to the Treasurer to ensure accuracy of the amounts and the charging to expense accounts. The Treasurer will initial the warrant preview and return the packet for check processing. Once checks are processed the Treasurer will sign checks and provide the final warrant for Select Board review and approval.

The following day, all checks will be given to the Tax Collector to prepare for the mail. All checks must be mailed that day.

If an error is found after the checks have been processed, the check will be voided and filed with the check registers. Should a new check need to be issued, it will be processed with the next warrant.

All checks will be signed by either the Treasurer or the Tax Collector if the Treasurer is not available.

Payroll is processed by the Treasurer. All time cards will be checked for hours, signed by staff and co-signed be the Administrative Assistant. The Administrative Assistant/Treasurer’s time card will be approved by the Tax Collector.

After processing payroll warrants will be given to the Select Board for review and approval. The following day, the Tax Collector will distribute the payroll checks to the appropriate parties or put them in the mail.

**PETTY CASH:**

Petty cash will be used for purchases of items of $20.00 or less. It will also be used to break down large bills for clerks who need change. The Treasurer will reconcile petty cash monthly. The petty cash bag will be counted in detail using the petty cash form established. After it has been reconciled it will be given to the Tax Collector for reimbursement through the Accounts Payable warrant process.

**BANK RECONCILIATIONS:**

Bank reconciliations will be performed monthly by the Treasurer. The reconciliations will be reviewed and initialed by the Tax Collector. Any discrepancies should be investigated and rectified by the Treasurer and Tax Collector. Any discrepancies that cannot be resolved and that will require General Journal entry posting to a Cash Over/Short, Miscellaneous Revenue, or Miscellaneous Expenditure must be presented to the Select Board for review and approval before posting.

**MONTHLY GENERAL LEDGER RECONCILIATIONS:**

All tax receivable accounts will be reconciled monthly by the Treasurer. The reconciliations will be reviewed and initial by the Tax Collector. Any discrepancies should be investigated and rectified by the Treasurer and Tax Collector. Any discrepancies that cannot be resolved and that will require a General Journal entry posting to a Miscellaneous Revenue or Miscellaneous Expenditure must be presented to the Select Board for review and approval before posting.

Internal Control Policy becomes effective as of February 12, 2019.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Anthony Marple Lester Sheaffer, JR.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Franklin Ober William McKeen

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Charlene Donahue