Town of Whitefield

INTERNAL CONTROL POLICY for the Safeguarding of Municipal Funds

PURPOSE

The purpose of this policy is to establish effective cash collection, deposit and disbursement procedures to maximize cash availability. The importance of internal controls is that they provide checks and balances for handling financial transactions in the Town Office. This policy sets guidelines for required processes to be used every day.

CASH COLLECTION

At the counter, acceptable forms of payments are cash, checks, debit and credit cards. Over the telephone, debit and credit card transactions are authorized for payment of property taxes (real estate or personal property). Dog licenses and registrations: vehicles, trailers, boats, ATVs and snowmobiles may be processed over the telephone as long as the individual has submitted all the information necessary to complete the license/registration in advance of the transaction. Clerks may, only upon request of the customer, fill out the check for payment of services.

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, and death 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 the transactions and how much money she/he has processed. Clerks will run a tally tape with a total of the checks she/he has processed to verify the total matches the checks total per the teller's report. Once checks are verified, each clerk will pull out the cash the teller report states were received for that shift, a tally tape shall be run for the cash. After all checks and cash are counted, each clerk shall initial and date their tally tapes, then paperclip each tape to each bundle of cash or checks and put them in the deposit bag for the work for the day. Afterwards, all clerks will add their cash drawer to confirm that they have $200.00 to start the next day, run a tally tape, initial it, date it and leave it in their drawer.

If a clerk's checks or cash does not tally to the teller's report, she/he should first try to figure out where they are off. If the clerk is unable to find the error, then the Treasurer/Administrative Assistant should be notified for resolution.

The deposit bag will be given to the Treasurer or Deputy Treasurer to be put in the safe. The following day the Treasurer or Deputy Treasurer will designate a clerk to reconcile all monies received to the daily audit report. The designee will have another clerk verify his/her cash and check totals. The designee will prepare the daily deposit slip after all monies have been proved. The Treasurer or Deputy Treasurer will make the deposits twice a week (preferably Tuesday and Friday) but may be done once a week (Fridays) if necessary. Then all deposits slips will be given to the Tax Collector or Deputy Treasurer to verify the deposits and postings for those transactions. Deposit slip, tally tapes for cash, checks and credit cards, posted journal and daily credit card report (if any) are stapled to the daily audit reports to be filed in the monthly folder.

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 or Deputy Treasurer to make change for them from the petty cash bag or from a previously prepared deposit, if available. At no time will the clerk go into the petty cash to get their own change.

INCOMING MAIL/ACCOUNTS PAYABLE PROCESSING

All incoming mail will be given to the Administrative Assistant, or Tax Collector when the Administrative Assistant is not available, to open. All invoices will be stamped with a date stamp and forwarded to the Tax Collector or a designee for cash disbursement processing (see below).

All checks for payments and/or transactions will be given to the front counter clerks for processing into Trio cash receipting to be receipted out. All transactions must be processed in Trio.

The Tax Collector or a designee will enter all invoices into the Trio budgetary system. All invoices must be coded with the vendor number and account number for which the charge is being credited against. Once invoices are entered, a warrant preview will be processed. All invoices and the warrant preview will be given to the Treasurer or Deputy Treasurer to ensure accuracy of the amounts and the charging to the correct expense accounts. Once the preview is completed and accurate, the final warrant can be processed and checks printed. The Treasurer or Deputy Treasurer provides the final warrant for Select Board review and approval at the regularly scheduled bi-weekly meeting.

All checks must be signed by the Treasurer or Deputy Treasurer, if the Treasurer is not available. The signer must be an authorized signer on the bank account.

The following business day, all checks will be given to the Tax Collector or a designee 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 on the next AP warrant, not on a motor vehicle warrant.

Accounts Payable Warrants are processed on a bi-weekly basis with the regularly scheduled Select Board meetings, the invoices received during this time are included on the warrant.

An Accounts Payable Warrant is processed on the off weeks of the regularly scheduled Select Board meetings for the Motor Vehicle reports, that are required to be submitted weekly. The process for both of these warrants follow the same procedure as above.

PAYROLL

Payroll is processed bi-weekly by the Treasurer or Deputy Treasurer, if the Treasurer is not available. All timecards must be submitted by end of business day Monday, of the payroll week. If Monday falls on a holiday, all timecards must be submitted by 10 am on Tuesday. The timecards will be checked for hours, signed by the individual staff member and co-signed by the Administrative Assistant. The Administrative Assistant/Treasurer timecard will be signed by the Tax Collector.

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

Payroll Warrants are processed on a bi-weekly basis with the regularly scheduled Select Board meetings, the timecards received during this time are included on the warrant.

PETTY CASH

Petty Cash is primarily used to break down large bills for clerks who may need change for their cash drawer. The Treasurer or Deputy Treasurer will reconcile petty cash monthly. Running a tape tally during reconciling is required. The tape tally will be initialed and dated which will be left in the petty cash bag.
Petty cash may be used for purchases of items of $20.00 or less. If petty cash happens to be used for purchases, then after it has been reconciled receipts must be given to the Tax Collector or a designee for reimbursement through the Accounts Payable warrant process.

BANK RECONCILIATIONS

Bank reconciliations will be performed monthly by the Treasurer. The bank reconciliations will be reviewed and initialed by the chosen Select Board member. Any discrepancies should be investigated and rectified by the Treasurer. 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. Any discrepancies should be investigated and rectified by the Treasurer. 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.

Adopted February 12, 2019

Amended: 18 NOV 2025

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