

TOWN OF RICHMOND CASH RECEIPTS AND PETTY CASH POLICY & CONTROL PROCEDURE

PURPOSE: The purpose of the 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 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 Richmond: Town Clerk, Assistant Town Clerk, Finance Assistant and Town Manager when the Town Clerk and Assistant Town Clerk are not available.~~

~~**POLICY: PROPER PAYEE:** All checks and money orders, regardless of function, must be made payable to the Town of Richmond. No instruments may be made payable to a Town officer, employee, volunteer, department, committee, board, or group.~~

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~~**RECEIPTS:** Persons authorized to receive funds on behalf of the Town must issue a pre-numbered cash receipt for all cash payments. Payments made by check require no receipt, however, when a payment is made at the office the payment stub will be date stamped and signed by the individual receiving the payment. If payment is made by check at the office, and there is no payment stub, a photo copy of the check is made and the photocopy is date stamped, signed, and given to the payer as a receipt.~~

SAFEGUARDING FUNDS: Safeguarding funds prior to deposit by the Town Clerk, Assistant Town Clerk, Delinquent Tax Collector, or Town Manager is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, and money orders must be retained in a secure place until deposited at the bank.

PREPARING AND DEPOSITING FUNDS: ~~Funds Cash~~ collected by authorized persons totaling more than \$3,000 will be deposited at least three times a week within 48 hours utilizing a courier service, or done in person by authorized personnel. All cash payments must be written up on a prenumbered cash receipt. The receipt will be given to the payor, if the payor is present; and the cash receipt number will be attached to the payment and given to the Finance Department. If the payor is not present, the receipt will be given to the Finance Department.

Checks received Funds totaling more than \$10,000/100,000 will be deposited daily, either electronically or, through the courier service. If electronic service is not available, and the courier is not scheduled on a day there is more than \$100,000 in deposits, every attempt will be made to make arrangements for the courier service to pick up the deposit the next morning. If it is not possible for the courier service to pick up the deposit within 24 hours, and the checks can not be deposited electronically, then deposits will be brought to the bank in person by an authorized employee. All payments, cash or checks, will be kept in a secure location until either the courier service picks up the deposits or the deposits are brought to a bank by authorized personnel.

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~~The Finance Department will submit an adding machine tape along with a posting register to the Town Clerk. The Town Clerk will count and verify the amount to be deposited and complete a deposit slip for the appropriate bank account. The posting register will be attached to the deposit book. The deposit will be~~

brought to the bank by the Town Clerk, Assistant Town Clerk, Delinquent Tax Collector, or Town Manager and the deposit receipt will be stapled to the deposit book.

PETTY CASH: ~~No officer, employee, volunteer, department, committee, board, or group may establish a petty cash system without consent from the Selectboard.~~ The Selectboard will appoint an officer, employee, or volunteer to be custodian for each petty cash account established for which the Selectboard has determined a base amount to be maintained. The Petty Cash drawer will be reconciled and replenished monthly or as needed, whichever occurs first. All petty cash will be kept in a secure location. ~~A base petty cash amount must be determined by the Selectboard. The petty cash will be kept in a drawer at the front desk and may be utilized to make change for cash payments. Any petty cash that is given out for purchases will be issued a pre-numbered cash receipt that is kept in the box and once the receipt is obtained it will be attached to the original pre-numbered receipt.~~

At all times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash amount and the Finance Department and Delinquent Tax Collector will reconcile the cash and receipts at the end of the month. The Town Clerk will request and approve replenishment funds when necessary. The Town Clerk will be responsible for maintaining appropriate denominations for purposes of making change for cash payments.

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RETURNED CHECKS: A returned check will be recorded in the accounting system against the revenue in which it was originally posted. First time returned checks will be re-deposited if the bank is able to confirm appropriate funds are in the account. Upon second receipt of a returned check, the Finance Department will notify the check writer and inform him or her that his or her check did not clear and advise that interest and penalties will be applied to their account for lack of payment.

Approved Date: _____

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Date:

David Sander

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