

TOWN OF EAST MONTPELIER

Cash Receipts, Petty Cash, and Returned Check Policy

PURPOSE. The purpose of this Policy is to establish proper management practices over cash, checks, and other receipts of Town funds 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 and employees are authorized to receive funds on behalf of the Town of East Montpelier: Town Treasurer, Town Clerk, Municipal Assistant, Recreation Board Treasurer, and Town & Zoning Administrator.

PROPER PAYEE. All checks and money orders must be made payable to the Town of East Montpelier or one of its officially-designated boards/committees. No instruments may be made payable to a Town officer, employee or volunteer.

RECEIPTS. Persons authorized to receive funds on behalf of the Town must issue a fully completed collection receipt for any cash received using a two-part, pre-numbered receipt. The original completed receipt must be issued to the person from whom the funds are received. The second copy must be delivered to the Town Treasurer with the funds.

SAFEGUARDING FUNDS. Safeguarding funds prior to delivery to the Town Treasurer 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 in the bank.

PREPARING AND DEPOSITING FUNDS. The Town Treasurer will prepare a cash deposit to the bank when the cash received exceeds \$200 and no later than the last business day of the month. The Town Treasurer will deposit checks at least once a week.

PETTY CASH. There will be no petty cash accounts. The cash drawer will have a minimum of \$125.00 and is strictly for collecting cash and making change. The Town Treasurer will reconcile the cash drawer at least once a week and deposit excess funds at that time, if greater than \$100.00.

RETURNED CHECKS. All returned checks will be recorded in the accounting system against the revenue in which it was originally posted. If the returned check is not covered prior to the deadline for timely payment, the payment is deemed to be late and subject to any penalties, late fees and interest. On all occurrences of a returned check, the check writer will be subject to a \$20.00 returned check fee. On the first instance of a returned check from a given check writer, the Town Treasurer will notify the check writer and the returned check may be re-deposited upon instructions from the check writer. Upon second instance of a returned check from a given check

writer, the Town Treasurer will notify the check writer that his or her check did not clear. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or bank certified check. The Town Treasurer may contact the financial institution on which the check is written to determine the availability of funds and redeposit the returned check, if funds are available to cover the amount of such check.

The foregoing Policy is hereby adopted by the Selectboard of the Town of East Montpelier, Vermont, this **10th** day of **July, 2017**, and is effective as of this date until amended or repealed.

Seth Gardner, Selectboard Chair

Gene Troia, Selectboard Vice-Chair

Carl Etnier

Amy Willis

Kim Swasey