

PURPOSE

To establish uniform procedures for the handling and turnover of Town monies collected by departments, boards and committees. The objective of this policy is to attempt to strike a balance between the need for departments operating efficiency and flexibility, and the need for financial control and accountability.

REGULAR DEPOSIT PROCEDURE

All cash or checks given in person as payment to a Department or committee shall be documented on a multi-part numbered receipt form, with the Department or committee retaining one copy for recording with the remittance slip. All checks accepted for payment for fees and services shall include the name and phone number of the payor. All checks shall be written in black or blue ink; no colors. A receipt will be provided to any person paying cash.

For the Solid Waste Facility, no cash will be accepted on site. All checks will be documented on a multi-part numbered receipt form with a copy of the receipt provided to any person paying by check. All checks received will be logged on the remittance spreadsheet including check number and address. Any cash payments for Solid Waste Facility services will be made at Town Hall and logged in the Town's general receipt log, with a copy of the receipt provided to the payer as proof of payment. Any cash funds held by the Town for the Solid Waste Facility will be turned over to the Solid Waste Facility Manager as part of the weekly turnover.

Each department or committee must maintain an electronic remittance spreadsheet. Spreadsheet will be kept in a log listing date of receipt, receipt number (except in the case of Solid Waste Facility check deposits), from whom, purpose, amount, and the account number to be deposited into. Deposits will include that section of the spreadsheet pertaining to the deposit printed with a sequential number and signed by the individual making the deposit, then signed by another individual in the department or member of the Town Administrative Office Staff after he/she has verified the amount being deposited. The deposit will then be turned over to the Town Clerk/Tax Collector, Deputy or Assistant Clerk after verifying the amount of the deposit. A copy of the deposit signed by the Town Clerk/Tax Collector, Deputy or Assistant shall be given to the depositor. The depositor shall keep a copy of the deposit along with copies of checks greater than \$1000.

The Town Clerk/Tax Collector, Deputy or Assistant will immediately notify the Finance Director of any discrepancies. The Finance Director will review the deposit and the discrepancy. The Finance Director will determine if the deposit must be returned to the department or committee for correction or be resolved immediately. The Finance Director will initial and provide a brief explanation of any changes made for immediate resolution. In the event that the Finance Director is unavailable, the Town Administrator and/or Department Head will be notified.

Department Heads or their designated employee, all other departments and volunteer representatives to appointed committees, must physically bring all deposits to the Town Clerk/Tax Collector's Office at the Town Hall for verification. The Deputy Town Clerk/Tax Collector or Assistant may receive deposits if the Tax Collector is unavailable. Verification will consist of the department or committee designee being physically present while the Town Clerk/Tax Collector, Deputy or Assistant counts and verifies the amount to be deposited.

All revenue must be deposited with the Town Clerk/Tax Collector's Office no later than 2:00 p.m. on the day following when it was received. For Friday, weekend or holiday revenue, the deposit must be turned in on the next available business day by 2:00 p.m. For weekly revenue totaling less than \$50, the deposit can be consolidated and the deposit will be made no later than 2:00 p.m. on the first business day of the following week. Departmental collections that are not turned over or deposited daily are to be held in a location that is secure from theft. Deposits from the Solid Waste Facility can be consolidated and made weekly for revenue totaling less than \$500.

The Town Clerk/Tax Collector, Deputy or Assistant will take the deposits to the bank, enter the deposit into the computer system and provide a copy of all deposits to the Finance Office with the corresponding deposit back up information after the deposit is made.

Under no circumstances will the Department utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director prior to submission.

Department Heads, Committee Chairs and/or the Town Administrator may request that the Board of Selectmen implement a policy that an individual Department or Committee may only accept a specific form of payment (i.e. check or cash).

Unless governed by another policy approved by the Board of Selectmen, no Department or Committee may routinely accept any form of electronic payment. For individual events, the Recreation Committee may use an alternate form of electronic payment for trial purposes. Accounting for such a system should be provided to the Town Administrator and Finance Manager. If the trial is determined to be effective, provisions will be added to this policy to define its use within twelve months.

CASH DRAWER PROCEDURES

No department is to establish a change cash drawer system without consent from the Town Administrator and start up instructions from the Finance Director.

A base cash drawer amount must be determined by the Department Head and the Finance Director.

A locked cash box or locking cash register will be used to store change cash.

At all times the total of change cash must equal the predetermined drawer amount.

Under no circumstances will the Department Head, Administrator, or employee utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director immediately upon discovery.

A separate emergency operations cash drawer will be held by the Town Clerk for use by the Emergency Management Director or his designee during emergency events only. A log will be maintained during the event of cash uses and receipts or substitute documentation will be provided to the Finance Director at the end of the event.

Departments using change cash drawers (other than the emergency operations drawer) will verify total available for change at least weekly and record evidence of verification.

Random audits of each department's cash drawer will be performed by the Finance Director or Treasurer on at least a quarterly basis.

Any discrepancies found must be explained in writing and in detail to the Finance Director and Town Administrator. When appropriate, the Town Administrator will follow any reporting and investigation steps required by prevailing Town policies.

RETURN CHECK PROCEDURE

Copies of returned checks and bank documentation must be submitted to the Finance Director.

First time returned checks may be re-deposited by the bank.

The Town will attempt to notify the issuer of the returned check by phone to allow 24 hours to make payment of the original check amount and fees.

If payment is not received within 24 hours, written notification shall be delivered by the Litchfield Police Department to the issuer of the returned check with a copy of the information sent to the appropriate department.

Payment of a returned check that cannot be re-deposited must be either in the form of cash, money order or bank certified check.

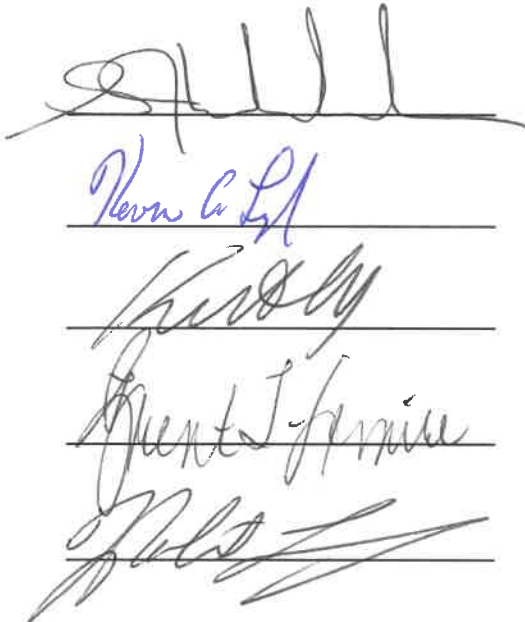
COMPLIANCE

Violation of this policy may result in the denial or revocation of the privilege to handle town funds. Employees who do not comply with this policy shall be subject to disciplinary action including termination as outlined in the Town's Personnel Policy. Other officials may be subject to discipline or removal as provided under prevailing by-laws, ordinances or state law.

REVIEW AND ACCEPTANCE

This policy will be reviewed annually by the Board of Selectmen. To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to all officials and employees who handle cash or checks received by the Town, when revisions to the policy are approved by the Board of Selectmen or at least every two years if no other events cause a policy reissue.

- Approved April 22, 2013
- Revised May 12, 2014
- Revised April 27, 2015
- Reviewed April 11, 2016
- Reviewed May 22, 2017
- Reviewed July 22, 2019
- Amended August 26, 2019



Four handwritten signatures are present, each written over a horizontal line. The signatures are: 1. A large, stylized signature in black ink. 2. A signature in blue ink that appears to read 'Kevin A. La...'. 3. A signature in black ink that appears to read 'Kerry...'. 4. A signature in black ink that appears to read 'Guent J. ...'. The fourth signature is partially obscured by a horizontal line.

ORIGINAL

Recognition & Awareness Form

Acknowledgement:

My signature signifies that I have read the Town of Litchfield Cash Receipts Policy and that I understand my responsibilities related to the effective application of this policy.

Print Name:

Signature:

Date: _____

Manager/Supervisor/ Chairperson:

Date: _____