

TOWN OF CHESTER

Cash Receipt Policy

Effective September 1, 2013

SECTION 1. PURPOSE

The Town deposits substantial sums of money each year carrying out the many functions and services that it provides. Taxpayers have a right to expect that the Town's operations be carried out efficiently and expeditiously with adequate financial control and accountability.

The objective of this Policy is to attempt to strike a balance between the need for department operating efficiency and flexibility, and the need for financial control and accountability. It is also the purpose of this Policy to implement uniform procedures for depositing funds that will provide quality and operational efficiency.

This policy shall be known as the "Town of Chester Cash Receipts Policy" and may be cited as such.

SECTION 2. REGULAR DEPOSIT PROCEDURE

2.1 Customer Receipts – Departments shall insure that all customers are issued a sequentially numbered receipt at the time of collection of moneys from a customer.

2.2 Department Heads or their designated employee, the Town Clerk, all other departments, and volunteer representatives to appointed committees, must physically bring all deposits to the Tax Collector's Office at the Town Hall for verification. The Deputy Tax Collector may receive deposits if the Tax Collector is unavailable.

2.3 All revenue must be deposited with the Tax Collector's Office no later than 12:00 PM on the following day that it is received. For Friday, weekend or holiday revenue, the deposit must be turned in on the next available business day by 12:00 PM. For weekly revenue totaling less than fifty dollars (\$50.00), the deposit can be consolidated and the deposit will be made no later than 12:00 PM on the first business day of the following week.

2.4 Each department or committee must complete an account detail sheet, for each deposit. Two copies will be submitted to the Tax Collector.

2.5 Each department or committee shall send a designee to the Tax Collector's Office for deposit verification. Verification will consist of the department or committee designee being physically present while the Tax Collector counts and verifies the amount to be deposited. For the Tax Collector deposits, the Deputy Tax Collector will verify the deposit in the presence of the Tax Collector. Both the Tax Collector and department or committee designee are to sign each sheet after verification – each retaining a copy.

2.6 The Tax Collector will immediately notify the Finance Director of any discrepancies. The Finance Director shall cause a review of the deposit and the discrepancy. The Finance Director shall 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

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explanation of any changes made for immediate resolution, In the event that the Finance Director is unavailable, the Bookkeeper may perform this duty.

2.7 The Tax Collector is delegated by the Treasurer to see that the deposits get to the bank daily and provide copies (attached to the journal) of all deposit statements issued by the bank to the Finance Director with the corresponding deposit back up information after the deposit is made. The Finance Director will provide the Treasurer copies of all deposit receipts and deposit statements.

2.8 Under no circumstance will the department or commission utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director prior to submission.

SECTION 3. PETTY CASH POLICY

3.1 Petty Cash is for official business only, specifically the making of change to a customer or reimbursement of small amounts for items purchased by employees for business. Such reimbursement will be made only upon presentation of the appropriate paid receipts. All small departmental purchases will be paid for through Petty Cash. No employee shall use Petty Cash for any personal business, even if the intent is to reimburse Petty Cash. There shall be no cashing of any checks through Petty Cash.

SECTION 4. PETTY CASH PROCEDURES

4.1 No department is to establish a petty cash system without consent from the Board of Selectmen and start up instructions from the Finance Director.

4.2 A base petty cash amount must be determined by the Department Head and the Board of Selectmen.

4.3 Cash boxes will be used to store petty cash and must be locked at all times. The key will be kept in a secure location. Only the Department Head and/or designees approved by the Board of Selectmen will have access to the locked petty cash box and key.

4.4 A pre-numbered, two-part receipt will be issued by the Department Head or designee(s) for each payment made out of petty cash. This receipt is to be signed by the Department Head or designee and the employee receiving the petty cash.

4.5 Payments out of petty cash will be made only when a valid receipt is presented. Should prepayments out of petty cash be necessary, a memo explaining the purpose of the prepayment must be signed by the Department Head and employee and placed in the petty cash box.

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4.6 At all times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash base.

4.7 Under no circumstance will the Department Head; designee, or employee use personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director immediately upon discovery.

4.8 The Board of Selectmen, Finance Director, and Treasurer may perform random audits of each department's petty cash at any time.

4.9 Any discrepancies found must be explained in writing and in detail to the Board of Selectmen, Finance Director, and Treasurer.

SECTION 5. RETURNED CHECK PROCEDURE

5.1 Copies of returned checks and bank documentation must be submitted to the Treasurer. Returned checks will be recorded in the accounting system against the revenue in which it was originally posted.

5.2 Upon receipt of the returned check the Finance Director will notify the check writer by certified returned receipt letter and inform the check writer that his/her check did not clear and advise that there is a \$25.00 return check fee due along with bank charges, postage and legal fees in addition to the amount of the check.

5.3 Payment of a return check must be either in the form of cash, money order, or bank certified check. Information as to whom and the purpose of the payment should be documented and placed with the daily deposits. Returned check charges should be noted as a separate revenue item.

SECTION 6. IMPLEMENTATION

6.1 A copy of this Policy shall be provided to Department Heads, employees, volunteers, board and commissions upon hiring, appointment or election to office and at such other times as may be necessary. Each individual shall sign an acknowledgement that he/she has read the Policy and understands his/her responsibilities under the Policy.

SECTION 7. NON-COMPLIANCE

7.1 Violation of this Policy may result in the denial or revocation of the privilege to handle Town funds. Violation of any portion of these policies may also lead to disciplinary action, including termination of employment.

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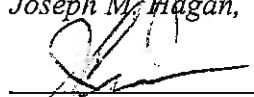
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Effective September 1, 2013


Adopted by vote of the Board of Selectmen on this date, the 06 day of September 2013.


Stephen O. Landau, Chairman


Joseph M. Hagan, Vice Chairman


Jack Cannon, Selectman


Richard J. LeBlanc, Selectman


Joseph S. Castricone, Selectman