



Town of Hopkinton, NH

Office of the Select Board

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CASH RECEIPT FISCAL CONTROL POLICY POLICY NO. 33

SECTION 1. PURPOSE

In the course of normal operations, 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 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.

SECTION 2. REGULAR DEPOSIT PROCEDURE

- 2.1 Department Heads or their designated employee, all other departments, and volunteer representatives to appointed committees, must physically bring all deposits to the Finance Office at the Town Hall for verification with the exception of the Town Clerk/Tax Collector's Office. The Town Clerk/Tax Collector's Office will make daily bank deposits.
- 2.2 All revenue must be deposited with the Finance Office no later than 3:00 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 3:00 PM. For weekly revenue totaling less than one hundred dollars (\$100.00), the deposit can be consolidated and the deposit will be made no later than 3:00 PM on the first business day of the following week.
- 2.3 Each Department/Committee must complete an account detail sheet, for each deposit.
- 2.4 Each Department/ Committee shall send a designee to the Finance Office for deposit verification. Verification will consist of the department/committee designee being physically present while the Finance Director counts and verifies the amount to be deposited. For the Town Clerk/Tax Collector deposits, the Town Clerk/Tax Collector, and/or Assistant and/or Deputy Town Clerk/Tax Collector will verify the deposit in the presence of one of the others.

- 2.5 If discrepancies are found, the Finance Director shall cause a review of the deposit and shall determine if the deposit must be returned to the department/committee for correction or be resolved immediately. The Finance Director will initial and provide a brief explanation of any changes made for immediate resolution.
- 2.6 The Finance Director shall assign each deposit a sequential number and record each deposit into the deposit log, once the amount has been verified. If the amount verified is consistent, both the Finance Director and Department Representative sign the Deposit Receipt Form. A copy of the receipt form and the deposit slip are given to the Treasurer for recording.
- 2.7 The Treasurer will take the deposits to the bank at least weekly and more often if combined amount is over \$1,500.,. The Treasurer will also provide a copy of the deposit statement to the depositing department.
- 2.8 Each Department shall receive from the Town Treasurer a monthly list of deposits that have been verified through the bank statement. Any discrepancies shall be reported to the Finance Director and Treasurer.
- 2.9 Under no circumstance will the Department utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director prior to submission. The Finance Director shall notify the Town Administrator immediately.

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 for business purposes. 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. Violation of any portion of these policies may lead to disciplinary action, including termination of employment.

SECTION 4. PETTY CASH PROCEDURES

- 4.1 The Town Administrator shall authorize and establish funds. The Finance Director shall keep a current listing of all Petty Cash Funds.
- 4.2 A base petty cash amount must be determined by the Department Head and the Finance Director and approved by the Town Administrator.
- 4.3 Departments shall keep Petty Cash secure from public access and non-authorized employees.
- 4.4 Only one employee at a time shall be assigned responsibility by a department for access to Petty Cash. (Petty Cash Custodian)
- 4.5 All Petty Cash Custodians shall sign a Petty Cash Policy Statement. These forms will be maintained in the Finance Office.

- 4.6 The Petty Cash Custodian will complete a receipt for each payment made out of petty cash. This receipt is to be signed by the Petty Cash Custodian and the person receiving the petty cash.
- 4.7 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 Petty Cash Custodian and person receiving the petty cash and placed in the petty cash box.
- 4.8 At **all** times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash base.
- 4.9 Under **no** circumstance will the Petty Cash Custodian use personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director immediately upon discovery.
- 4.10 Replenishment of departmental Petty Cash for purchases made shall occur by submitting a summary of all purchases sorted by General Ledger account number to the Finance Office. All receipts and other documentation supporting the charges shall accompany the request. A check for reimbursement will be issued following normal operating procedures.
- 4.11 Departments shall submit Petty Cash Reimbursement once a month prior to the fifth working day of the month, at a minimum, for any purchase receipts being held. This requirement is waived if the receipt total is \$20.00 or less.
- 4.12 The Finance Director shall perform random audits of all departments' petty cash. Any discrepancies found must be explained in writing and in detail to the Finance Director and Town Administrator

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. First time returned checks are to be re-deposited.
- 5.2 Upon receipt of the returned check the Department Head will notify the check writer with a form letter and inform them that their check did not clear and advise that the writer must pay for all bank fees and additionally there is a \$25.00 return check fee due.
- 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 the funds deposited. Returned check charges should be noted as a separate revenue item.

SECTION 6. IMPLEMENTATION

- 6.1 To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to department heads, employees, volunteers, board and commissions upon hiring, appointment or election to office and at such other times as may be necessary.

