

## CASH RECEIPTS AND RETURNED CHECK POLICY

### Town of Grafton, Vermont

**PURPOSE:** The purpose of this 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 to 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 Grafton: treasurer, assistant treasurer, and town clerk, and assistant town clerk, collector of delinquent taxes, cemetery agents, town administrator, and trustee of public funds.

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

**RECEIPTS:** Persons authorized to receive funds on behalf of the Town must issue a fully completed collection receipt for any cash received using reporting system acceptable to the treasurer. The original completed receipt must be issued to the person from whom the funds are received. The second copy must be delivered to the treasurer with the funds. The third copy must be retained by the person authorized to receive funds for audit purposes, and it shall be countersigned by the treasurer when funds are deposited with the treasurer.

**SAFEGUARDING FUNDS:** Safeguarding funds prior to deposit with the treasurer is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, credit card information, and money orders must be retained in a secure place until deposited with the treasurer in accordance with the section below.

**PREPARING AND DEPOSITING FUNDS:** Funds collected by authorized persons must be deposited with the treasurer on a monthly basis, at least. If more than one check or check and cash is to be deposited with the Treasurer, each person depositing funds with the treasurer must submit a spreadsheet or adding machine tape of the checks in the same sequential order and totaled with each deposit. The treasurer will count and verify the amount deposited in the presence of the person depositing the funds. All persons making a deposit with the treasurer will be issued a receipt to other acknowledgement. The treasurer will make the deposits into the bank and retain copies of all deposit statements issued by the bank. The town auditors verify the receipts deposited and the ledger entries monthly.

**RETURNED CHECKS:** A returned check will be recorded in the accounting system against the revenue in which it was originally posted. Upon receipt of a returned check, the treasurer will notify the check writer by letter and inform him or her that his or her check did not clear and advise that there are return check fees due in sum of \$35.00, plus the amount that the Town may be charged by the Bank for the returned item. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or bank certified check.

**ADOPTION AND EFFECTIVE DATE:** The foregoing Policy was adopted by the select board and the treasurer of the Town of Grafton, Vermont the 19<sup>th</sup> day of December 2016 and is effective as of that date until amended or repealed.

Select board:

*K. Hise*  
*John C. Finner*  
*[Signature]*  
*Allan S. [Signature]*  
*Cynthia Gibbs*

Treasurer:

*Bernard Record*