

## **CASH RECEIPTS, PETTY CASH AND RETURNED CHECK POLICY**

**Town of Coventry, 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 Coventry: Treasurer, Assistant Treasurer, Town Clerk, Assistant Town Clerk, Collector of Delinquent Taxes, Recreation Committee Chair, Select Board Members and Town Administrator.

**PROPER PAYEE.** All checks, money orders, and credit card payments, regardless of function, must be made payable to the Town of Coventry. 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 either a fully completed collection receipt for any monies received. Receipts will be generated electronically through NEMRC, or the equivalent accounting software being used at the time of entry. A printed receipt will be immediately issued to the payer, and an additional copy will be printed to be given to the Treasurer with the funds for deposit.

If electronic means are not available then a three-part, pre-numbered receipt will be issued. 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 totaling \$100.00 or more must be deposited with the treasurer no later than the following Friday. The treasurer will take the deposits to the

bank at least once a week and retain copies of all deposit statements issued by the bank. Any discrepancies shall be reported to the Select Board by the treasurer at the next Select Board meeting.

**RETURNED CHECKS.** A returned check will be recorded in the accounting system against the revenue in which it was originally posted if the check is not replaced. First-time returned checks will be re-deposited. Upon second receipt of a returned check, the treasurer will notify the check writer and inform him or her that his or her check did not clear and advise that there is a \$25 return check fee due. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or bank certified check.

The foregoing Policy is hereby adopted by the Select Board and the treasurer of the Town of Coventry, Vermont, this 16 day of April, 2018 and is effective as of this date until amended or repealed.

  
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Chairperson

  
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Treasurer

  
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Town Administrator