

TOWN OF ORFORD

Cash Management Policy

Regular Deposit Procedure

In accordance with RSA 41:29 VII, funds collected will be deposited weekly.

- The Town Clerk acts as the cashier and prepares the deposit daily with the assistance of the Deputy Town Clerk. The Town Clerk is responsible to prepare the deposit for Motor Vehicle, License and other misc. fees*
- The Tax Collector acts as the cashier and prepares the deposit daily with the assistance of the Deputy Tax Collector. The Tax Collector is responsible to prepare the deposit for property taxes collected, and related interest, penalties and yield taxes*
- The Town Treasurer acts as the cashier and prepares the deposit for payments received for the Special Project, Playground and other small misc. accounts.
- The Administrative Assistant acts as the cashier and prepares the deposit for miscellaneous payments as received, such as pistol permits, application fees, employee payments, etc.**
- Department heads or their designees and volunteer representatives to appointed committees must turn over all cash or checks collected on behalf of the town to the Administrative Assistant to the Selectboard for deposit into the town account weekly**

*A copy of the deposit is given to the Treasurer and Administrative Assistant for posting to their respective accounting programs.

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Under no circumstance will the Department utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Selectmen prior to submission. All collections are to be held in a location that is secure from potential fire and theft. Collections should never be used to cash checks for Town employees or the public. No disbursements shall be made from any collection. Collections shall never be commingled with any employee's personal money.

The original bank statements for the Town's checking & money market accounts are given to the Treasurer with a copy to the Administrative Assistant for reconciliation at the end of each month. Bank statements received for the Trust Funds are mailed unopened to the Trustee.

Petty Cash Procedure

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. 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.

No department is to establish a petty cash system without consent from the Selectboard, which shall determine a base petty cash amount at the time the account is created.

When cash is received in small amounts, (payment for tax cards of .50 per page) it will be kept in the Administrative Assistant's locked file in a bank deposit bag. A slip identifying what generated the cash payment will be placed in said file.

Occasionally, petty cash will be used to pay for small expenses, but should only be used when other disbursement methods cannot be used. Petty cash funds can provide cash to cover minor expenses generally not to exceed \$10. An itemized slip for said purchase will be placed in the bank deposit bag.

The Town of Orford requires each petty cash fund to have an approved Custodian, who documents expenditures, keeps receipts, and safeguards the funds. Wherever possible, local units should use other disbursement methods.

Petty Cash will be reconciled at the end of each quarter, and the amount in excess of \$25 will be deposited.

Returned Check Procedure

When a check is returned for insufficient funds, the Administrative Assistant will keep a copy for posting and provide a copy to the Treasurer. The original will be given to either the Tax Collector or the Town Clerk if the return check was received by their department. The Treasurer and the Administrative Assistant will post the return check against the revenue in which it was originally deposited.

The Town Clerk or Tax Collector will notify the check writer with a letter to inform them their check did not clear and advise them there will be a \$25 return check fee due.

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.