

# **Town of Amherst**



## **Deposit Policy & Procedure**

Effective January 17, 2012

Amended January 26, 2004, Amended January 17, 2012

## **Town of Amherst Deposit Policy**

### **Section 1. Purpose**

Municipalities deposit substantial sums of money each year carrying out the many functions and services that they provide. Taxpayers have a right to expect that the municipality'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 Amherst Deposit Policy!! and may be cited as such.

### **Section 2. Regular Deposit Procedure**

- 2.1** 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.
- 2.2** All revenue must be deposited with the Tax Collector's 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 fifty dollars (\$50.00), 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 or committee must complete a deposit slip, account detail journal, as well as a four-part deposit receipt form for each deposit in pen and legible through all copies. When possible, band one dollar bills in stacks of twenty-five. In addition, (with the exception of the Town Clerk and Tax Collector) each depositor shall photocopy each check and submit a spreadsheet or adding machine tape of the checks in the same sequential order and totaled with each deposit. A copy of the adding machine tape and deposit slip must also be included.
- 2.4** 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 Tax Collector deposits, the Deputy Tax Collector will verify the deposit in the presence of the Tax Collector.

- 2.5** The Tax Collector will immediately notify the Finance Director of any discrepancies. The Finance Director will review the deposit and the discrepancy. The Finance Director will 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 explanation of any changes made for immediate resolution. In the event that the Finance Director is unavailable, the Town Administrator and/or Department Head will be notified.
- 2.6** The Tax Collector shall assign each deposit a sequential number and records each deposit into the deposit log, once the amount has been verified. If amount verified is consistent, both the Tax Collector and Department Representative sign the four-part Deposit Receipt Form. The deposit is placed in an envelope, sealed, and initialed by both the Tax Collector and Department Representative across the seal. The deposit slip is clipped to the sealed envelope before the deposit is placed in the drop safe. All back up information accompanying the deposit and the pink copy of the receipt form are set aside for the Treasurer. The Yellow Copy of the Deposit Receipt form is retained by the Department, The Gold Copy will be submitted to finance with the backup information, and Tax Collector retains the White Copy.
- 2.7** Only the Treasurer or Deputy Treasurer shall have the combination to the drop safe, and a sealed copy of the combination will be kept in the Town's safe deposit box.
- 2.8** The Treasurer or Deputy Treasurer shall perform daily deposits as needed and will come to the Town Hall, open the drop safe, and verify the deposits against the Tax Collector deposit log and Deposit Receipt Form, and sign and date the log before each deposit is taken to the bank.
- 2.9** The Treasurer will take the deposits to the bank 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 Treasurer will also provide a copy of the deposit statement to the depositing department. All Concentration accounts will be brought to the office of the Administrative Assistant where 'Regular Deposit Procedures, will be followed.

- 2.10** 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.
- 2.11** 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.

### **Section 3. Concentration Account Deposit Procedure**

- 3.1** The Administrative Assistant to the Town Administrator will prepare the bank distribution transmittal form and fax such form to the bank.
- 3.2** The Administrative Assistant will contact the bank should a new sub-account need to be established.
- 3.3** The Administrative Assistant will complete all necessary journal entry forms.

### **Section 4. Coin Depositing**

- 4.1** All coins must be included with each deposit and correctly reported on the coin line of the deposit slip
- 4.2** A calculator tape summarizing the coin portion of the deposit must be provided.  
  
All coins must be rolled by denominations -50 pennies, 40 nickels, 50 dimes, 40 quarters. Only full rolls will be accepted by the bank. Place additional coins not rolled loose in the deposit bag.

### **Section 5. Petty Cash Procedures**

- 5.1** **No** department is to establish a petty cash system without consent from the Town Administrator and start up instructions from the Finance Director.
- 5.2** A base petty cash amount must be determined by the Department Head and the Finance Director.
- 5.3** A locked cash box 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 the Administrative Assistant will have access to the locked petty cash box and key.

- 5.4 A pre-numbered, two-part receipt will be issued by the Department Head or the Administrative Assistant for each payment made out of petty cash. This receipt is to be signed by the Department Head or Administrative Assistant and the employee receiving the petty cash.
- 5.5 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 or Administrative Assistant and employee and placed in the petty cash box.
- 5.6 **At all** times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash base.
- 5.7 Under **no** circumstance will the Department Head, Administrative Assistant or employee utilize personal funds to compensate shortages. All shortages must be brought to the attention of the Finance Director immediately upon discovery.
- 5.8 Random audits of each department's petty cash will be performed by the Finance Director.
- 5.9 Any discrepancies found must be explained in writing and in detail to the Finance Director and Town Administrator.

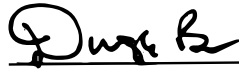
## **Section 6. Return Check Procedure**

- 6.1 Copies of returned checks and bank documentation must be submitted to the Finance Director. Returned checks will be recorded in the accounting system against the revenue in which it was originally posted.
- 6.2 First time returned checks are *to* be redeposited. The Administrative Assistant to The Town Administrator will prepare the deposit slip and detail journal then notify the appropriate department. The Administrative Assistant will then follow 'Regular Deposit Procedures.'
- 6.3. Payment of a returned check that cannot be redeposited 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 in the amount of twenty-five dollars (\$25) should be noted as a separate revenue item.

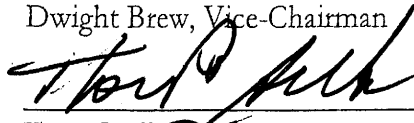
## Section 7. Implementation

- 7.1 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.

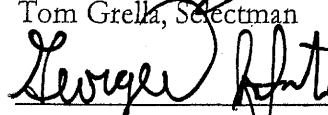
Adopted by vote of the Board of Selectmen on this date, the 17th of January 2012.



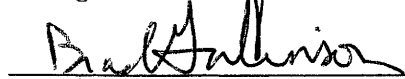
Dwight Brew, Vice-Chairman



Tom Grella, Selectman

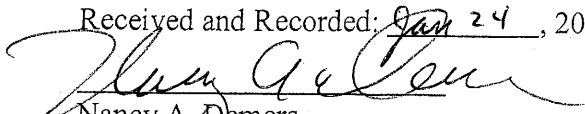


George Infanti, Selectman



Brad Galinson, Selectman

Received and Recorded: Jan 24, 2012

  
Nancy A. Demers  
Town Clerk