

## **TOWN OF WEBSTER, NEW HAMPSHIRE**

### **Accounting Policies and Procedures**

#### **Purpose**

The taxpayers of the Town of Webster 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, flexibility and the need for financial control and accountability.

- All accounting records are neat and in proper order.
- Accounting records are kept current.
- Employees take periodic vacations and other employees are cross trained to fill in when necessary.
- Budget statements are distributed monthly and reviewed by appropriate department heads. Any discrepancies are reviewed and resolved; corrective measures are taken against future errors.
- Monthly reconciliations are completed for all bank accounts. All differences are researched in a timely manner and adjusted as necessary.
- The Selectboard approves payroll and accounts payable check warrants on a bi-weekly basis.
- The Town Administrator initiates the annual budget.
- The Town is audited annually by an outside CPA firm.

#### **Cash Receipts**

The Town of Webster deposits substantial sums of money each year carrying out the many functions and services that it provides. It is the purpose of this policy to implement uniform procedures for depositing funds that will provide quality and operational efficiency. Segregation of duties in the handling of cash is one of the most effective ways to gain control over this asset. No individual is to have complete control in the handling of the cash. Specifically, no one individual's duties should include the actual handling of money, recording receipt of money and the reconciliation of bank accounts.

As required by RSA 41:29, the Treasurer maintains custody of all funds except those funds held by the Trustees of Trust Funds, Library Trustees, or Cemetery Trustees. RSA 246:29 VI allows the Treasurer to delegate deposits or other financial functions to other town officials or employees provided such delegation is in writing and includes written procedures.

## **Regular Deposit Procedure**

- Customer Receipts-Departments should ensure that all customers are issued a sequentially numbered receipt at the time of collection of moneys from them. All such receipts are to be account for and the reason for any missing receipts should be documented.
- The safeguarding of cash received should be in a secure, locked areas when offices are closed. Access to the secured area is restricted to authorize personnel only. All revenue must be deposited within two business days whenever such funds total \$1,500 or more.
- Each department (with the exception of the Tax Collector) must complete a detailed cash receipt report identifying the various revenue accounts to be credited, as well as providing a copy of the receipt for each transaction. All checks should be stamped with the "For Deposit Only" stamp.
- A copy of the cash receipt report will be given to the Treasurer for his/her signature and a copy will be returned once signed by the Treasurer to the appropriate office that completed the deposit. The Treasurer will verify and provide a report of the deposits to the individual departments on a monthly basis.
- The Deputy Tax Collector and/or the Deputy Town Clerk will bring the deposits to th bank as a backup to the Tax Collector and/or Town Clerk.
- The Trustees and the Financial Administrator will verify the Departmental Deposit reports with the bank statement each month.

## **Petty Cash Procedures**

- The Financial Coordinator shall keep a current listing of all Petty Cash Funds.
- The Financial Coordinator will determine a base petty cash amount. Only minimal amounts of petty cash are kept on hand.
- A locked cash box will be used to store petty cash and must be always locked and will be kept in a secure location.
- All reimbursements from petty cash for small purchases will made to employees authorized the Department Head to make such purchases and the employee must supply the appropriate receipts and a description of the budget line and/or general ledger account number to be charged.
- At all times the total receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash amount.
- Replenishment of departmental Petty Cash for purchases made shall occur by submitting a summary of all purchase sorted by general ledger account number or budget line-item description to the Financial Coordinator. All receipts or other documents supporting the charges shall accompany the request. The Financial Coordinator will issue a check for the reimbursement during normal by weekly check processing.

## **Return Check Procedure**

- Copies of returned checks and bank documentation must be submitted to the Treasurer once bank notification has been received.
- The Treasurer will request the department of orientation to follow the established “Check Return Policy” for collection.
- The Department is responsible for notifying the check writer in writing to inform them that his/her check did not clear their bank and a return check fee of \$25.00 plus all bank, postage, and legal fees per RSA 80:56 will be charged. A copy of the notification shall be given to the Treasurer.
- Payment of a returned check that cannot be redeposited must be replaced by the issuer either in the form of cash, money order, or bank certified check. The returned check charges will be assigned to a separate revenue account.

## **Disbursements**

### **Responsibilities and Purpose**

- The Department Head of each individual department are responsible for the disbursement of funds from the appropriations budgeted for their department.
- Disbursements are handled in such a manner as to ensure that the proper funds and accounts are charged, that disbursement is used only for authorized purposes; and those laws, rules and regulations governing the disbursement(s) are followed.

### **Payment Process**

- Original invoices totaling the amount of the disbursement are to be attached to each purchase order if one has been issued before payment. Payment cannot be made from a packing slip or, job or work order or monthly statement.
- All non-purchase order disbursements must contain the department name, expenditure line-item signature of the Department Head and the date.
- All requests for payments will be turned into the Town Administrator. The Financial Coordinator will review the invoice computation and pricing for accuracy by verifying and comparing it to a purchase order if issued. All purchases must also follow the Purchasing Policies for the Town of Webster. In addition, any purchases over \$1,000.00 requires prior approval and notification of the Select Board.
- All approved invoices are paid in a timely manner so that discounts may be taken. Monthly statements are reconciled upon receipt with paid invoices.
- The payable manifests and check register are reviewed and approved by the Select Board.
- A copy of the check is attached to the invoice. All invoices with appropriate back up are given with the check to the Treasurer for signature. The Financial Coordinator will mail the checks. Paid bills are filed by month in the locked storage room.

- Check stock maintained by the Financial Coordinator and kept in a safe place.
- Spoiled or voided checks are retained, and a copy is given with the “voided check register” to the Treasurer for reconciliation purposes.
- The Bank Statements are reconciled monthly by the Treasurer and the Financial Coordinator.
- Monthly detailed budget expenditure reports are distributed to the Department Heads for their review.

## **Receivables**

### **Purpose**

- Receivable are made a matter of record promptly upon completion of the acts which entitle the Town to collect the amount owed. Separate accounts are maintained for each major category of receivables to ensure the clear and full disclosure of the Town’s resources in its financial reports. Controls are established so that receivables are reported in the proper funds and accounts by the Financial Coordinator.
- It is the Department Head’s responsibility to do an independent verification of quantities, prices, and clerical accuracy of billing invoices issued by their department.
- A copy of invoices is to be provided to the finance office by the Department Head. Receivables are books into the appropriate general ledger control account upon receipt by the Financial Coordinator.

## **Payroll**

### **Responsibilities**

The Department Head of each individual department is responsible is responsible for supervision and timekeeping. The Department Head is responsible for summarizing the department hours onto a payroll worksheet to be turned into the Financial Coordinator along with any supporting documentation no later than Wednesday morning unless the following Monday is a holiday, then payroll must be submitted by Tuesday morning at the latest. The payroll worksheet should include information to ensure that the proper funds and accounts are charged.

- The Financial Coordinator is responsible for to process the payroll in a timely and accurate manner.
- Quarterly federal, state and NHRS reporting is completed by the payroll service and copies of filings are maintained by the Financial Coordinator.
- Timely year end reconciliations and W-2 processing is the responsibility of the Payroll Service.

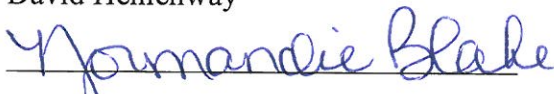
## Process

- The regular work week shall commence Monday morning at 12:01 AM and shall end the following Sunday night at midnight. The normal work week for all employees shall be established by the unique operation requirements of their individual department and be approved by their respective Department Heads. All employees, and/or their supervisor, shall complete a weekly payroll time sheet showing actual starting and quitting time for hourly employees.
- The Financial Coordinator will review all employees' timesheets before submitting to the payroll service. Each employee's leave time (i.e.: vacation, sick or personal time) will be posted/deducted as the bi-weekly payroll is run.
- Once all pay increases, new hires and position changes are approved by the Selectboard and/or voted by Town Meeting an approval for the rate of pay for a new employee or a change in a hourly or salary rate must be signed by the Selectboard and submitted to the Financial Coordinator. The Financial Coordinator will make these changes in the payroll system upon receipt of the payroll change order.
- The Financial Coordinator is responsible for all posting of payroll transactions to the General Ledger.
- The Financial Coordinator is responsible for all monies withheld from employees' pay for the purposes of health insurance, retirement, AFLAC and other miscellaneous withholding. These liability accounts are reconciled, and monies are forwarded on the employee's behalf to the appropriate vendors.
- The payroll check warrant and all supporting payroll check documentation are provided to the Selectboard for review and approval.
- Department Heads are responsible for distributing the checks to the appropriate employee if the employee has not signed up for direct deposit.

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