

# *Town of Hooksett*

35 Main Street  
Hooksett, NH 03106

## **CASH RECEIPT POLICY**

### **Section 1. Purpose**

The Town of Hooksett deposits substantial sums of money each year carrying out the many functions and services that it provides. 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.

As required by RSA 41:29 I 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.

### **Section 2. Regular Deposit Procedures**

**2.1** Customer Receipts – Departments should ensure that all customers are issued a sequentially numbered receipt at the time of collection of moneys from a customer. Customers should be encouraged by appropriately placed signs to request a receipt.

**2.2** A secure area is needed for the safeguarding and processing of cash received. Access to the secured area is restricted to authorize personnel only. The secured area is locked when not occupied. All revenue must be deposited with the Finance Office at least weekly or daily whenever such funds total \$1,500.00 or more. For Fridays, weekends and holidays the deposit must be turned in on the next available business day.

**2.3** Each department or committee (with the exception of the Tax Collector) must complete an account detail journal identifying the various revenue accounts to be credited, as well as, a copy of the receipt for each transaction. All checks should be stamped with the Bank Deposit Stamp. In addition, each depositor shall photocopy each check to keep with his or her copy of the deposit.

**2.4** In the case of a department who has authority from the Treasurer to deposit direct to the bank please skip down to 2.10.

**2.5** The person who collects and prepares the deposit (depositor) will bring it to the Finance Office for verification. Verification will consist of the depositor being physically present while the Bookkeeper counts and verifies the amount to be deposited. If the depositor sends the deposit via messenger, the deposit must be sealed in an envelope and the envelope be placed in an interoffice envelope. The Bookkeeper will verify the deposit in the presence of a Department Head or the Council's Administration Assistant. Under no circumstance will a deposit be opened without another authorized employee present.

**2.6** If there is a discrepancy, the Bookkeeper and the depositor will initial and provide a brief explanation of any changes made for immediate resolution. In the case of deposit sent by messenger, email verification to and from the depositor can be used for all changes. In the event that the Bookkeeper and the depositor cannot resolve the discrepancies the Finance Director will be notified immediately.

**2.7** The Bookkeeper will log the deposit on a Departmental Deposit Log. Then the Bookkeeper will prepare a bank deposit slip and seal the deposit and the slip in the bank deposit bag.

**2.8** The deposit bag will be given to the Tax Collector (the Tax Collector should verify the bag is properly sealed) to bring to the bank within 24 hours. The Bookkeeper will bring the deposits to the bank as a backup to the Tax Collector. In this case the Tax Collector will seal his/her deposit in a bank deposit bag.

**2.9** The Tax Collector will take the deposits to the bank and provide copies of the receipts slips from the bank to the Bookkeeper. The Bookkeeper will log the receipt's date and amount next to the appropriate department deposit on the Departmental Deposit Log.

**2.10** Each Department shall receive from the Bookkeeper its Departmental Deposit Log monthly. The Treasurer will receive the Departmental Deposit Logs and copies of all deposits receipts. Any discrepancies shall be reported to the Finance Director, who will notify the Treasurer and or the Department.

For the Department that deposit directly to the bank themselves, they will prepare a Department Deposit Log with the bank receipt information (date and amount). A copy of this log and the receipts will be remitted to the Treasurer and the Finance department once a month by the 15<sup>th</sup> of the seceding month.

**2.11** The Treasurer and the Finance Director will verify the departments log with the bank statement each month. Any discrepancies shall be reported to the department for explanation and correction.

**2.12** Under **no** circumstance will the Department utilize personal funds to compensate for shortages or overages. All shortages or overages must be brought to the attention of

the Finance Director prior to submission. Employees and officials are not allowed to cash personal checks made payable to the Town or paychecks.

### **Section 3. Coin Depositing**

**3.1** All coins must be included with each deposit and correctly reported on the coin line of the deposit slip.

**3.2** 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 4. Petty Cash Procedures**

**4.1** The Town Administrator shall authorize and establish funds. The Finance Director shall keep a current listing of all Petty Cash Funds.

**4.2** The Department Head and the Finance Director will determine a base petty cash amount.

**4.3** 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 one employee will be named Petty Cash Custodian at a time and shall be assigned the responsibility by the Department Head.

**4.4** The Petty Cash Custodian will issue a two-part receipt for each payment made out of petty cash. This receipt is to be signed by the Petty Cash Custodian and the employee receiving the petty cash.

**4.5** All reimbursements from petty cash for small purchases will be made to employees authorized by the department head to make such purchases and the employee must supply the appropriate receipts and a description of the purchase.

**4.6** The following items will **not be reimbursed** from petty cash: (Note: This list is not all-inclusive)

- Single purchases in excess of \$50.00
- Equipment of any kind
- Payment to an individual for services rendered
- Office parties, gifts, holiday decorations, flowers, greeting cards
- Employee Meals, excluding Emergency Situations
- Alcoholic Beverages
- Gasoline
- IOU's

- Cashing of personal checks

**4.7** Food for meeting will only be reimbursed if detailed in the approved budget and are paid out of the “Meals and Food” budget line.

**4.8** At all times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash amount.

**4.9** Replenishment of departmental Petty Cash for purchase made shall occur by submitting a summary of all purchase sorted by General Ledger account number to the Finance office. All receipts or other documents supporting the charges shall accompany the request. Finance will cut a check for the reimbursement during its normal processing.

**4.10** Department shall submit Petty Cash reimbursement once a month at a minimum, for any purchase receipts being held.

**4.11** Under **no** circumstance will any employee utilize personal funds to compensate for shortages or overages. All shortages and overages must be brought to the attention of the Finance Director immediately upon discovery.

**4.12** The Finance Director will perform random audits of all departments’ petty cash. Any discrepancies found must be explained in writing and in detail to the Finance Director and Town Administrator.

## **Section 5. Return Check Procedure**

**5.1** Copies of returned checks and bank documentation must be submitted to the Finance office, the Treasurer and the Department. Returned checks will be recorded in the accounting system against the revenue in which it was originally posted.

**5.2** With the exception of tax payments, the Town will only re-deposit checks returned for insufficient funds one time.

**5.3** The Department is responsible for notifying the issuer in writing that he/she must replace any uncollected payments returned by the bank and a Returned Check fee of \$25.00 plus all protest, all bank, and legal fees per RSA 80:56 in the form of cash, money order, or bank certified check. The Return check fees should be reported as a separate revenue item.

## **Section 6. Non-compliance**

**6.1** Violation of this policy may result in the denial or revocation of the privilege to handle town funds. Employees who do not comply with this policy shall be subject to disciplinary action including termination as outlined in the Personnel Plan Section 16.

## **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.

## **Section 8. Policy Approval/Amendments**

Town Council approved adoption of the Town of Hooksett Cash Receipts Policy at their March 12, 2008 meeting.

Town Council amended the Town of Hooksett Cash Receipts Policy at their September 8, 2010 meeting.

Town Council amended the Town of Hooksett Cash Receipts Policy at their May 12, 2011 meeting.

Town Council amended the Town of Hooksett Cash Receipts Policy at their October 10, 2012 meeting.