



POLICY No.: F-15  
DATE ADOPTED: OCTOBER 3, 2018

# **TOWN OF WEST BOYLSTON BOARD OF SELECTMEN POLICY**

## **REVENUE TURNOVER POLICY**

### **PURPOSE**

To safeguard Town assets and maximize cash flow, the Town establishes this policy that provides guidelines for departments to turn over receipts to the Treasurer/Collector. Included are details of internal controls designed to provide reasonable assurance that the Town's revenues are properly and timely secured, recorded, and deposited in Town bank accounts.

### **APPLICABILITY**

This policy pertains to all cash, check, on-line payments, and other forms of payment received by all Town departments for taxes, excise, fees, federal and state government receipts, and charges. It applies to the individuals within each department assigned responsibility for handling payments.

### **POLICY**

The head of each department that receives payments is responsible for instituting and employing internal controls designed to ensure that all receipts are recorded accurately, kept secure from loss or theft, and turned over timely to the Treasurer/Collector. Each department must turn over at least weekly and must do so promptly whenever collections total \$250 in cash or \$3000 in checks.

As part of this policy, the department head must review the turnover for accuracy and sign off on the turnover. The department head may designate other appropriate personnel to perform this task.

The Treasurer/Collector, Assistant Treasurer, and Assistant Tax Collector must give bond annually consistent with the provisions of MGL Ch41 §35, §39A, and §39C.

The Town Accountant shall periodically, but not less than once per year, perform site visits to the departments to audit the receipt process.

### **PROCEDURES**

#### **A. Receiving Payments:**

- Departments shall stamp all checks with the town endorsement stamp upon receipt of checks. At a minimum, departments must write "For Deposit Only – (department name)".
- Departmental cash receipts are recorded on a detail sheet that balances to the "departmental turnovers" and is retained in the department.
- The Treasurer/Collector's office enters all receipts reported on the schedule as benefit receipts in the General Billing module of SoftRight.

All cash receipts activity for a specific date will be entered in SoftRight generally the day after receipt.

Using pre-numbered, duplicate receipt books, Town department staff must issue a receipt for every cash collection received \$10 or greater, even when the payer attempts to refuse it. As an exception, Treasurer/Collector staff need only issue receipts for cash payments for parking tickets, insurance benefits, and returned check fees. However, all departments without exception must identify cash payments in their departmental records and on their respective turnovers. All staff must immediately endorse each check "For Deposit Only." Every collecting department shall secure all payments in a locked cashbox, file cabinet, or safe until completing a turnover to the Treasurer/Collector.

The School Department deposits lunch program receipts into a Town bank account. These deposits shall take place at least once per week. Copies of the bank deposit slips and bank deposit receipt shall be included with the turnover to the Treasurer/Collector at least once per week. The School is responsible to retain all detail documentation including cash register receipts to support the deposits.

Each department head is responsible with overseeing the processing, recording, record retention, and turning over of collected receipts to the Treasurer/Collector. To the extent practicable, separate individuals must be tasked with 1) receiving payments, 2) depositing money in the bank (as applicable for the School Department) and 3) turning receipts over to the Treasurer/Collector.

#### B. Turning Over Revenues:

Departmental staff will create a turnover package by filling out a standard Schedule of Departmental Payments (i.e., the turnover form) in triplicate with department head signature to report respective receipts by appropriate general ledger revenue account. All receipts should correlate to the numbered receipt book and to the turnover form.

Departmental staff shall deliver the form with the cash and checks to the Treasurer/Collector's office when all cash and checks reconcile. The turnover is submitted to the treasurer/collector's office for recording in the SoftRight Cashbook and deposit at the bank. The treasurer/collector's office signs two of the three Schedule of Departmental Payments as a verification that the total amount indicated on the form reconciles with the total cash and checks presented.

One signed copy is retained by the Treasurer/Collector. The department retains one copy of the Schedule of Departmental Payments as signed by the Treasurer/Collector's clerk as part of their departmental documentation.

One copy of the Schedule of Departmental Payments is forwarded directly by the department to the town accountant as an independent source document for the town accountant to verify that the receipts have been entered in SoftRight by the Treasurer/Collector's office. This copy is sent to the Town Accountant at the same time the receipts are submitted to the Treasurer/Collector, but without Treasurer/Collector signature. This form should not be left in the Town Accountant's mail slot, rather delivered directly to the Office of the Town Accountant to ensure proper receipt.

All departments that receive payments should review their monthly revenue reports against their turnover copies to verify that all receipts turned over to the Treasurer/Collector are accurately recorded in the appropriate general ledger accounts and report any discrepancies to the Town Accountant.

#### C. Receiving Turnovers

When presented with a turnover, Treasurer/Collector staff will count the receipts in the presence of the department turning over. Any inaccuracies on the turnover form will be corrected and initialed by both parties. The Treasurer/Collector staff member will then sign two turnover copies and give one back to the departmental employee for their records. Upon receipt, the Treasurer/Collector staff will secure the receipts, which will be recorded in the cashbook and deposited at the bank at least twice a week.

To the extent practicable, separate individuals must be tasked with 1) receiving the turnovers, 2) recording the revenues in the cashbook, and 3) depositing the money in the bank.

The Treasurer/Collector will enter the receipt data in the SoftRight system and release them to the Town

Accountant for review and posting by the 15th of the following month.

**D. Reconciliation**

In accordance with the Town's Reconciliation policy, the Treasurer/Collector will reconcile the cashbook with bank statements and provide a summary of cashbook balances to the Town Accountant monthly. The Town Accountant will then reconcile General Ledger Cash to the Treasurer's balances within 45 days of the close of the prior month.

**E. Audit**

All cash management activity is subject to review by the Town Accountant and the independent auditor.

**REFERENCES**

M.G.L. c. 41, §35

M.G.L. c. 41, §57

M.G.L. c. 60, §57A

West Boylston Reconciliations Policy

Massachusetts Collectors Treasurers Association: Treasurer's Manual & Collector's Manual