



TOWN OF ERVING

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FIN-001

Policy

Revenue Turnover Policy


Approved:  Date: October 18, 2023
Select Board Chair, Jacob A. Smith

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.01 Issue Date / Effective Date

This policy is issued and effective on October 18, 2023.

.02 Purpose

To safeguard the Town assets and maximize cash flow, the Town establishes this policy that provides guidelines for all departments to turn over receipts to the Treasurer. 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.

.03 Applicability

This policy pertains to all cash, check, credit card, 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.

.04 Policy

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 to the Treasurer as soon as reasonably possible, but no more than one (1) week after receipt.

.05 Procedures

The following procedures are designed to manage the handling of payments uniformly and efficiently throughout the Town.

A. Receiving Payments

- a. Town department staff must issue a receipt for every collection received, even when the payer attempts to refuse it. As is the exception, Treasurer's Office staff need only issue receipts for cash payments. However, all department staff without exception must

identify cash payments as such in their receipt books. All staff must immediately endorse each check "For Deposit Only." Every department collecting payments shall secure all payments in a locked cashbox or safe until completing a turnover to the Treasurer.

- b. Each department head is responsible for overseeing the processing, recording, record retention, and turning over of collected receipts to the Treasurer's Office. To the extent practicable, separate individuals should be tasked with separate duties, such as:
 - i. receiving payments,
 - ii. turning receipts over to the Treasurer.

B. Turning Over Revenues

- a. Departmental staff will create a turnover package by filling out a standard Schedule of Departmental Payments (i.e., the turnover form) with department employee signature. All receipts should correlate to the turnover form.
- b. Turnovers shall be delivered to the Treasurer's Office at Town Hall. Non-cash turnovers may be submitted in the lockbox outside the Treasurer's Office. Any turnover containing cash must be submitted in person to the Treasurer's Office during normal business hours and shall not be left in the lock box.
- c. When the Treasurer's Office has accepted the turnover, the department employee will receive a copy of the turnover form signed by a Treasurer's Office staff member. The department employee will retain one turnover copy on file. The Treasurer's Office staff will also provide a copy to the Town Accountant. The Town Accountant shall refuse to accept any turnover form that does not have the signature of a Treasurer's Office staff member.
- d. All departments that receive payments for special revenue accounts should review their quarterly special revenue reports against their turnover copies to verify that all receipts turned over to the Treasurer's Office are accurately recorded in the appropriate general ledger accounts and report any discrepancies to the Town Accountant.

C. Receiving Turnovers

- a. When presented with a turnover, a Treasurer's Office staff member 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. A Treasurer's Office staff member will then sign two turnover copies and give the departmental employee one copy. Upon receipt, the Treasurer's Office will secure the receipts, which will be recorded in the cashbook and deposited weekly or more often as needed.
- b. To the extent practicable, separate individuals should be tasked with separate duties, such as:
 - i. receiving the turnovers,
 - ii. recording the revenues in the cashbook, and
 - iii. depositing the money in the bank.
- c. The Treasurer's Office will enter the receipt data in the accounting software and provide the Town Accountant with a copy of all turnovers processed.

D. Reconciliation

- a. In accordance with the Town's Reconciliation policy, the Treasurer will reconcile the cashbook with bank statements and provide a summary of cashbook balances to the Town Accountant monthly.

.06 Auditing

All cash management activity is subject to review by the Town Administrator and the independent financial auditor as necessary.