

CASH MANAGEMENT POLICY TOWN OF WATERBURY

Section 1: Title, Authority, and Purpose

This policy shall be known as the "Town of Waterbury Cash Management Policy." It has been adopted by the Town of Waterbury Select Board pursuant to 24 VSA § 872.

The purpose of this Cash Management Policy is to establish proper management practices over cash, checks, and other receipts and disbursements in order to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which financial decisions can be made. It establishes guidelines to ensure that transactions are supported by adequate documentation, oversight and approvals.

Section 2: Cash Receipts

General Guidelines. All cash collections must comply with the guidelines set forth in this policy as well as GASB standards, best practices and, in the case of expenditures that are funded by federal grants, the appropriate provisions of Title 2, Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance") as noted below.

Authorized Personnel. For internal control purposes, only the following officers, employees, and volunteers are authorized to receive funds on behalf of the Town of Waterbury: Town Treasurer, Assistant Town Treasurer, Town Clerk, Assistant Town Clerk, Utility Billing Clerk, Administrative Secretary, designated Cemetery Commissioner, and Recreation Director.

Proper Payee. All checks, money orders, on-line payments, and credit card payments, regardless of function, must be made payable to the Town of Waterbury. No instruments may be made payable to a Town officer, employee, volunteer, department, committee, board, or group.

Receipts. All receipts with cash codes in the system shall be collected and entered into the appropriate NEMRC cash receipt application by authorized personnel. This includes clerk fees, tax and utility billing collections, library and recreation fees, and all other fees and charges provided the Town in the course of its daily operations. Those receipts without cash codes in the system shall be processed as journal entries by the Finance Department after approval and coding by the Municipal Manager.

Safeguarding Funds. Safeguarding funds prior to deposit at the bank is the responsibility of authorized personnel receiving the funds. At closing each day, all coins, currency, checks, credit card information, and money orders not yet deposited must be retained in the vault until deposited at the bank in accordance with the section below.

Preparing and Depositing Funds. Funds collected by authorized persons must be deposited daily. During tax collections or such collections that may significantly increase the amount of undeposited cash during the day, deposits shall be made at least twice a day.

All payments are received in the front office by staff authorized to collect cash, checks and credit card receipts. These payments come from the mail, citizens, other departments and from on-line banking. All collections are entered into NEMRC as indicated above and at the end of each day at closing around 3 p.m., each station that has entered the daily collections will print a report of the receipt transactions and the Administrative Secretary will run a tape of the transactions and reconcile it to the printed cash receipts reports to ensure accuracy. The deposit will then be delivered to the bank. Payments collected after closing will be kept in the vault and deposited the following day.

The Finance Department will check the edit list of the daily NEMRC cash subsidiary ledgers against the reconciled reports and post the ledger entries into the general ledger.

Returned Checks. A returned check will be recorded in the accounting system against the revenue in which it was originally posted. Upon receipt of a returned check, the Finance Department will notify the

check writer that the check did not clear. The notice will include information about the returned check fee that will be charged. The fee will be set annually by the Select Board. Confirmation of this returned check transaction is sent to the department responsible budget for which the payment is due to ensure that their records match the general ledger. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or a replacement check. If two checks are returned from the same customer in the same year, payment must be made in the form of cash, money order or a certified check.

Safeguarding Receipts and Related Records. The Town shall safeguard all assets, including those used in non-federally funded operations as well as federally funded operations. In both cases, the Town will follow COSO guidelines for internal controls as outlined in the Town of Waterbury Controls Guidance document which covers the requirements for those operations that are funded by federal grants, as promulgated in the provisions of Title 2, Part 200.302, Part 200.303, Part 200.313, and Part 200.335 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance"). All such receipts and records shall be secured in the Town vault or in locked file cabinets.

Section 3: Disbursements

All purchases and payments must comply with the guidelines set forth in this policy as well as GASB standards, best practices, the Town of Waterbury Purchasing Policy and, in the case of expenditures that are funded by federal grants, the provisions of Title 2, Part 200.305 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance").

Purchases. All purchases for the Town of Waterbury must follow the Purchasing Policy as approved by the Town of Waterbury Select Board and, in the case of federally funded expenditures, the provisions of Title 2, Part 200.317 through 200.326 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance"). All goods and services ordered must be within budget parameters for that department. Stock supplies shall be kept at reasonable levels based on past usage. All personnel who have the authority to sign for purchases must include descriptions on all orders. Orders shall not be placed if sufficient funds are not in the budget, unless approved by the Municipal Manager.

Invoices. All invoices must be faxed, emailed or mailed directly from the vendors to the Finance Department at the Town Offices. All payments for goods and services or reimbursements must be supported by an original source document and approved for payment by the appropriate Department Head or the Municipal Manager (see Town of Waterbury Purchasing Policy). No invoices are to be paid until the goods or services have been received, unless a duly authorized contract calls for a pre-payment, or payment is for credit card purchases authorized in advance by the Municipal Manager. All reimbursements to employees must be approved by the Municipal Manager.

All invoices entered in the accounts payable system must have a unique invoice number. For unnumbered invoices, the invoice date will be used.

New Vendors. All suppliers of services to the Town must have an up-to-date W-9 on file with the Finance Department before any payments will be released. New vendors must submit a W-9 and the Finance Department will confirm through reasonable means that the vendor is legitimate.

Payments. All applicable documents must be properly approved, coded, and forwarded to the Finance Department as expeditiously as possible. All properly coded payment documents received by noon Thursday will be paid in the check run on the following Monday as directed on the expense coding sheet. Payment documents received after noon on Thursday may be held by the Finance Department to be processed for payment on the second Monday after receipt. The Municipal Manager may authorize an emergency payment outside the schedule, providing an explanation as to why the payment was authorized without a warrant signed by the Select Board.

The Finance Department shall cause all accounts for payment to be certified as follows: (a) The Department Head has approved and correctly coded the invoice assuring that the goods or services have been received and will be accurately booked and attached the purchase order if applicable; (b) No sales tax has been charged; (c) No late fees have been assessed indicating that the invoice was not submitted in a timely fashion.

The calculations and additions being correct, the Finance Department shall run the checks and submit them along with the invoices and warrant to the Town Treasurer. The Treasurer will then sign the physical checks and uploads ACH payments to the bank as positive pay. The Treasurer shall reconcile the checks to the invoices to ensure the amounts are correct, and submit the warrant to be presented to Select Board for their approval, as required by State statute.

Vendor payments are authorized at Select Board meetings on the first and third Mondays of each month (except when moved due to holiday schedule.) The weeks that there is no Select Board meeting, a Select Board designee shall review and sign the warrant. New credit accounts are not opened without authorization from the Municipal Manager. Disbursements will be made through the accounts payable system or through on-line banking (ACH). Accounts payable checks will be signed by the Town Treasurer and mailed or handed out the day following the approval of the warrant or shortly thereafter unless otherwise authorized. ACH payments will be transmitted using dual authorization.


Safeguarding Check Stock and Records. All check stock will be locked in the Finance Department file cabinets and accessed by only Finance Department personnel. Voided checks should be stored in a locked file cabinet as well and the Finance Department will ensure that all check numbers are accounted for, either as voided checks or checks used in payable runs. No handwritten checks will be allowed.


The Town shall safeguard all assets, including those used in non-federally funded operations as well as federally funded operations. In both cases, the Town will follow COSO guidelines for internal controls as outlined in the Town of Waterbury Controls Guidance document which covers the requirements for those operations that are funded by federal grants, as promulgated in the provisions of Title 2, Part 200.302, Part 200.303, Part 200.313, and Part 200.335 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Grant Guidance").


The foregoing Policy is hereby adopted by the Select Board of the Town of Waterbury this 19th day of December, 2022 and shall be effective January 1, 2023 until amended or repealed.


Michael Bard, Chair


Dani Kehlmann


Roger Clapp


Alyssa Johnson


Christopher Viens