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John Murphy, Chair

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**Town of Duxbury**  
**ACCOUNTING, AUDITING AND FINANCIAL REPORTING Procedures**

The purpose of this Accounting, Auditing and Financial Reporting Policy is to establish and maintain high standards for accounting practices in the Town of Duxbury, thereby enabling voters, the Selectboard, and the Town Treasurer to make sound decisions in preparing and adopting the Town budget and managing Town finances.

Accounting

The accounting practices of the Town will conform to Generally Accepted Accounting Principles for local governments as established by the Governmental Accounting Standards Board. The Town Treasurer will establish and maintain a system of fund accounting and shall measure financial position and results of operations using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary and fiduciary funds.

Auditing

Annually the Selectboard will cause the Town financial statements to be audited by a qualified, properly licensed independent accounting firm. This audit will be conducted in addition to any audit performed by the Town's elected auditors under 24 V.S.A. § 1681.

Monthly and Annual Financial Reporting

The Town Treasurer will prepare monthly financial reports for the Selectboard's management purposes. These will consist of:

- Budget Report showing revenues collected and appropriations expended for the previous month with the variance from the budget amounts for each line item
- Balance Sheet showing Town assets less liabilities and the fund balance

The Town Treasurer will also prepare an annual financial report. This report should include financial statements for each of the funds of the Town, as well as appropriate additional disclosures as necessary for the complete understanding of the financial statements presented. In addition, the report should include a narrative discussion to explain how the Town's current financial position and results of financial activities compare with those of the prior year and with budgeted amounts. This report, together with the most recent independent auditor's report and any report prepared by the Town's elected auditors under 24 V.S.A. § 1682, will be reproduced in the Town's annual report each year.

**Town of Duxbury**  
**ACCOUNTS PAYABLE (Invoices) Procedures**

**Town Treasurer** (prior to 4PM Friday):

1. Opens the mail.
2. Codes the invoices with the GL account number for the line item in the budget that the expense will be charged to.

**Selectboard** (anytime over the weekend, prior to 8am Monday):

3. Two designated Selectboard Members approve and sign invoices slips.
  - NOTE - If designated Selectboard Member is unable to review and approve invoices over the weekend he/she will contact another Selectboard Member to cover for him/her.

**Town Treasurer:**

4. Enters the invoices into the accounts payable NEMRC module.
5. Prints checks, Check Warrant, and Check Register (2 copies - 1 for checkbook register and 1 for binder) from within NEMRC.
6. Transfers data to General Ledger and prints report within NEMRC from Payables Module and General Ledger Module.
7. Signs all checks and initials reports.
8. Mails checks with invoice stubs.
9. Files 1 copy of Check Register with Checkbook Log in Monthly folder.
10. Files 1 copy of Check Register with Warrant and Transfer Reports in Binder\*.
11. Binder Clips Invoices to Check Warrant with reports for the next Selectboard Meeting for approval from other Selectboard Members.
12. Files Check Warrant with the Accounts Payable Reports\* for the specific date after all signatures have been received at next Selectboard meeting.
13. Files Invoices by Vendor by Year after all signatures have been received at next Selectboard meeting.

\* All Reports are filed by Year, by Quarter in a Binder stored in the Treasurer file cabinet. Access to the file cabinet can be obtained by the Treasurer, Assistant Treasurer, or Designated Selectboard Member.

## **Town of Duxbury PAYROLL Procedures**

### **Road Crew/Town Clerk/Town Treasurer** (prior to end of workday Friday):

1. Provide Timesheet of hours worked and leave time, if applicable.
  - a. Road Crew are paid Weekly
  - b. Town Clerk, Assistant Town Clerk, Treasurer are paid Bi-Weekly
  - c. Assistant Treasurer is paid Bi-Weekly As Worked

### **Town Treasurer:**

1. Enters timesheets into NEMRC.
  - NOTE - if any adjustments are made to employee maintenance such as an update to deductions, a note should be made in the notes section of the payroll module.
  - Payroll changes should be approved by the board.
2. Prints Checks and Reports:
  - Payroll Warrant
  - Check Register
  - Payroll Register
  - Direct Deposit Summary
  - Employee Deduction Summary
  - Transfer Reports for A/P (within Payroll & A/P Modules) & General Ledger (within Payroll & General Ledger Modules)
  - Employee Tax Summary
  - 941 Tax Report
3. Reviews Payroll Reports (initialing the reports) and sign Payroll Checks.
4. Authorizes Direct Deposit (if applicable) within Merchants Bank online portal.
5. Processes EFTPS 941 Payment via online with pay-date Wednesday.
6. Files EFTPS 941 Payment with Confirmation Page with Monthly Checkbook Log.
7. Prepares Payroll Warrant, Timesheets Payroll Reports, and Payroll transfer reports for the next Selectboard Meeting for approval from other Selectboard Members.

8. Files Payroll Warrant, Timesheets, Payroll Reports and Payroll transfer reports\* for the specific date after all signatures have been received at next Selectboard meeting.
9. Provides employee Paycheck on Wednesday.
10. Reconciles all payments monthly as part of bank reconcile.

\* All Reports are filed by Year, by Quarter in a Binder stored in the located Treasurer file cabinet. Access to the file cabinet can be obtained by the Treasurer, Assistant Treasurer, or Designated Selectboard Member.

## **Town of Duxbury REVENUE (Cash Receipts) Procedures**

The purpose of this Policy is to establish proper management practices over cash, checks, and other receipts in order to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which financial decisions can be made.

### Authorized Personnel

For Internal control purposes, only the following officers and/or employees are authorized to receive funds on behalf of the Town of Duxbury - Town Treasurer, Assistant Town Treasurer, Town Clerk, Assistant Town Clerk, Collector of Delinquent Taxes, Cemetery Commissioners, and Zoning Administrator.

### Proper Payee

All checks and money orders, regardless of function, must be made payable to the Town of Duxbury. No instruments may be made payable to a Town officer, employee, volunteer, department, committee, board, or group.

### Receipts – other than Property Tax Payments

Persons authorized to receive funds on behalf of the Town must issue a fully completed collection receipt for any and all cash received using a pre-numbered receipt. The original completed receipt must be issued to the person from whom the funds are received. The second copy must be delivered to the Town Treasurer with the funds.

### Property Tax Payments

Property Taxes will not be received in cash. Checks will be stamped for DEPOSIT ONLY when received and held in a secure location out of sight. Taxpayers can ask to have their bill stamped received with the date and amount, or the check can be copied and the photocopy stamped received with the date. Receipts will be created when checks are entered into NEMRC and stored electronically by parcel number and date. Taxpayers can have printouts of this receipt mailed or available for pickup upon request.

### Safeguarding Funds

Safeguarding funds prior to deposit with the Town Treasurer is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, and money order must be retained in a secure place until deposited with the Town Treasurer in accordance with the section below.

#### Preparing and Depositing Funds

Funds collected by authorized persons must be deposited with the Treasurer within five business days, with the exception of the Collector of Delinquent Taxes and Cemetery Commissioner. Collector of Delinquent Taxes must deposit funds collected with the Town Treasurer by the 20th of every month. Collector of Delinquent Taxes must also reconcile all accounts with the Town Treasurer by the 20th of every month.

Each person depositing funds with the treasurer must provide the copy of the pre-numbered receipt with payment. The Town Treasurer will make deposits to the bank with 2 days of receiving them and will retain copies of all deposit receipts issued by the bank. Deposit receipts, supporting documentation, and the Posting Registered from the General Ledger and filed by the Town Treasurer. Any town officer or department may request from the Town Treasurer a monthly list of deposits that have been verified through the bank statement. Any discrepancies shall be reported to the Town Treasurer.

#### Returned Checks

A returned check will be recorded against the revenue in which it was originally posted if the check is not replaced. Payer will be charged fees applied to town, and placed on a "No Check's Allowed" agreement until fees and payment have cleared the bank. They will be given a 10-day grace period from date of notification to pay fees and monies owed, or they will be placed on a cash only basis. If no money is collected, it will be turned over to the Selectboard for their attention, or delinquent tax collector if tax related.

#### Petty Cash

No officer, employee, volunteer, department, committee, board, or group may establish a petty cash system without consent from the Selectboard and the Town Treasurer. The Selectboard will appoint an officer, employee, or volunteer to be custodian for each petty cash account. A base petty cash amount must be determined by the Town Treasurer. A cash box or cash drawer will be used to store petty cash and must be locked at all times. The key will be kept in a secure location. Only the petty cash custodian and the Town Treasurer will have access to the locked petty cash box and key. Payments out of petty cash will be made only when a valid receipt is presented. Should prepayments out of petty cash be necessary, a memo explaining the purpose of the prepayment must be signed by custodian or Town Treasurer and the officer, employee, or volunteer and placed in the petty cash box or cash drawer.

At all times the total receipts added to the cash remaining in the petty cash box must equal the predetermined petty cash amount. Under no circumstances will personal funds be used to compensate shortages. All shortages must be brought to the attention of the Town Treasurer immediately upon discovery.

#### Over Payments Balances

When an over payment is made to the town of less than \$10 it will be considered a zero balance with the remaining amount recorded in revenue.

#### Credit Cards

The town currently has no credit cards.

#### Cemetery Commission

The Cemetery Commission oversees its own budget and checking account. Voters approve a budget at the annual meeting and the Town Treasurer provides the allotted funds to the Cemetery Commission Treasurer on July 1. The Cemetery Commission Treasurer oversees all expenditures from their checking account and submits a written financial report to the town for inclusion in the Annual Report.

**Town of Duxbury**  
**BANK RECONCILIATION Procedures**

**Town Treasurer and Assistant Town Treasurer** (prior to the monthly Selectboard meeting):

1. Download the bank statement from the Merchants Bank online.
2. Create a journal entry to record bank fee and monthly interest, also record the same in Monthly Checkbook Log spreadsheet.
3. Treasurer provide the Monthly Checkbook Log spreadsheet and the bank statement to the Assistant Town Treasurer for reconciliation.
4. Within the General Ledger Module of NEMRC, reconcile the bank statement to NEMRC.
5. Print the bank reconciliation statement from NEMRC.
6. Treasurer and Assistant Treasurer Initial and date the statement.
7. Verify bank reconciliation matches with Monthly Checkbook Log spreadsheet.

**Town of Duxbury**  
**GENERAL LEDGER (Journal Entries) Procedures**

**Town Treasurer:**

1. Process any/all Journal Entries within the General Ledger Module of NEMRC.  
Supporting documentation should be clear and concise.
2. Print the Posting Register and initial and date the report.