

## TOWN OF NORWELL

### DEPARTMENTAL RECEIPT POLICIES

#### A. LICENSE AND PERMIT STOCK

1. All licenses and permits will be ordered pre-numbered.
2. The individual responsible for completing licenses and permits shall be provided with a batch of 50 permits for current use.
3. A responsible individual, (other than the person that completes licenses and permits) will control the stock of unused licenses and permits (not in current use) and will maintain a log to track the dates that batches of license/permit stock were issued for current use to the individual responsible for completing the forms.
4. All unused stock of licenses and permits will be stored in a secure, locked area.
5. Employees are not permitted to issue licenses or permits at no fee, or waive any established customer charges.

#### B. RECEIPTS

##### Currency:

1. Departments may not accept currency receipts from customers exceeding \$ 250.00.
2. A sign must be prominently posted in the department, in view of the public, stating that no currency receipts over \$ 250.00 are accepted. If item 1 and 2 are not implemented or for collections under the threshold, the following apply.
3. Written receipts must be given to customers for all currency collected. The receipts will be from a pre-numbered and bound two-part receipt book and will be signed by the individual that received the money.
4. Departmental receipts should never be commingled with any departmental employee's own personal money. Employees must not make change for customers with their own money.
5. Departmental receipts must never be used to cash checks for Town employees or the public.

6. Disbursements from any departmental receipts are strictly prohibited. All receipts must be remitted to the Town Treasurer intact. All disbursements must be paid through the Town warrant.

Checks:

All incoming checks received must be immediately stamped "for deposit only - Town of Norwell".

**C. RECEIPT LOG**

1. All receipts must be recorded in a formal "receipts log" that includes all the features/controls of the attached example.
2. The date, customer name, amount, and type of receipt must be recorded for each receipt.
3. The "other description" column is optional, but must be used when no other identifying information (e.g., license/permit number) is applicable, or additional information is desired.
4. The receipt must identify whether the receipt was in the form of a check or currency.
5. If the receipt is a check, the customer check number must be recorded.
6. If the collection is currency, a physical receipt must be created and given to the customer, and the number recorded. The duplicate receipt must be retained in the bound receipt book.
7. Verify that the total of the checks plus the total of the currency totals the total receipt reported by general ledger revenue account number.
8. Each receipt must identify the revenue general ledger account to be posted. The Accountant's general ledger revenue account number should be identified in the column heading.
9. If receipt involves a license, permit, or other pre-numbered document, the number must be recorded.
10. All miscellaneous receipts with no separate column should be recorded in a miscellaneous column, however, the "description" column must identify the nature of the receipt.
11. The receipt log must be subtotaled whenever receipts are turned over to the Treasurer. The turnover form must agree with the subtotals of

the log for check receipts, currency receipts, and the breakdown of the revenue general ledger accounts to be posted.

12. All pre-numbered license, permit, or manual receipt book numbers must be accounted for on the log so that the consecutiveness of numbers can be easily proven.

#### **D. PHYSICAL SECURITY**

1. All departmental receipts that are not remitted to the Treasurer immediately, must be kept in a secure location, with no access to other departmental employees or the public.
2. Receipts held overnight must be kept in a locked safe or cabinet, with no access to other departmental employees. The Department Head shall have custody of the combination or key to the safe.

#### **E. TURNS TO TREASURER**

1. Cash and checks on hand should be counted and proven to the receipt log. A departmental employee that was not involved in the receipt process should perform this function.
2. Turns to the Treasurer should be made whenever total receipts reach \$ 500.00 or weekly, whichever occurs first. In no circumstances should receipt turns be less frequent than monthly, and must be made within five workdays after month end.
3. Turns to the Treasurer should be summarized on preprinted departmental receipt turnover forms. Each department's form should be unique, including the following preprinted information:
  - name of department
  - turnover number
  - date of turnover
  - general ledger account numbers and names of revenue/receipt accounts to be posted
  - total of turnover, including a breakdown of cash and checks
  - space for signature of responsible departmental personnel and department head
4. Turnover amounts must agree with the subtotals in the receipt log.
5. Turnover forms must be approved and signed by the Department Head.

6. The turnover form should be made in triplicate, with one copy remitted to the Treasurer with the money, one directly remitted from the department to the Town Accountant, and one retained by the department.
7. The Town Accountant's copy should be attached to a copy of the corresponding cash receipt log (for internal audit purposes).
8. The Treasurer should issue a receipt (from a bound receipt book) to the department documenting that the amount of cash/checks turned over agrees with the turnover form total. This receipt form should be attached to the departmental copy of the receipt form, and retained in a chronological file for the fiscal year.

#### **F. RECONCILIATION**

1. Departments must receive detail revenue reports from the Town Accountant monthly and prove year-to-date revenues to departmental receipt log records. Documented evidence of this reconciliation must be retained and reported to the Accountant.
2. Departments must verify the total of the receipt from the Treasurer's office agrees to their copy of the Departmental turnover and retain both.

#### **G. RECORD RETENTION**

1. Departments must retain documentation, including receipt logs, customer receipt books, duplicate copies of licenses and permits, and turnover forms for a minimum of five years.

#### **H. OTHER**

1. No departments, other than the Treasurer/Collector and authorized Student Activities Administrator, are authorized to maintain their own bank accounts. Accounts maintained by the Town Clerk, while authorized by statute, should be discouraged.



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Thomas J. Bigger, Chairman  
September 2, 2009