

## REVENUE TURNOVER

### PURPOSE

To safeguard Town assets and maximize cash flow, this policy provides guidelines for 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.

### APPLICABILITY AND SCOPE

Applies to:	<ul style="list-style-type: none"><li>▪ Treasurer, as the Town's cash manager, and Treasury Department staff</li><li>▪ Collections office staff, and all the individuals and department heads of other departments with responsibility for handling payments</li><li>▪ Town Accountant in the duty to keep the general ledger up to date</li></ul>
Scope:	<ul style="list-style-type: none"><li>▪ Guidelines for managing all cash, check, credit card, and other forms of payment received by all Town departments for taxes, excises, fees, charges, and intergovernmental receipts, from the departmental level through Treasury and Accounting duties</li></ul>

### 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. Each department will turn over at least weekly and must do so by the end of the day when receipts total \$300 or more. At each month-end, departmental staff will turn over all revenues no later than 11:00 am on the last business day of the month.

To indemnify the Town from potential loss or theft of receipts, the Town Administrator will ensure that surety bonds are maintained for all individuals responsible for handling payments.

#### A. Receiving Payments

Using receipt books, assigned departmental staff must issue a receipt for every cash payment received, even when the payer attempts to refuse it. Every staff person who receives any check will immediately endorse it "For Deposit Only" using a stamp or by handwriting. Every department receiving payments shall secure them in a locked cash box or safe until completing a turnover to the Treasurer.

Every department that receives payments will maintain a log of the receipts. For Collections, the Munis Receivables program provides this function. There are three departments, Collections, Water, and Harbormaster, that enter their receipts into the Munis Treasury Receipts program and also deposit their payments into a Treasurer-controlled bank account.

Each department head is responsible for overseeing the processing, recording, records retention, and turning over of receipts to the Treasurer. To the extent practicable, separate individuals should be tasked with: 1) receiving and endorsing payments, 2) recording payments in the departmental

log, 3) depositing receipts in the bank (if applicable for the department), and 4) turning receipts over to the Treasurer.

#### B. Turning Over Revenues

Departmental staff will fill out a Schedule of Departmental Payments to the Treasurer (i.e., the turnover form), obtain the department head's signature on it, and make two copies of it. Every listed receipt should tie back to a receipt book entry and to the receipt logs maintained by the department head. The Collections, Water, and Harbormaster Departments will also include in the turnover package a Munis Treasury Receipts report of the turnover batch and a report(s) of the bank deposit(s), all of which must be in balance with the turnover form. Additionally, the Collector's turnover will include a Munis report of all collections processed during that period for taxes and other committed receivables summarized by receipt type.

Departmental staff will deliver the turnover package in person and at no time may leave any unattended turnovers in the Treasurer's office or elsewhere in Town Hall. When the Treasurer's office has accepted the turnover, the department employee will receive two copies of the turnover form signed and dated by a Treasurer staff member. The department employee will retain one copy on file and will deliver the other to the Town Accountant. The Town Accountant will refuse to accept any turnover that is not signed by a Treasury staff member.

The head of every department that receives payments will review the Town Accountant's monthly revenue reports to verify all turned over receipts have been accurately recorded in the appropriate general ledger accounts and report any discrepancies to the Town Accountant.

#### C. Receiving Turnovers

When presented with the turnover, Treasurer staff will count the receipts in the presence of the departmental employee and will return the form to the employee if any inaccuracies must be corrected and the form resubmitted. When an accurate turnover is accepted, the Treasurer staff member will then sign all three copies of the form and return two of them to the departmental employee.

By the close of business each day, Treasury staff will review the turnover documents, review and validate within Munis the payments posted by the Collector, Harbormaster and Water Departments, post into Munis the payments received from other departments, create a deposit package, and deposit the revenues at the bank. Until the deposit is completed, Treasury staff will ensure that all receipts are secured at all times, either in a cash drawer or, if being held overnight, in a safe. Separate Treasury employees shall be tasked with (1) Receiving turnovers and posting them in Munis and (2) depositing receipts in the bank. The Treasurer will also update the Quicken cashbook with the turnover data daily.

The Treasurer will forward a Munis Schedule of Treasury Receipts to the Town Accountant each week. The Town Accountant will compare this report with the turnover documents received directly from departments and contact the Treasurer about any discrepancies. The Town Accountant will then accept the verified receipt batches in Munis, which posts them to the general ledger.

#### D. Audit

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

#### **REFERENCES**

[M.G.L. c. 41, §§ 35 and 57](#)    [M.G.L. c. 44, § 69](#)    [M.G.L. c. 60, § 57A](#)

Edgartown Reconciliations policy

Massachusetts Collectors & Treasurers Association's [Treasurer's Manual](#) and [Collector's Manual](#)

#### **EFFECTIVE DATE**

This policy was adopted on April 20, 2021.