

CITY OF NEWTON, MASSACHUSETTS

DEPARTMENTAL CASH RECEIPT COLLECTION POLICY

All cash, checks, money orders; and other forms of payment (including credit and debit card payments) collected by City employees in the course of their service to the City are assets of the City of Newton and cannot legally be expended or obligated without prior appropriation or authorization by of the Mayor and Board of Aldermen and a certification of available funds by the Comptroller.

The following policy is applicable to all cash receipts that are not collected directly by the Treasurer-Collector's Office. The policy is intended to protect City assets from loss or misappropriation, and to allow for timely and accurate reporting on the financial position and operating results of the City's various funds and accounts.

All funds collected by employees of the City of Newton in the course of their service to the City must be summarized as to amount and purpose on a standard City cash receipt schedule and deposited in full with the Treasurer-Collector's Office (with a copy of the schedule provided directly to the Comptroller) on the day they are received. In the event that this is not possible, the receipts must be logged and secured in a locked cabinet or safe until the following business day when the receipts must be deposited with the Treasurer-Collector's Office.

All departmental cash receipts, except those applicable to a loan or miscellaneous accounts receivable; guaranteed deposits; or current fiscal year expenditure refunds are deposited to a revenue account on the City's general ledger, and will not increase spending authorization for the depositing department unless the Mayor and Board of Aldermen have previously authorized such flexible spending authority in the form of a revolving fund; grant; gift; or trust spending authorization.

An inventory of each department's existing revenue accounts; adopted revenue budgets; and fiscal year-to-date collection experience (by key-organization and account number) is available in the Finance Plus revenue ledger. This information can be accessed by department; fund; or lower level reporting unit by inquiring against the revenue ledger, using the appropriate query criteria. Staff of the Comptroller's Office is available to assist departments as needed.

All deposits made with the Treasurer-Collector's Office must be summarized as to amount and purpose on a standard cash receipts schedule, an electronic copy of which is available on the Comptroller's forms page of the City intranet. This is a three page form, with the original to be hand-delivered to the Treasurer-Collector's Office; a second copy to be delivered to the Comptroller's Office; and the third copy to be retained by the department making the deposit.

In order to allow for prompt identification of departmental receipt deposits within the City's depository bank account, by department or major program, the Treasurer-Collector has provided each City department with an endorsement stamp and books of bank deposit tickets that include a unique identification number for each department or major program. Departments must endorse each check being deposited with the endorsement stamp provided

by the Treasurer-Collector and complete and attach a bank deposit ticket to each cash receipt schedule delivered to the Treasurer-Collector's Office.

A Treasurer-Collector's Office teller will verify the accuracy of all deposits in the presence of the departmental employee making the deposit and provide the departmental employee with their copy of the cash receipt schedule with a stamp evidencing the date of the receipt of the deposit.

The Treasurer-Collector's copy of the departmental cash receipt schedule, with the stamp evidencing the date of receipt by the Treasurer-Collector's Office, along with a copy of the supporting bank endorsed deposit ticket serves as the source document for Comptroller's Office posting of the cash receipt to the general ledger. Comptroller's Office copies of the departmental cash receipt schedules are matched to the Treasurer's daily cash report and any variances investigated prior to posting of the general ledger.

All employees of the City of Newton, except for the Treasurer-Collector; an Assistant or Deputy Collector-Treasurer; and City Clerk, are covered under the City's blanket fidelity bond. The current annual deductible on the blanket fidelity bond is \$25,000 per loss event. Supplemental fidelity bond coverage for the \$25,000 deductible has been purchased for all custodians of Newton Public Schools student activity fund petty cash accounts.

All depository bank accounts are reconciled by the Treasurer-Collector on a monthly basis and the Treasurer-Collector's cash is reconciled to the Comptroller's general ledger cash and investment control totals monthly. The Comptroller Office monitors departmental revenue collections at least quarterly and investigates all variances between current year-to-date revenue experience and year-to-date collection experience for the prior three fiscal years.