Fiscal Responsibility for Town Clerks

William D. Naylor, CIA, CFE
Division of Local Government and School Accountability

Financial Recordkeeping

- Receive Moneys
- Maintain Cash Book and Deposit Moneys
- Issue Receipts
- Tax Collection Duties
- Additional Items
- Prepare Monthly Reports
- Maintain a Debt Register
- Disbursements
- Petty Cash
- Perform Reconciliations
- Process Claims
- Internal Controls
- Safeguarding Assets

Receive Moneys

- Marriage licenses
- Hunting/fishing licenses
- Birth/death certificates
- Dog licenses
- Garbage bags or tags
- Water/sewer rents
- Building permits
- Tax searches
- Many more...

Put money received in:
- Cash Register or
- Cash Drawer
Maintain Accounting Records and Deposit Receipts
Town Law Article 3 Section 30 (1-a)

- Town Clerk:
  - Required to maintain a cash book
  - Enters money into cash book daily
  - Deposits intact
  - If receipts exceed $250
    - Deposit by 3rd business day

Issue Receipts
General Municipal Law § 99-b

- Receipt is required for collection of money
- Press-Numbered
- Duplicate
- Date - Name - Purpose
- Payment method
  - Cash - Check - Money Order - Credit Card

Tax Collection Duties (if any)
Town Law § 35

- Towns:
  - Duplicate receipts
  - All money received
    - Deposit in 24 hours (we recommend using duplicate deposit slips)
    - Pay to Supervisor at least weekly
    - After warrant is satisfied, pay County Treasurer by 15th day of each month
Additional Items

• For Tax Collections and Interest:
  – Interest Free - January 31
  – Postmark

Additional Items (cont’d)

• Dishonored Checks – GML, Section 85 allows for imposition of Service Charge up to $20.

Additional Items (cont’d)

Credit Cards - GML §5b

• By local law, ordinance or resolution, Board designates officer to accept credit card payments for a specific purpose.
  – Real Property taxes
  – Water/Sewer payments
  – Permits, Licenses, etc.
Additional Items (cont’d)
Registrar’s Fees - Public Health Law §4124, 4173

• Salaried:
  – Fees property of town – A1603
  – Monthly report and fees to CFO

• Unsalaried:
  – Fees property of town – A1603
  – Claim for fees – A4020.4
    • $.50 for each: birth certificate, death certificate, burial, removal or transit permit, report of fetal death.
    • $10 for each birth/death certificate, certified transcript of birth/death, or for a certification of search for birth/death.*
    • Actual and necessary expenses.

Additional Items (cont’d)
Marriage Officer’s Fees – Domestic Relations Law §14-c

• Board authorized officer (may or may not be Clerk) to solemnize marriages within town limits. Term to be set up to four years. May be removed at will by the Board with no cause necessary.

• Salaried:
  – Salary set by Board; no other compensation may be received.

• Unsalaried:
  – If no salary set, may accept up to $75 per marriage officiated, paid by or on behalf of the persons married.

Additional Items (cont’d)
Marriage Officer’s Fees – Domestic Relations Law §14-a

• Town Clerk issue a marriage certificate fifteen days after receipt or return of the completed marriage license.

• The Board can fix a set fee not to exceed $10 for the issuance of a marriage certificate. This fee is payable at the time of issuance of the marriage license.

• Corrections:
  – “To effectuate such correction and provide certified copies of the amended certificate, the town or city clerk shall be entitled to a fee not exceeding ten dollars to be fixed in the case of town clerks by the town board… The clerk shall forward a copy of such amended certificate to the commissioner of health.”
Reporting

• To the Supervisor
  – Submit report to Supervisor by 15th of following month.
  – Report should detail all fees and charges.
  – From cash receipts record.

• To Others
  – Marriage license fees – NYSDOH
    • 15th day of each month.
  – Hunting/fishing license fees – NYSDEC
    • 14th - 16th of each month depending on County name.
  – Dog licensing surcharge – Animal Population Control Fund
    • 5th day of each month.

Maintain Debt Register

Local Finance Law §163

Bonds and Note Register should include:
• Type and amount;
• Number of obligations in the issue;
• Interest rate;
• Date issued;
• Maturity dates;
• Payment schedule;
• Date of adoption of resolutions, if any, pursuant to which obligations are issued.

Disbursements

• Make all disbursements by check except for authorized petty cash payments.
Petty Cash Fund

Town Law §64(1-a)

- Maximum:
  - Receiver of Taxes: $1,000
  - All Other Town Officers: $500
- Reimburse Periodically
- Submit Claim
  - Materials
  - Supplies
  - Services

Petty Cash Fund

Replenish with voucher and supporting receipts.

<table>
<thead>
<tr>
<th>Description</th>
<th>AC Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash Count</td>
<td></td>
<td>$112.25</td>
</tr>
<tr>
<td>#2006-001 Rosalee (Receipt for Supplies)</td>
<td>A1330.4</td>
<td>$48.75</td>
</tr>
<tr>
<td>#2006-003 Rosalee (Postage)</td>
<td></td>
<td>$39.00</td>
</tr>
<tr>
<td>Petty Cash Fund</td>
<td>A210</td>
<td>$200.00</td>
</tr>
</tbody>
</table>

Count and Prove Cash

- Daily – the sooner the better
- Reconcile cash – take back to original documents if necessary
- Discrepancies? – follow-up procedures
- Deposit intact
Deposit Intact

<table>
<thead>
<tr>
<th>Description</th>
<th>Check No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twyla Jones</td>
<td>234789</td>
<td>$25.98</td>
</tr>
<tr>
<td>Wendy Smith</td>
<td>10001</td>
<td>$74.89</td>
</tr>
<tr>
<td>Connie Williams</td>
<td>2789</td>
<td>$25.00</td>
</tr>
<tr>
<td>Lester Johnson</td>
<td>987435</td>
<td>$175.06</td>
</tr>
<tr>
<td>The Pizza Shack</td>
<td>00013456951</td>
<td>$1,325.42</td>
</tr>
<tr>
<td><strong>Total Checks:</strong></td>
<td></td>
<td><strong>$1,626.35</strong></td>
</tr>
<tr>
<td><strong>Cash:</strong></td>
<td></td>
<td><strong>300.52</strong></td>
</tr>
<tr>
<td><strong>Total Deposit:</strong></td>
<td></td>
<td><strong>$1,926.87</strong></td>
</tr>
</tbody>
</table>

*Total Daily Collected Equals Total Deposited*

Perform Reconciliations

- Reconcile Monthly
  - Bank Statement
  - Check Register/Cash Book
  - Liabilities

Bank Reconciliation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance per bank</td>
<td>$2,500</td>
</tr>
<tr>
<td>Add: Deposits in transit</td>
<td>$85</td>
</tr>
<tr>
<td>Less: Checks not cleared</td>
<td>$(175)</td>
</tr>
<tr>
<td></td>
<td>$(90)</td>
</tr>
<tr>
<td>Adjusted bank balance:</td>
<td>$2,410</td>
</tr>
<tr>
<td>Balance per cash book</td>
<td>$2,468</td>
</tr>
<tr>
<td>Add: Interest earned</td>
<td>$5</td>
</tr>
<tr>
<td>Less: Dishonored checks</td>
<td>$(43)</td>
</tr>
<tr>
<td>Plus or minus: Book adjustments</td>
<td>$(20)</td>
</tr>
<tr>
<td></td>
<td>$(58)</td>
</tr>
<tr>
<td>Adjusted book balance:</td>
<td>$2,410</td>
</tr>
</tbody>
</table>
Process Claims
Town Law §119

• Town Clerk’s Statutory Responsibilities:
  – Consecutively number vouchers
  – Mark with date presented
  – Prepare abstract
  – Have available as a public record
  – Enter in the minutes

Please note the following:

• Post audit not required:
  – Payrolls
  – Indebtedness (principal and interest)
  – Contracts exceeding one year
  – Court-ordered payments
  – Retirement system payments

• Can pay in advance of audit:
  – Public utility services
  – Postage
  – Freight and express charges

Note: All such claims shall be presented at the next regular meeting for audit.

Appropriation Code (s)

Amount/Total

Itemized Description

Claimant Certification (Optional)

Audit Approval

Departmental Approval

Claim Voucher
### Abstract of Claims #01/2016

<table>
<thead>
<tr>
<th>PO NO.</th>
<th>VOUCHER F. NO.</th>
<th>PAYEE</th>
<th>APPROPRIATION ACCOUNT NO.</th>
<th>AMOUNT</th>
<th>CHECK AMOUNT</th>
<th>CHECK NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.11</td>
<td>V06-01</td>
<td>Burn Corp.</td>
<td>A1220.4</td>
<td>35.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.5</td>
<td>V06-01</td>
<td>Burn Corp.</td>
<td>A1410.4</td>
<td>91.32</td>
<td>126.89</td>
<td>457</td>
</tr>
<tr>
<td>A.6</td>
<td>V06-02</td>
<td>Eager Beaver Sports</td>
<td>A1410.4</td>
<td>117.00</td>
<td>117.00</td>
<td></td>
</tr>
<tr>
<td>B.5</td>
<td>V06-03</td>
<td>Sunshine Co.</td>
<td>B8010.4</td>
<td>31.15</td>
<td>31.15</td>
<td>459</td>
</tr>
<tr>
<td>A.7</td>
<td>V06-04</td>
<td>Heavy Eq. Co.</td>
<td>A8160.2</td>
<td>3,450.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DA.1</td>
<td>V06-04</td>
<td>Heavy Eq. Co.</td>
<td>DA5130.2</td>
<td>3,700.00</td>
<td>7,150.00</td>
<td>460</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Abstract</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>7,425.04</strong></td>
<td><strong>7,425.04</strong></td>
<td></td>
</tr>
</tbody>
</table>

### SUMMARY

<table>
<thead>
<tr>
<th>ACCOUNT CODE</th>
<th>AMOUNT</th>
<th>FUND TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1220.4</td>
<td>35.57</td>
<td></td>
</tr>
<tr>
<td>A1410.4</td>
<td>91.32</td>
<td></td>
</tr>
<tr>
<td>B8010.4</td>
<td>31.15</td>
<td>A - 3,693.89</td>
</tr>
<tr>
<td>DA5130.2</td>
<td>3,700.00</td>
<td>DA - 3,700.00</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>7,425.04</strong></td>
<td><strong>7,425.04</strong></td>
</tr>
</tbody>
</table>

Resolution noted in Minutes V916-01 to V916-05

**Signature**

Anne Scott, Town Clerk

To the Supervisor,

I certify that the vouchers listed above were audited by <Board or Comptroller> on <date> and allowed in the amounts shown.

You are hereby authorized and directed to pay to the claimant the amount opposite his name.

<date> <Signature of Town Clerk (or Comptroller)>
What are Internal Controls?

• Any activities or procedures designed to provide reasonable assurance that operations are “going according to plan”.

Why are Internal Controls Important?

• Ensure compliance with laws, regulations, policies, and procedures
• Preserve integrity
• Increase public confidence
• Establish standards of performance
• Ensure objectives are met
• Reduce fraud opportunities

Safeguarding Assets

• Separate cash drawers
• Locked if unattended
• Use safe
• Frequent deposits
• Inventory of unused tags, licenses and permits
• Office (workspace)
• Duplicate receipts
• Check stock
• Inventory (bags)
Transaction Processing

- Computerized Accounting Systems
  - Who has access? Is it limited?
  - Individual usernames/passwords
  - Are computer records safeguarded?
  - Back-ups performed
  - How do you manage access changes?
  - Is software supported?

A Breakdown in Controls?

- Waste or misuse of assets
- Inaccurate or incomplete information
- Embezzlement and theft

Questions?
Division of Local Government and School Accountability
localtraining@osc.ny.gov