

# Town of Cuyler

## Town Clerk Operations

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DECEMBER 2017

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OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## Town of Cuyler

### Audit Objective

Determine whether the Clerk properly accounted for fees (including sewer rents) and real property taxes.

### Key Findings

- Although our testing found receipts were deposited in full, they were not always timely. There were 149 clerk fee receipts totaling \$4,200 and 53 real property tax receipts totaling \$128,000 that were deposited up to 22 days late.
- The Clerk properly recorded, reported and disbursed all money collected.

### Key Recommendations

The Clerk should:

- Ensure all fees collected are deposited within three business days after the total exceeds \$250.
- Ensure that all real property tax collections are deposited within 24 hours.

The Clerk generally agreed with our recommendations and indicated she planned to initiate corrective action.

### Background

The Town of Cuyler (Town) is located in Cortland County.

The Town is governed by the Town Board (Board), which is composed of the Town Supervisor (Supervisor) and four elected Board members. The Board is responsible for the general oversight of the Town's operations and finances.

The elected Town Clerk (Clerk) collects fees for issuing marriage, hunting, fishing and dog licenses, copies of birth and death certificates and building permits. In addition, the Clerk bills and receives sewer rents. The Clerk is also the Tax Collector, responsible for collecting and receiving real property tax payments. Generally, all fees collected by the Clerk are the property of the Town, County or State and must be remitted to the appropriate entities.

#### Quick Facts

Population	980
2017 Tax Levy	Approximately \$379,000
Town Clerk 2016 Receipts	Approximately \$13,800

### Audit Period

January 1, 2016 – May 16, 2017

# Town Clerk Operations

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## What is the Clerk Responsible For?

The Clerk is responsible for properly accounting for fees (including sewer rents) and real property taxes. This requires the Clerk to deposit collections timely in accordance with Town Law. Fees must be deposited intact within three business days after the accumulated total exceeds \$250. Real property taxes must be deposited within 24 hours of receipt. The Clerk should also accurately record collections in the accounting records and remit and report all collections to the appropriate entities.

## Funds Were Deposited In Full, But Not Always Timely

We examined all 406 clerk fees receipts totaling \$21,500 and sampled 61 real property tax receipts totaling \$134,600. While we found all were deposited in full,<sup>1</sup> some receipts were not deposited timely. We tested 343 receipts for fees totaling \$8,600 and the same 61 real property tax receipts and found 149 receipts for fees totaling \$4,200 and 53 real property tax receipts totaling \$128,000 were not deposited timely. For example, fees were deposited between three and 22 days late, while real property taxes were deposited one to nine days late.

The Clerk said she made late deposits because she was unaware of Town Law's timeliness requirements. When deposits are not made in a timely manner, there is an increased risk that amounts collected could be lost or misappropriated.

## Funds Were Properly Recorded, Reported and Disbursed

The 406 clerk fees receipts and 61 real property tax receipts reviewed were all properly recorded and reported. We also reviewed all 16 monthly clerk reports in our audit period and found collections totaling \$8,600 were remitted to the proper entities. Finally, we found the collected 2016 and 2017 real property taxes totaling \$1.7 million and sewer rents totaling \$12,900 were disbursed to the proper parties.

## What Do We Recommend?

The Clerk/Tax Collector should:

1. Ensure that all fees are deposited within three business days after the total exceeds \$250, as required by Town Law.
2. Ensure that all real property tax collections are deposited within 24 hours, as required by Town Law.

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<sup>1</sup> We tested 344 of the 406 clerk fees for intactness and found 124 receipts were deposited intact. However, 220 receipts, totaling \$5,300, did not have supporting records indicating whether cash or check was collected. Therefore, we could only determine deposits were made in full. We found all 61 real property tax receipts were deposited intact.

# Appendix A: Response From Town Officials

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Town of Cuyler  
P O Box 363  
DeRuyter, New York 13052

Town of Cuyler  
Town Clerk Operations  
Report of Examination  
2017M-207

## **Response and Corrective Action plan**

Dear H. Todd Eames, Chief Examiner:

### **My position of the findings of the OSC audit:**

I would like to say I understand and would agree with your finding of this audit. I was not aware of the depositing of monies within a 24 hour period for Real Property tax collection and fees collected by the clerk be deposited within three business days.

### **Audit Recommendations:**

1. To ensure that all fees are deposited with three business days after the total exceeds \$250.00 and required by Town Law.
2. Ensure that all Real Property tax collections are deposited within 24 hours, as required by Town Law.

### **Implementation Plan of Action:**

1. I have already have corrected the depositing fees in a timely fashion. I go to the Tompkins Trust bank just as soon as I get a balance of money, (cash, and checks). I have been going at least once a week and more if I have received more than \$ 250.00. During hunting season is when we usually generate more than \$ 250.00 on a weekend. I have Saturday hours so I will go to the bank on Monday after work.
2. I will start tax season again in January 2018 and will do my best to make sure all the monies a collected will be deposited within 24 hours per the Law for Real Property taxes. Last year we started a new tax service and I hope to be more efficient this year. (ATC Taxes Service). I have printed out the Fiscal Oversight Responsibilities of the Governing Board to review at the end of the year for auditing the books.

### **Implementation Dates:**

1. I started going to the bank every couple of days after the OSC examiners told me it was in the Town Clerk law book about depositing more the \$ 250.00 within three business days.

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**Person Responsible for Implementation:**

I Wendy Custer, Town Clerk/Collector am responsible for depositing cash and checks for the Town of Cuyler.

Respectfully submitted,

Wendy Custer, Cuyler Town Clerk/Collector

## Appendix B: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed Town officials and reviewed Board meeting minutes to gain an understanding of the Clerk/Tax Collector's receipt and disbursement processes and the oversight provided to the Clerk/Tax Collector.
- We reviewed various sources, including duplicate receipts, building permits, conservation sales activity reports, dog transaction reports and sewer bills, and selected all 406 clerk fees receipts from January 2016 through April 30, 2017 to determine whether they were accurately recorded, deposited, reported and remitted to the proper entities. We tested 344 of these receipts to determine whether they were deposited timely and intact. Records were only available for 124 of these receipts totaling \$3,400. We could not determine intactness for the other 220 receipts totaling \$5,300.
- We judgmentally selected the month of February 2017 real property tax deposits (which consisted of 61 real property tax receipts totaling \$134,600) to verify amounts collected were accurately recorded and deposited timely and intact.
- We reviewed all 16 monthly clerk reports in our audit period to determine whether reported collections totaling \$8,600 were remitted to the proper entities.
- We compared the 2016 and 2017 tax warrants to canceled check images, amounts reported as collected by the County directly and the unpaid listing to determine whether amounts were paid to the appropriate entities. We also determined whether tax penalties collected in 2017 totaling \$4,310 were remitted to the Supervisor.
- We reviewed all 37 sewer accounts listed in the manual sewer account book for 2016 and 2017 to determine whether payments on behalf of these accounts were accurately remitted to the Supervisor. For the 2016 unpaid sewer rents, we compared these to the re-levy listing sent to the County to determine whether they were properly reported.
- We reviewed the bank statements and canceled check images for both the Clerk and Tax Collector's bank accounts for January 2016 through May 2017 and selected all three transfers totaling \$33,800, five service fees totaling \$325 and six canceled check images that were not written to the Supervisor, County or State agencies totaling \$770 to determine whether they were for proper Town purposes.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we

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plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

# Appendix C: Resources and Services

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## **Regional Office Directory**

[www.osc.state.ny.us/localgov/regional\\_directory.pdf](http://www.osc.state.ny.us/localgov/regional_directory.pdf)

## **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.state.ny.us/localgov/costsavings/index.htm](http://www.osc.state.ny.us/localgov/costsavings/index.htm)

## **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm)

## **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm](http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm)

## **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/localgov/planbudget/index.htm](http://www.osc.state.ny.us/localgov/planbudget/index.htm)

## **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf](http://www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf)

## **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/localgov/finreporting/index.htm](http://www.osc.state.ny.us/localgov/finreporting/index.htm)

## **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.state.ny.us/localgov/researchpubs/index.htm](http://www.osc.state.ny.us/localgov/researchpubs/index.htm)

## **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/localgov/academy/index.htm](http://www.osc.state.ny.us/localgov/academy/index.htm)

## Contact

Office of the New York State Comptroller  
Division of Local Government and School Accountability  
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Local Government and School Accountability Help Line: (866) 321-8503

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