

**TOWN OF NORWICH
GENERAL FINANCIAL POLICIES AND PROCEDURES**

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1. GRANT APPLICATIONS AND ADMINISTRATION

1.1 No town employee, official or committee shall apply for a grant on behalf of the Town of Norwich without first obtaining written approval from the Town Manager. The Department Head, official or committee needs to submit a request in writing to the Town Manager. After receiving approval, the grant may be applied for. When the Grant has been awarded, all Grant Award paperwork, including copies of the original request, shall be submitted to the Finance Department. These documents shall state exactly how much was awarded and exactly what the grant funds will be spent on further; the Finance Department must be advised of all grant amendments. A new revenue and expenditure account will be created by the Finance Department if applicable. All other purchasing procedures shall be followed.

2. ENCUMBRANCES AND YEAR END PURCHASING

2.1 Encumbrances represent a monetary commitment related to contracts or goods not yet performed or received that will lapse into another fiscal year. Encumbrances are not the result of a last minute budget surplus. For monies to be encumbered they shall be for a specific vendor, specific deliverable and specific cost. Purchase Orders or contracts that are anticipated to not be completed at the end of a fiscal year must be approved by the Town Manager as outstanding encumbrances. All purchases from June 1 to the end of the fiscal year in excess of \$500.00 shall require a purchase order authorization by the Town Manager. Encumbrances not spent within 90 days will be retired. Encumbrances will be represented on the balance sheet as Fund Balance and expensed in the year in which the funds are released, according to accounting standards.

3. DEPARTMENT REVENUES

3.1 The Town Clerk or Assistant Town Clerk will record all their departmental revenues upon receipt directly into the Cash Receipts module of NEMRC in the computer on the Town Clerk's counter. At the end of each day a daily receipts report will be run from the computer and reconciled with the checks and cash in the drawer.

3.2 All other departments will deliver cash and checks to the Finance Department at least on a monthly basis. Responsibility for cash remains with the department until turned over to the Finance Department. All checks will be endorsed as received to reduce the risk for fraud. A transmittal form should accompany the monies indicating which General Ledger accounts are to

be credited. A copy of the transmittal should be kept by each department. The Finance Department will record these revenues in the Cash Receipts module of NEMRC.

3.3 The Finance Department will recount and confirm cash and checks received against the daily cash receipts journal and will be responsible for depositing all daily receipts in the bank.

3.4 No Town Employee or Department shall extend credit for services rendered without the written approval of the Town Manager.

4. VOIDED CHECKS

4.1 If a check is voided after approval by the Selectboard and the check is to be reissued, it will be reissued and included on a subsequent warrant.

5. ACCOUNTS PAYABLE AND INTERIM CHECKS

5.1 In order for invoices to be included on an Accounts Payable Warrant, they must be to the Finance Department by 1:00 pm on the Thursday preceding the next Selectboard Meeting.

5.2 Checks that need to be written that do not coincide with the approval of Accounts Payable Warrants, shall receive approval for payment from the Town Manager and the authorized member of the Selectboard. These interim checks will be included on the warrant provided to the Selectboard at their next regular meeting.

5.3 Examples: payroll related bills, postage, and payments that must meet a specific deadline and fall outside of the regular Selectboard meeting schedule.

6. CREDIT CARD USE

6.1 The Town has one credit card, and two business charge cards: Staples and Home Depot.

6.2 No individual, including Department Heads, has the authority to open a credit card account in the Town's name.

6.3 The Town credit card may be used with approval of the Town Manager, and only for official Town purposes. No personal use or purchases of a personal nature shall be allowed, regardless of payback intentions.

6.4 Within five business days of each credit card transaction the Department Head shall furnish the Finance Department a signed itemized receipt and purchase record detailing exactly what was purchased and to what account it should be charged. The purpose for this is to prepay when possible to avoid finance and late charges. All other purchasing procedures as set forth in this policy also apply.

7. EMPLOYEE REIMBURSEMENT

7.1 It is not recommended or encouraged that employees make purchases using personal funds on behalf of the town. However if this does occur, the Town will reimburse employees through semi-weekly accounts payable runs done in accordance with scheduled Selectboard meetings. The employee shall complete an Employee Reimbursement Form attaching an itemized receipt for goods or services purchased, and indicating the account to be charged. This will be signed by the Department Head and a Department Head Reimbursement Form, by the Town Manager. All other purchasing procedures set forth in this policy shall also apply.

8. PETTY CASH


8.1 Petty Cash Accounts are currently established for Town Clerk (Tracy Hall), the Police Department, the Recreation Department and the Transfer Station. These accounts are intended for small purchases (such as postage and supplies). A Petty Cash Reimbursement Sheet will be used when funds are depleted, with appropriate account numbers for the expenses, and must balance with the remaining cash on hand. (Purchases should not be made at Dan & Whit's with petty cash, as sales tax will be charged and the Town is not subject to sales tax.) This form will have attached to it itemized receipts for the purchases, and be signed by the Department Head.

9. FORMS

9.1 The following forms are available from the Finance Department:

9.1.1 Expense Reimbursement Form

9.1.2 Petty Cash Reimbursement Form

Approved: 
Town Manager

Effective Date: April 22, 2013