

**Agenda for the Special Selectboard Meeting**  
**Tuesday, August 20, 2019 at 7:00 PM**  
**In the 2<sup>nd</sup> Floor Conference Room at Tracy Hall, 300 Main St., Norwich**

- 1) Call to Order and Approval of the Agenda
- 2) Public Comment – For Items Not on the Agenda (Discussion)
- 3) Selectboard Policies Status – Continuation of Discussion (Discussion / Action)
- 4) Future Meeting Agenda Items (Discussion)
- 5) End of Meeting Debrief (Discussion)
- 6) Adjournment (Action)

**Next Regular Meeting – August 28, 2019 at 6:30 pm**

***To receive email notices of Selectboard meetings and hearings, agendas, minutes and other notices, send an email to [manager-assistant@norwich.vt.us](mailto:manager-assistant@norwich.vt.us) requesting to be placed on the Town Email List.***

**Section 3: Cash Receipts, Petty Cash, and Returned Check Policy**

**Effective:** Upon adoption.

**Purpose:** The purpose of this policy is to ensure proper management practices by the Town of Norwich employees are in effect and adhered to when their assigned duties require the processing of cash, checks, and other receipts. The management practices are designed to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which financial decisions can be made.

**Policy: Procedural Responsibility:** The Town Manager shall will be responsible for the establishment of internal financial controls (procedures) necessary to carry out this policy's purpose. Controls/procedures prepared by the Town Manager shall will be in written format and strictly adhered to by the below named *Authorized Personnel*. Said controls/procedures prepared by the Town Manager shall adhere to the minimum requirements herein.

**Authorized Personnel:** For internal control purposes, only the following individuals are authorized to receive funds on behalf of the Town of Norwich: Town Manager, Finance Director, Finance Assistant, Town Clerk, Assistant Town Clerk, Police Administrative Secretary/Dispatcher (only for Police Department functions), Director of Planning & Zoning and the Director's assistant (both only for Planning & Zoning functions), Recreation Director (only for Recreation Department functions)<sup>1</sup>, Transfer Station Head Attendant (only for Transfer Station related functions).

**Proper Payee:** All checks, money orders, and credit card payments, regardless of function, must be made payable to the **Town of Norwich, Vermont**. No instruments may be made payable to a Town officer, employee, volunteer, department, committee, board, or group.

**Receipts:** Persons authorized to receive funds on behalf of the Town must issue a fully completed collection receipt for any cash received. The original completed receipt must be issued to the person from whom the cash is received. A copy of the receipt (including notation identifying the budgetary line item to which it's allocated) must be delivered to the Finance Director/Town Clerk along with the cash. As applicable, a separate copy of the receipt must be retained by the person authorized to receive funds for audit and/or filing purposes. For non-cash related payments, payees requesting a receipt shall be provided one by the respective Authorized Personnel but, preferably, by the Finance Office.

**Safeguarding Funds:** Safeguarding funds prior to deposit with the Finance Office is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, credit card information, and money orders must be retained in a secure place until deposited with the Finance Office in accordance with the section *Preparing and Depositing Funds* below.

**Comment [C1]:** Does this mean that the head attendant is the only one to handle funds? What about if he is away or ill? Does that mean the other attendants can't take the cash and write receipts meaning that no business can be transacted when head attendant is not there or on break (eg. Purchasing cards or dropping of C&D or other items that incur a charge?)

<sup>1</sup> Planning & Zoning Office personnel and the Recreation Director, where possible, should not receive Town funds. Instead, this function should be coordinated through the Finance Office. [I think I can work this so funds are NOT received by these two departments heads, which I would prefer.]

**Preparing and Depositing Funds:** Funds collected by authorized persons must be deposited with the Finance Office according to the following:

- Town Clerk/Assistant Town Clerk – no later than the close of business the day funds are received, unless otherwise enabled by statute.
- Transfer Station Head Attendant – no later than the close of business the day funds are received, except they must be deposited at the Town bank's overnight deposit box (whereby they are picked up from the bank by the Finance Office on the next business day).
- Police Administrative Secretary/Dispatcher – no later than the close of business the following business day funds are received.
- All Other Authorized Personnel – no later than the close of business the day funds are received.

Each person depositing funds with the Finance Office must submit a report from the Town's computer software or a spreadsheet or adding machine tape with each deposit. The Finance Office will count and verify the amount deposited in the presence of the person depositing the funds. All deposits made to the Finance Office will be issued a receipt or other acknowledgement [HERB, GET ESSEX SAMPLE]. Each applicable department will receive from the Finance Office a monthly list of deposits that have been verified through the bank statement. Any discrepancies shall be reported to the Finance Director and the Town Manager immediately.

**Comment [C2]:** How will this work with the Transfer Station?

**Petty Cash:** Beginning October 1, 2019, petty cash no longer will be permissible. Respective Town employees and officers are expected to plan accordingly.

**Returned Checks:** A check returned by the bank will be recorded in the accounting system against the revenue in which it was originally posted unless the check is replaced. First-time returned checks will be re-deposited. Upon second receipt of a returned check, the Finance Office will notify the check writer and inform him/her that his/her check did not clear and advise that there is a \$35.00 return check fee due. Thereafter, full payment, including the return check fee, must be in the form of cash, money order, or bank certified check.

**Section 11: Balanced Budget Policy**

**Effective: On adoption**

**PURPOSE:** The Town of Norwich Council of the Borough of Dormont believes that sound financial management requires that the annual Borough-Town budget be developed and administered in such a way that annual revenue from property taxes and other sources equals or exceeds annual expenses. Adoption and administration of balanced budgets will help maintain the stability of the Borough-Town tax rate and reduce the need for borrowing.

Authority:

Policy: The Town budget will be developed and administered so that annual revenue from property taxes and other sources equals or exceeds annual expenditures. In the event of extreme, extenuating circumstances in the magnitude of the July 2017 flood event, the Town Manager will work with the Selectboard to mitigate the negative financial impact.

**BUDGET DEVELOPMENT AND APPROVAL:** Each year, the Town Borough Manager will develop and present to the residents an operating budget that balances annual revenues and annual expenditures for all funds. The Borough-Town Manager will **avoid not proposing** annual budgets that overestimate revenues, defer maintenance or replacement of essential capital assets, roll over short-term debt, or inadequately fund Borough-Town obligations. Upon Borough Council Selectboard approval of the Borough Town budget the Borough Council Selectboard will set the tax rate necessary to raise the specific amounts approved in the Borough-Town budget.

**BUDGET ADMINISTRATION:** The Borough-Town Manager administers the Borough Town budget through his authority in the State of Vermont, Borough Code and Dormont Code of Ordinances. In order to carry out this responsibility effectively, the Borough Town Manager must have timely and accurate information about the status of the town's finances. To this end, the Borough-Town Manager and Borough Council Selectboard have adopted a financial reporting policy under which the Borough Town Manager or his/her designee prepares monthly financial reports for the Borough's Town's budget management purposes (See Section 1 above).

The Borough-Town recognizes that unanticipated expenditures and revenue shortfalls caused by circumstances not foreseen at the time a budget is approved may require transfer of money between or among line items or even deficit spending. The unforeseen circumstance(s) should be of such significance that the Town Manager can not foresee any other recourse for the Town than to deficit spend or the transfer of money.

The Borough-Town Manager will endeavor to administer the Borough-Town budget to provide services in a manner consistent with the residents' expectations in light of actual

**Comment [C1]:** Who determines residents' expectations?

circumstances that arise during the fiscal year, and will manage the budget to avoid, to the extent reasonably possible, deficit spending or the need to borrow money to pay current operating expenses. The Town Manager will provide bi-weekly reports to the Selectboard when the threat of deficit spending becomes apparent.

**LINE ITEM TRANSFERS:** During the fiscal year, all transfers between or among budget line items will require a majority vote of the Borough Council Selectboard. The vote will state the line items that are subject to transfer, the reason for the transfer, and the reason funds are available for transfer. Transfers will be made consistent with any applicable statute or legal obligations that may encumber or restrict the use of certain funds. At the close of the fiscal year but in no case later than the Council's Business Selectboard's Meeting of ????, in August, the Borough-Town Manager will present a budget closing plan to the Borough Selectboard Council, making recommendations for transfers between or among line items, and recommending the application of any budget surplus. Approval of the budget closing plan will require a majority vote of the Borough Council Selectboard. Any annual budget deficit will be addressed in accordance with State of Vermont laws.