



Village of Fairport/Fairport Municipal Commission Cash Management Procedure

1. SCOPE

This Cash Management Procedure in conjunction with the Investment Policy of the Village of Fairport and the Fairport Municipal Commission (FMC) shall be used to manage daily receipts and to monitor and control all available cash.

2. OBJECTIVES

- To control the flow of cash to accounts
- To monitor the level of cash in all accounts
- To monitor investments and their accounts

3. DEDICATED COMPUTER

All internet connection with banking institutions shall be restricted to a computer with internet access restricted to the approved banking websites only. (No other internet access shall be permitted.)

4. DAILY CASH RECEIPTS

All receipts shall be posted in the financial system on the date received and balanced to the bank deposits for that day.

Over/under cash amounts that do not reconcile will be placed in an envelope in the safe. The amount will be posted to the over/under balancing control for the day by the person verifying the daily opening cash amount. The Senior Account Clerk will reconcile the control report to the cash no less than monthly.

Receipts will be furnished to customers who present payment personally.

Lock Box entries will be posted when received from the bank and balanced to the receipts in the financial system.

Prohibited Uses of Cash Receipts

- Cashing of personal or payroll checks from the cash available.
- Cashing of checks for amounts in excess of the amount due.

5. **BANK DEPOSITS- All deposits must be made "intact"** (In the same form it was received.)

Checks received for payment will be stamped for deposit to the account of the Village of Fairport/ Fairport Municipal Commission and deposited by remote capture to the lead bank on the day the transaction is received. If data transmission is impaired, checks will be deposited no later than the following work day. If remote capture is not available on the following day or the check should be deposited in another authorized bank, the checks will be manually delivered and deposited at the bank. All checks with the bank report of deposit will be stored in the safe in the Clerk-Treasurer's Office.

Cash receipts in an amount of \$20.00 or more will be deposited on the following banking day. If less the \$20.00 cash is received, it may be held until the total amount of \$20.00 is received.

Cash to be deposited must be stored in the safe in the Clerk-Treasurer's Office.

6. **CASH DISBURSEMENTS**

All invoices shall be approved for payment by the department head. In no case shall a person authorize payment to themselves or for travel or training for themselves.

Blank checks shall be stored in a secure location.

Each check shall have a specific individual or company as the payee. No check shall be made payable to a generic "cash", "petty cash" or other term.

All checks will be issued using the financial system, except in the cases where this is not possible, such as check drawn on the payroll account of the FMC.

7. **CHECK SIGNING**

Village checks will be signed by the Clerk-Treasurer, the Village Manager, or the Deputy Village Treasurer. FMC checks will be signed by the Clerk-Treasurer, the Village Manager or the Deputy Clerk.

All checks will be compared to the check register prior to signing. Blank checks will not be signed.

A log of all checks used (signed, voided, etc.) will be kept.

8. **PETTY CASH**

A claim form signed by the employee requesting reimbursement of petty cash for expenses and copies of all receipts for those expenses shall be submitted to the Clerk-Treasurer's Office or the FMC Bookkeeper for payment.

The petty cash on hand and the unreimbursed receipts will be reconciled to the authorized amount monthly.

9. **WIRE TRANSFER OF FUNDS**

All wire transfers of funds in payment of liabilities shall be submitted by the person designated to make such payment and reviewed and approved by another person authorized to do so. The Clerk-Treasurer, Deputy Village Treasurer and the Village Manager shall be authorized to submit or approve wire transfers.

10. **BANK RECONCILIATION**

The Clerk-Treasurer/ Deputy Village Treasurer shall open all monthly bank statements and review them for reasonableness. Monthly bank reconciliation of all bank accounts to the appropriate ledger(s), shall be performed by the individual designated. In no case shall the person creating checks for payment be the same person performing the bank reconciliation. Discrepancies will be researched and reconciled monthly. All supporting documentation including deposit receipts will be kept with the bank reconciliation work papers. The Clerk-Treasurer/ Deputy Village Treasurer shall review all bank reconciliations and monitor to insure the appropriate level of collateral is provided by the banking institution.

11. **ONLINE BANKING ACCESS**

Online banking access shall be limited to those who need to have access with appropriate levels of control. View only will be provided for those who need to see transactions but should not have the ability create banking transactions. Dollar limits commensurate with normal or anticipated amounts will be placed on the users. The Clerk-Treasurer, Village Manager and Deputy Village Treasurer will have unlimited ability and administrator authority for the bank accounts.

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