

TOWN OF MORRIS

FISCAL POLICIES

&

PROCEDURES

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INTRODUCTION

The purpose of this fiscal policy and procedures document is to outline the overall internal procedures to be adhered by the Town of Morris employees and elected officials. This document will ensure consistency in the application of standards, operational continuity and will serve as a manual for all employees within the Town.

Division of Duties

The following is a list of personnel who have responsibilities within the fiscal office:

First Selectman

1. Is the Chief Executive Officer of the Town.
2. Manages the daily activities of the Fiscal Office in cooperation with the Town Treasurer.
3. Oversees the grant application and reimbursement process with assistance from department heads, fiscal office and Executive Assistant.
4. Prepares the budget for the General Government, Board of Health, Community Hall, Morris Board of Health, Insurance, Misc. Selectmen's Budget, Board of Selectmen – Safety, and Civil Division.
5. Reviews budgets submitted by departments not noted above.
6. Prepares a recommended budget to be reviewed by the Board of Selectmen to be presented to the Board of Finance.

Board of Selectmen

1. The Selectmen shall superintend the concerns of the Town, adjust and settle all claims against it, and draw orders on the Treasurer for their payment within the confines of the approved budget.
2. All Selectmen are signers on all town bank accounts with the exception of the Town of Morris Pension and MVFD Pension accounts (in addition to the Treasurer). Any two Selectmen and the Treasurer sign all checks.
3. The Selectmen review the draft budget and forward it to the Board of Finance.

Selectman's Executive Assistant

1. Supports independent auditors in preparation of annual audit.
2. Opens the town's mail.
3. Collects town timecards bi-weekly from an automated timecard system. Timesheets of salaried positions are also collected to enter into ADP website.
4. Retrieve reports from ADP and deliver to the fiscal office to be recorded in the accounting system.
5. Follow-up on payroll discrepancies.
6. Reconciles the Building Official's monthly report to the permits issued and fees collected.
7. Prepares the Building Official's deposit information with the proper accounting codes and delivers it to the fiscal office for deposit. Calculates the Building Official commission.
8. Distributes the mail to other Town departments.
9. Accumulates and prepares work-papers for Workman's Comp audit and OSHA reporting in association with ADP.
10. Tracks all vacation, sick, personal and longevity time.
11. Reviews and submits to the Selectmen for approval of regularly occurring Town Hall expenditures.
12. Prepares the Multiple Worksite Report.
13. Prepares minutes from Board of Selectmen meetings and files them with the Town Clerk within 48 hours of the meeting.
14. Processes applications for temporary pistol permits and collects the check for the temporary permit.
15. Receive contributions to the Social Service fund and administers the distribution of funds.
16. Manages the Food Pantry and assists residents with access to the food pantry, Manages and coordinates Thanksgiving and Christmas baskets.

17. Prepares various census reports and personnel reports based on requests from Northwest Hills COG, CCM, CIRMA, COST, etc.
18. Prepares bid specifications and upload documents, forms and reports on State Contracting Portal, Town website and advertise in local newspaper when applicable and maintain bidders list.
19. Register and distribute tickets to residents for Household Hazardous Waste day and submit report to NW Hills COG.

Board of Finance:

1. Review all financial reports on a monthly basis.
2. Receives all proposed budgets and supporting information from all departments.
3. In concert with submissions from department heads and the Board of Selectmen, develop the annual budget for Town meeting approval.
4. Conducts Public Hearings before budget is presented to the voters for approval.
5. Sets the tax rate once budget is approved.
6. Prepares a Capital Budget for approval by the Tax Payers with input from the Selectmen and department heads.
7. Prepares the annual report
8. Negotiates and hires the auditor for the annual audit.
9. Authorizes appropriations not included in the approved annual budget, under \$20,000.00 and requests those over \$20,000.00 to be brought to Town Meeting for approval.
10. The Board shall prescribe the method by which, and the place where all records and books of accounts of the Town, or of any department or subdivision thereof, shall be kept.
11. Board of Finance reviews, changes and makes recommendations to the Town of Morris Fiscal Policies & Procedures prior to being approved by the Board of Selectmen.

Treasurer:

1. Is a signer on all Town bank accounts.
2. Reviews and initials all bank reconciliations for all Town bank accounts monthly except Tax Collector and Town Clerk – See Appendix I.
3. Executes fund transfers between bank accounts.
4. Deposits funds in the various Town bank accounts and provides documentation to the Fiscal Clerk for entry into the Micro Fund software (refer to Deposit Procedures).
5. Manages investment of excess General Fund financial assets.
6. Tracks investments held in all funds.
7. Prepares compliance reports as needed.
8. Supports independent auditors in preparation of annual audit.
9. Provides responses and addresses Management Letter findings and Internal Control Matters identified by the auditor.
10. Manages the daily activities of the Fiscal Office (including the Fiscal Clerk and Accounting consultant) in cooperation with the First Selectman.
11. Prepares entries for the Fiscal Clerk to record wire transfers in the General Ledger.
12. Reviews and initials all Journal Entries.
13. Reviews and initials Payroll Reports provided by the payroll service after payroll has been submitted.
14. Assists Department Heads and Chairs by providing information for budgeting purposes and monitoring expenditures.
15. Completes the Annual Dog Fund Report for the State of CT.
16. Attends Board of Finance meetings monthly to review and provide explanations for Expenditure Reports, Income Reports, Trial Balance Reports, and Balance Sheets.
17. Clears checks in the Micro Fund accounting software for the Operating Account and prepares information for the Accounting Consultant to complete the Operating Account bank reconciliation.
18. The Treasurer will act as the Clerk for the Pension Commission:
 - a. Take minutes at meetings
 - b. File minutes with the Town Clerk
 - c. Assist in preparation of annual reports and census for the Pension Commission Actuary

Fiscal Clerk:

1. Gathers and processes approved invoices for disbursement.
2. Prepares checks for payment of approved disbursements.
3. Prepares checks for mailing and files paid invoices.
4. Serves as the back-up in initiating the bi-weekly payroll with ADP in the Selectman's Executive Assistant's absence.
5. Monthly provides Statement of Expenses, Encumbrances and Appropriation reports for all Department Heads and Chairs.
6. Generates and emails the following reports for all funds for the Board of Finance's monthly meetings – Expenditure Reports, Trial Balances, Actual & Estimated Revenue.
7. Enters cash receipts into Micro Fund.
8. Supports the Selectman's Executive Assistant as needed.
9. Opens the fiscal office mail.
10. Gathers and processes invoices for payment once approved by departments, boards and commissions.
11. Reconciles all Town of Morris bank accounts with the exception of the Operating Account using bank statements and the trial balance from the Micro Fund software.
12. Processes journal entries as approved by the Treasurer; including recording monthly interest for the various bank and STIF accounts.
13. Records monthly Sewer Authority income and expenses from information received from the Tax Collector, the Chairman of the Sewer Authority and bank statements for the various Sewer Authority accounts.
14. Records monthly Library Income and Expenses from the information received from the Investment Statements, Library Director, Library Board President and Library Board Treasurer.
15. Records monthly Pension and MVFD Pension income and expenses from the information received from the Treasurer, Pension Commission, and Pension bank statements.

Accounting Consultant

1. Reconciles the Operating account on a monthly basis.
2. Delivers completed reconciliations to the Treasurer for review and approval on a monthly basis.
3. Assists in tracking fixed assets in accordance with the fixed asset policy.
4. Supports fiscal office in preparation of annual independent audit.
5. When necessary, assists in preparing monthly financial reports for the Board of Finance and Board of Selectmen.
6. Enters General Ledger adjustments when necessary.
7. Assists the Treasurer in Completing the Annual Dog Fund Report for the State of CT.
8. Records and reconciles all inter-fund activity in the appropriate Funds.
9. Is available for special projects as requested.
10. Reviews the Tax Collector's bank reconciliation monthly.
11. Reconciles and records monthly investment activity for the following accounts: Library, Town of Morris Pension, MVFD Pension.

Departmental Account and Activity Processing

Pension Commission and Pension Plans Account Activity Processing

1. Oversees the pension investment account for the Town of Morris Employee Pension and the Town of Morris Fire Department Pension.
2. The Pension Commission is responsible for following their prescribed policies and procedures to manage the trust accounts.
3. All investment correspondence will be filed in the Fiscal Office and made available to the Pension Commission.
4. The Pension Commission meets four times each year with the investment manager and will adjust the allocation of funds at the investment manager's recommendation. The revisions to the investment allocations are stated in their minutes.
5. The Fiscal office works in conjunction with the Pension Commission and an actuary to determine annual required Town contributions.
6. The Pension Commission and the Treasurer will develop the annual budget request for Town contributions.
7. Prepare monthly pension payments for last business day of month.
 - a. Transfer funds from Pension Money Market accounts as required to cover pension expenses.
 - b. Create batches for ACH transfer of funds to retirees' bank accounts
 - c. Write check for non-automatic deposit retirees
 - d. Sign check, notify Pension Commission to have two (2) members sign pension checks
 - e. Transfer St of Connecticut Tax withheld from MVFD Pension recipients to the Town Pension Checking Account (State of Connecticut tax withheld from pensions can only be paid from one account.)
 - f. Log onto State of Connecticut Revenue web site and pay monthly State of Connecticut Tax Withheld from MVFD and Town Pension recipients using the ACH filing.
 - g. Provide information on all transactions to be recorded in Micro Fund by Fiscal Clerk
 - h. Update Benefit Excel spreadsheet and check books
8. Receive invoices and provide information to Pension Commission for approval
 - a. Sign check, notify Pension Commission to have two (2) members sign checks
 - b. Provide information to be recorded in Micro Fund by Fiscal Clerk
 - c. Update Benefit Excel spreadsheet and check books
9. Receive investment information and provide to Pension Commission and Consulting Accountant for reconciliation and for recording in Micro Fund
10. Complete annual reports for actuary with the help of the Executive Assistant and Pension Commission Chair
11. Complete Pension Census with the help of the Executive Assistant and Pension Commission Chair
12. Purchase 1099-R software and issue 1099-R to all retirees in January.
13. File necessary State of Connecticut and Federal Tax forms in January
14. Maintain a spreadsheet for pension benefits and expenses to assist the Pension Commission in preparing their request for funding during annual town budget process.
15. All Bank statements for all Pension Plan Accounts (Town and Fire Department) are opened by the Fiscal Office and reconciled monthly.
16. Interest for Pension Plan Accounts is entered into the Micro Fund software by journal entry.

17. Invoices are paid by the Pension Authority as follows:
 - a. The Pension Commission or the Treasurer approves the invoice.
 - b. Checks are written by the Treasurer, signed by 2 members of the Pension Commission and the Treasurer.
 - c. The Treasurer provides information to the fiscal office on an accounts payable form for allocation of expenses in the Micro Fund software.
18. Deposits to the Pension Commission accounts are made by the Treasurer
 - a. The Treasurer provides the fiscal office with the amount, allocation, and date of deposit using an accounts receivable form.
 - b. The Fiscal Clerk will enter the information into the Micro Fund software, allocating the Pension Commission revenue as described by the Pension Commission Chair or the Treasurer.
19. Form 1099R will be issued by the Fiscal Office in January for each beneficiary and the necessary Federal Tax Reporting will be done by the Fiscal Office.
20. The Clerk of the Pension Commission is the Treasurer.

Sewer Authority Account Activity Processing

1. Oversees the sewer accounts.
2. Authorizes expenditures and approves invoices for payment.
3. The Fiscal Office will access the Sewer Authority monthly bank statements on line. The printed statements will be filed in the fiscal Office. The Sewer Authority Chair has read-only access to the Sewer Authority Accounts on line to print the monthly statements.
4. Interest for Sewer Authority Accounts is entered into the Micro Fund software by journal entry.
5. Invoices are paid by the Sewer Authority as follows:
 - a. The Sewer Authority approves the invoice.
 - b. The Sewer Authority Chair writes the check for the invoice and submits the invoice, unsigned check, and coded Accounts Payable form to the Fiscal Office.
 - c. The Treasurer and two (2) selectmen sign the check.
 - d. The signed check and all documentation is given to the Fiscal Clerk.
 - e. The Fiscal Clerk will enter the invoice into the Micro Fund software as a manual check, make a copy of the signed check for the Sewer Commission and a copy to be filed in the Sewer Authority Fund file.
 - f. The check and any supporting documentation required will be mailed to the vendor.
6. Deposits to the Sewer Authority accounts are made by the Morris Tax Collector:
 - a. The Tax Collector will provide the Fiscal Office and the Sewer Authority with information about the deposit: amount, allocation, and date of deposit.
 - b. The Fiscal Clerk will enter the information into the Micro Fund software, allocating the Sewer Authority revenue as described by the Tax Collector after confirming the deposit on the bank web site.
7. The Tax Collector provides a monthly report to the Sewer Authority of payments received, billed amounts, unpaid balances and liens applied.
8. Bank Statements are reconciled to the Micro Fund Software monthly by the Fiscal Clerk.

Senior Center Account Activity Processing

1. Invoices for the Town of Morris Senior Center Budget allocation are processed as Accounts Payable (see A/P procedure).
2. The Senior Center Director will bring any rental fees or activity reimbursement fees to the Fiscal Office monthly with a properly coded Accounts Receivable form or place the fees in the lock Box located in the hall outside the Fiscal Office by the 15th of the following month.
3. The Fiscal Office provides monthly expense reports to the Senior Center Director and any other reports as requested.

4. Senior Center Money Market Account (SCMM):
 - a. Donations, grants specifically for the Senior Center, funds raised by the Senior Center are deposited in the Money Market account with documentation from the Activity Director.
 - b. The Fiscal Clerk will record the deposit in the Micro Fund system
 - c. The Senior Center expenses for fund raising will be paid by checks written against the SCMM account written by the Treasurer, signed by one selectman, the Treasurer and either the Chairman or Treasurer of the Senior Commission.
 - d. The SCMM account will be reconciled by the Fiscal Clerk and all documents will be filed in the Fiscal Office.

Beach & Recreation Program Fees Procedures

1. All Instructors, Vendors, and Performers will provide certificate of insurance and completed Form W-9.
2. Participants will pay fees to the Town of Morris – cash or check made out to the Town of Morris.
3. Instructors, Vendors or Performers will provide an invoice for each series or event.
4. A list of participants and the fees collected with a properly coded Accounts Receivable Form will be turned over to the Fiscal Office or placed in the lock box in the hallway near the Fiscal Office promptly (at a minimum monthly) upon receipt of fees.
5. All instructors, vendors or performers that are not an incorporated tax entity will receive a Form 1099 annually.
6. Beach & Recreation Money Market Account (B&RMM):
 - a. Donations, grants specifically for Beach & Recreation, funds raised by the Beach & Recreation are deposited in the Money Market account with documentation from the Activity Director.
 - b. The Fiscal Clerk will record the deposit in the Micro Fund system
 - c. The Beach & Recreation expenses for fund raising will be paid by checks written against the B&RMM account written by the Treasurer, signed by one selectman, the Treasurer and either the Chairman or Treasurer of the Beach & Recreation Commission.
 - d. The B&RMM account will be reconciled by the Fiscal Clerk and all documents will be filed in the Fiscal Office

Library Accounts Activity Processing

1. Copies of all Bank statements for all Library Accounts are provided to the Fiscal Office monthly.
2. Interest for Library Accounts is entered into the Micro Fund software by journal entry.
3. Invoices are for the Town of Morris Library Budget allocation as follows:
 - a. The Library Board Treasurer approves all invoices before they are submitted to the Fiscal Office for payment.
 - b. The Library Board Treasurer will assign the expense code and approve the invoice before it is submitted for payment.
 - c. Once approved, the invoice will be part of the Accounts Payable process (see A/P procedure).
4. Invoices paid from the Morris Public Library account at Webster Bank are processed as follows:
 - a. The Library Board Treasurer writes and signs the check for the invoice and provides the Library Board with a monthly accounting of all invoices paid.
 - b. A copy of the monthly accounting given to the Library Board will be given to the Fiscal Office to provide the information to enter the activity in the Micro Fund software.
5. Deposits are made to the Morris Public Library account at Webster Bank by the Library Board Treasurer or designated agent. The Library Board Treasurer provides information about the deposit: date, time and allocation to the Fiscal Office to be entered into the Micro Fund software.
6. Bank statements are reconciled monthly to the Micro Fund software by the Fiscal Clerk.
7. The Fiscal Office provides monthly expense reports to the Library Board President and the Library Director and any other reports as requested.

Transfer Station Procedures and Petty Cash

1. Town residents bring scrap metal (old appliances etc.) and other items collected for single stream recycling to the Town's Transfer Station. There is a fee schedule associated with all items not considered household waste. There is no fee for electronics. Residents are provided a pre-numbered receipt identifying the fee. The fiscal office receives the original receipt and fees collected.
2. The fees are set by the Board of Selectmen.
3. The Transfer Station notifies the recycling vendor to pick up the full containers. The vendor remits a check directly to the Town of Morris Fiscal Office.
4. The Transfer Station Petty Cash provides change for Transfer Station transactions when customers do not have exact change or are not writing a check.
5. The Treasurer has provided the Transfer Station with \$150 cash to establish the Petty Cash.
6. Thursday morning (unless Thursday is a holiday, then on the preceding Wednesday), the Transfer Station Manager will bring the total Petty Cash to the Fiscal Office:
 - a. Pre-numbered Receipts for fees collected
 - b. All cash
 - c. Checks
 - d. Transfer Station Log Sheet
7. The Fiscal Clerk or Treasurer will balance the Petty Cash with the Transfer Station Manager, using the Transfer Station Log Sheet, original pre-numbered receipts, and checks.
8. The Transfer Station Manager will return the balanced Petty Cash (\$150) to the Transfer Station.
9. The Treasurer will create a deposit of the cash and checks collected at the Transfer Station.
10. The revenues collected are recorded in the following revenue accounts:
 - a. Transfer Station Recycle Fee (single stream recycling)
 - b. Land-fill Metal Recycling (scrap metal sales)
 - c. Transfer Station Demo (non-recyclable demolition by products)

Cash Receipts Procedures

The mail is picked up at the post office by the Town Clerk or their assistant. It is stamped with the date and delivered to the Selectman's Executive Assistant who sorts it. Checks received by mail are delivered to the fiscal office. Departmental Revenue may be delivered via the lockbox or delivered to the Treasurer. Checks received are kept in a locked fireproof cabinet in the fiscal office. Cash receipts are prepared for deposit by the Treasurer and deposited weekly at a minimum. After they are deposited in the correct bank account, the Treasurer gives the deposit information to the Fiscal Clerk to record in Micro Fund. The Treasurer will determine the General Ledger account for proper coding.

Deposits

State of Connecticut funds are electronically transferred to the Town of Morris Operating Account at Union Savings Bank.

1. The Treasurer wire transfers the funds to the Capitol Restricted Account at Union Savings Bank if necessary.
2. The Treasurer provides the Fiscal Clerk with a "Town of Morris Accounts Receivable" form to provide the information to create the proper cash receipt in the Micro Fund software.
3. If funds were transferred, the necessary journal entry (J/E) information is provided by the Treasurer to the Fiscal Clerk.

Checks and cash that are received by various Town of Morris departments are handled as follows:

1. Checks from Morris residents for vendor permit and pistol permit applications are received by the Executive Assistant. An "Accounts Receivable" form is filled out including all proper coding for receipt of revenue. The form and check or cash and any other documentation are given to the Treasurer or placed in the lock box in the hall outside the fiscal office.
2. The building permit fees are submitted to the Executive Assistant on a monthly basis. The Building Permit Fees sheet is attached to the accounts receivable sheet that has been prepared by the Executive Assistant. All forms and receipts are balanced and given to the Treasurer.
3. The Community Services Director will process receipts from Recreation Programs and the Senior Center monthly. Collected fees for programs or rental will be listed and attached to the properly coded Accounts Receivable form and brought to the Treasurer or placed in the lock box as above.
4. Fees for Inland Wetland Permits, Planning and Zoning Permits or Applications, and Zoning Board of Appeals Applications are submitted to the Treasurer monthly. The fees with a properly coded Accounts Receivable form are given to the Treasurer or placed in the Lock Box (see above).
5. By the fifteenth (15th) of the following month, the Town Clerk will submit her report with two (2) checks for the fees collected to the Treasurer.
6. By the tenth (10th) of the following month the Tax Collector will wire transfer the previous month's collected taxes and fees to the Operating Account in Union Savings Bank. A report allocating the funds by revenue account will be provided to the Fiscal Clerk to be entered into the Micro Fund software along with a copy of the bank documented transfer out of the Tax Collector's bank account.
7. Any other funds (donations to the food bank, refund checks, Ambulance Reimbursement, Grants or donations to the Beach and Recreation Account) are given to the Treasurer with a properly coded Accounts Receivable form or placed in the lock box.

The Treasurer creates all deposits:

1. The Treasurer writes up the deposit slip for each deposit, counts and verifies all cash and endorse stamps all checks.
2. The Treasurer copies all checks and the deposit slip.
3. The Accounts Receivable form, any documentation, the copies of the checks, and the copy of the deposit slip are paper clipped together and placed in the fire proof file until the deposit has been completed at the bank.
4. The Treasurer takes the deposit to the proper bank (Union Savings, Litchfield Bancorp or Webster) and obtains the deposit receipt.
5. The bank deposit receipt is stapled to the copy of the deposit slip and the entire package is stapled together and given to the Fiscal Clerk for entry into the Micro Fund software.

Operating Account

The General Fund is managed as an imprest fund. The bank maintains a disbursement account and a repurchase account. Funds not required to cover presentments are moved to the repurchase account where a small amount of interest is earned. When the balance of the disbursement account is no longer sufficient to cover presentments the bank automatically moves money from the repurchase account to the disbursement account.

The balance in the General Fund operating checking account is monitored as funds flow in and out by the Treasurer. The balance maintained varies with the goal of leaving an amount necessary to cover immediate needs. Excess funds may be transferred to CDs or the STIF account as determined by the Treasurer.

Funds received from Credit Card Charges

Credit Card – The Tax Collector's Office being the only office to receive payments via credit card. The funds are deposited directly to the Tax Collector's account.

Cash Disbursements/Invoice Processing Procedures

1. Incoming invoices are forwarded to the department heads (naming the staff person responsible for ordering the product or service) by the Executive Assistant or are mailed directly to the department. Invoices require approval/acknowledgement that the order was received or performed, thereby allowing a check to be processed and presented to the Selectmen. Each invoice is stamped by the department and includes a line for the approval, account coding, and amount. The stamped original vendor invoice, and/or any other supporting documentation including the packing slip is forwarded to the fiscal office. For large Public Works projects, load tickets are verified by the Public Works Supervisor against the invoices. The invoices are forwarded to the fiscal office and load tickets are maintained in the Public Works Office. The stamped invoice must include the account codes to which the expense will be applied. The approval for an expense by the Department Head must be indicated on the invoice prior to delivery to the Fiscal Office Clerk for check preparation.
2. Expenses in excess of \$200 require a pre-approved purchase order with the following exceptions; electrical, telephone, internet, fuel oil, ambulance staffing, trash removal, water testing, recycling, contractual agreement, and snow removal.
3. Purchase order forms are available from the fiscal office, Executive Assistant and Department Heads. Purchase orders must be approved by the First Selectman prior to contracting for the services or purchase of the item.
4. Regularly occurring Town Hall expenditures are reviewed, stamped and approved for check processing by the First Selectman and delivered to the Fiscal Office Clerk for processing.
5. Weekly, cash disbursements are prepared by the Fiscal Office Clerk for approval and signature to the Selectmen and Treasurer.
6. The printed checks from the computer system along with the requests for payment, and all supporting documentation are submitted for signatures to the Selectmen and Treasurer. A Report is run and filed together with the invoices for the signer's approval and signature. A second selectman is notified to come into the office and sign checks. The Treasurer may sign the checks at his/her convenience. At least two Selectmen, plus the Treasurer, sign each check and double check the check request voucher. After the checks have been signed, they are processed.
7. All checks will be copied by the Fiscal Office to maintain an office file copy with the accounts payable documentation.
8. The checks are mailed by the Fiscal Clerk.
9. Supporting documentation is filed in fiscal office by the Fiscal Office Clerk.
10. The Fiscal Office Clerk will utilize the paid invoice files to respond to any discrepancies which arise with vendors or other payees.
11. Step-by-step procedures are documented in the Micro-Fund manual kept in the Fiscal Office.

Town Credit Cards

1. The Town has provided credit cards to the following positions:

Highway Foreman - Limit \$1,500	First Selectman – Limit \$3,000
Senior Center Director – Limit \$3,000	Social Services Administrative Assistant – Limit \$2,000
Treasurer – Limit \$1,500	
2. Each of the individuals will complete an application for the credit card at Union Savings Bank.
3. A file of the approved applications is filed in the Fiscal Office.
4. Sales Tax Exemption Forms are to be used in conjunction with the town credit cards.
5. Sales tax will not be paid on purchases, if sales tax is charged, the card holder will be responsible.
6. Copies of the receipts for purchases are given to the Fiscal Office with the proper expense code for processing when the statement is received.

7. The Treasurer will reconcile the credit card statement with the expenses monthly and provide the Fiscal Clerk with an allocation of the expenses. The Credit Card Company uses a robot to process the mailed payments. The Credit Card bill be paid in full from the operating account monthly. If expenses are allocated to other funds (CNR – Fund 02, Beach and Recreation – Fund 09, Social Services – Fund 03, Senior Center – Fund 13, Town Pension – Fund 10, or MVFD Pension – Fund 11) check from that fund will be issued to reimburse the Town of Morris Operating Account for the expense. When the reimbursement check is deposited, the Accounts Receivable Form for the deposit will indicate that the credit should be allocated to the expense in the operation account that was reflected in the original allocation.
8. If expenses were allocated to any accounts other than the Operating Account or CNR the Treasurer will write checks to be processed as prepaid checks from the proper account (Pension, MVFD Pension, Beach & Recreation, Senior Center, and/or Social Services).
9. If a purchase is over \$500.00 a purchase order is required and the vendor will be Card Member Services.
10. When an individual leaves town employment, the card will be collected during the exit interview.
11. Town Credit Cards may not be used for personal expenses.

Reimbursement Processing

1. Reimbursement of expenses incurred on behalf of the Town of Morris will be reimbursed using Accounts Payable Forms.
2. Invoices, receipts, and supporting documentation should be attached to the Accounts Payable Forms.
3. Accounts Payable Forms should be completed with the name of the payee, the account or accounts to be charged, and the amount of the check to be issued.
4. All Accounts Payable Forms must be approved by a **Supervisor, Department Head or Board Chair, or the First Selectman (First Selectmen's reimbursement will be approved by the Treasurer)**. Account Payable Forms that do not have proper approval will be returned. **There is no self-approval for reimbursement.**
5. The Town of Morris is tax exempt – **any sales tax may not be reimbursed.**
6. Approved Reimbursement Forms with any supporting documentation (purchase orders if required and/or packing slips) are given to the Fiscal Office. Items can be left in the lock box in the hall way outside the Fiscal Office, in the Treasurer's Mail Slot, or in the Fiscal Clerk's in-box.
7. Mileage Reimbursement is at the current IRS rate per mile.
8. Mileage Reimbursement forms are approved by Department Head or Board Chair or the First Selectman (First Selectmen's reimbursement will be approved by the Treasurer). Mileage Reimbursement Forms that do not have proper approval will be returned. There is no self-approval for reimbursement.
9. Invoices are paid weekly. On Wednesday, invoices are collected and entered into the Accounts Payable (A/P) system of Micro Fund. See A/P Procedure.

Bank Reconciliations

General Fund

All Bank statements are delivered to the Accounting Office or obtained on-line by the Treasurer or the Fiscal Clerk.

The accounting consultant will assist in the preparation of the General Fund Operating Bank Reconciliation utilizing reports generated by the Fiscal Office. The Fiscal Office will prepare the "Returned Check Edit List" and Outstanding Check list. A GL Detail and Posted Cash Receipts Log for the month will be provided. Any reconciling items are reviewed with the Treasurer and adjustments are made if necessary.

All other accounts are reconciled by the Fiscal Clerk.

Bank Reconciliation Procedures for the Sewer Fund

The sewer fund includes a checking account and two investment reserve accounts (CD's) which are maintained by the Sewer Authority Chairman. Invoices are approved by the Sewer Commission, manually written by the Chairman and delivered to the fiscal office for signature. Checks are required to be signed by 3 individuals (2 selectmen and the Treasurer). The Fiscal Clerk enters the information into Micro Fund software and reconciles the accounts. Reconciliations are reviewed by the Treasurer and filed in the fiscal office. Statements for the CD accounts are available on-line. Activity is entered into the accounting software by the Fiscal Clerk.

Bank Reconciliation Procedures Library Fund

The Library has two checking accounts and an investment account maintained at Fidelity. The Library Board manages the investment account at Fidelity and controls when funds are transferred into the checking account. One of the checking accounts is for grants (private and governmental), however it is in the name of Morris Public Library with its own EIN. When invoices for library expenses arrive, they are approved and the Library Director and Library Board Treasurer determine if the expenditure is paid out of the General Fund or the Library Accounts. The Library checking account is maintained by the Library Board Treasurer. She writes the checks and any 1 of 3 people may sign them (Chairman of the Library Board, Library Board Treasurer or the Town Treasurer). Monthly the Library Board Treasurer provides a detailed spreadsheet for the Fiscal Clerk to enter into Micro Fund, and copies of the bank & investments account statements. The Fiscal Clerk will reconcile the accounts and the Treasurer will review the statements and reconciliations.

Bank Reconciliation Procedures for Recreation Funds, Morris Senior Center Funds

The Beach and Recreation and Morris Senior Center receives donations, fund raising receipts and grants. The funds are deposited into the proper money market account. The Beach & Recreation or Morris Senior Center Commission determines how the funds will be spent. When donations are received, they are brought to the Fiscal Office to be deposited. The manual checkbook is kept in the fireproof cabinet in the fiscal office. Checks are signed by the Selectmen and the Treasurer and either the Chairman or Treasurer of the respective commission. Bank Statements are mailed to and reconciled by the Fiscal Office Clerk and reviewed by the Treasurer. The activity is entered into Micro Fund by the Fiscal Clerk. Bank statements are filed in the Fiscal Office.

Bank Reconciliation Procedures for the Morris Fire Company Funds

The Morris Fire Company fund was established to receive funds from the Morris Volunteer Fire Department that disbanded on June 30, 2018. The funds are deposited in a money market account. The manual check book is kept in the fireproof cabinet in the fiscal office. Checks are signed by a Selectman or Town Treasurer and the Morris Fire

Company President and Treasurer. The Morris Fire Company determines how these funds are spent. Bank Statements are received in the fiscal Office and are reconciled by the Fiscal Clerk and reviewed by the Treasurer. Activity is entered into Micro Fund by the Fiscal Clerk. Bank statements are filed in the Fiscal Office.

Bank Reconciliation Procedures for Town Clerk

The Town Clerk's account is reconciled by the Town Clerk. Funds are turned over to the Town General Fund by check monthly. The Treasurer is able to retrieve the statement online for review. See Appendix 1 for Town Clerk procedures.

Bank Reconciliation Procedures for the Social Services Fund

Donations are received in the Fiscal Office and deposited into the Social Service money market account. The account is used to purchase items to supplement Thanksgiving and Christmas baskets for Morris residents in need. The Selectman's Executive Assistant serves as the Social Service administrator and will request a check to supplement baskets prepared in her role as Social Service Administrator. All of the activity is entered into Micro Fund by the Fiscal Clerk. The account is reconciled by the Fiscal Clerk and reviewed by the Treasurer. Statements are filed in the Fiscal Office.

Tax Collector Accounts

The Tax Collector will reconcile the Tax Collector's bank account to monthly Quality Data reports. The reconciliation is given to the Treasurer or the Accounting Consultant for review and are kept in the Tax Collector's office. See Tax Collector procedures.

Bank Reconciliations in General

When reconciling the bank accounts, the following items should be included in the procedures:

1. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts journal.
2. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the Micro Fund software.
3. An investigation of items rejected by the bank, i.e., returned checks or deposits.
4. A comparison of wire transfers dates received with dates sent.
5. A comparison of canceled checks with the disbursement journal as to check number, payee and amount.
6. An accounting for the sequence of checks both from month to month and within a month.
7. An examination of the scan of canceled checks for authorized signatures, irregular endorsements, and alterations.
8. A review and proper mutilation of void checks.
9. Investigate and reissue, when appropriate, old outstanding checks that have been outstanding for more than six months.

Wire Transfers

1. Wire transfers between town accounts are initiated by the Treasurer.
2. The Tax Collector transfers money from the Tax Collector's Account to the General Fund Operating Account. Notification of the transfer is provided to the fiscal office – refer to tax collector deposits.

Purchases Policy Procedures

Declaration of Policy

This policy is intended to define the purchasing procedures for the Town of Morris, Connecticut. Specifically, this policy is designed to:

1. Apply to all Town Departments, Boards and Commissions.
2. Provide a uniform procedure for the procurement of material, equipment, supplies, and services, removing any confusion as to how and when to seek competitive bids.
3. Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders.

Responsibility

1. All purchases made by Authorized Personnel: department, board or commission head shall follow the regulations, as outlined herein, and established by Board of Selectman.
2. No Authorized personnel shall make a direct purchase unless sufficient funds are available in appropriate accounts and within approved budget line items. A record of invoices submitted for payment shall be kept by all department heads to insure staying within budget.
3. Packing slips and appropriate bid documents shall be attached to all invoices for payment.

Purchasing Guidelines

1. Any purchase at or exceeding \$500.00 will require a purchase order. A purchase order is also required in the event of multiple purchases from the same vendor occurring within a 30-day period, even if the total amount is less than \$500.00. Blank purchase order forms are available in the fiscal office and must be filled out and approved by First Selectman's office prior to purchase. The First Selectman's office reserves the right to waive the need for a purchase order.
2. **Under \$1,500.00:**
Departments must make every reasonable effort to secure competitive pricing from at least three sources whenever possible using the form provided and with the approval of the First Selectman.
3. **\$1,501.00 to \$9,999.00:**
Departments must make every reasonable effort to secure competitive pricing from at least three sources whenever possible using the form provided and with the approval of the First Selectman.
4. **Over \$10,000.00:**
The formal sealed bid is used for major budgeted purchases. When necessary, the departments shall also directly solicit potential qualified sources for bids such as state bid qualified vendors. The goal will be to obtain at least three (3) bids from responsible bidders. Formal bids must be received sealed and in writing by a posted deadline to the attention of the First Selectman. Award of contracts or purchases require the approval of the First Selectman. An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, as may specified in the solicitation when it is in the best interest of the Town by the First Selectman. The reasons shall be made part of the formal bid file by the First Selectman.

Insurance certificates, hold harmless clauses, indemnification, and non-collusion affidavits may be required at the discretion of the First Selectman.

Competitive Bidding

Local purchasing is encouraged where competitive market prices exist. Development of proper specifications, where required or beneficial, shall be the responsibility of the Department Head. Where required or appropriate, specifications will be reviewed by the First Selectman.

Departments may utilize open contracts with the Federal Government, State of Connecticut, Northwest Hills Council of Governments, other local governments or area towns, attorneys, utilities, or regional consortiums when such contracts are deemed the best overall value for the Town of Morris.

Sale of Town Property

When selling, or disposing of town property, excluding real estate, departments shall maximize value received by soliciting offers consistent with the estimated value of the property in question, i.e. telephone bid, formal written bid, trade-in, etc. Formal written bids shall be required for items estimated to be valued at and above \$5,000.00. When property is disposed of, the treasurer shall be notified in order to update the Town's fixed asset inventory. The sale of town property shall require approval of the Board of Selectmen.

Circumstances not requiring a bidding Procedure

Where there is only one known source of purchase and there is no comparable substitute product or service, written documentation supporting the sole source must be provided.

An Emergency Basis requiring a specific item or service

Emergency procurements may be made when, in the opinion of the department head, there is a threat to public health, welfare, or safety, provided that such emergency procurement is made with as much competition as is practical under the circumstances. The First Selectman shall be notified as soon as possible as to the emergency as the associated purchases.

Waiver of Sealed Bidding Procedure

The First Selectman may waive the bidding procedure with regard to any purchase upon finding that such waiver is in the best interest of the town.

Purchase Order Processing Procedure

1. The Department Head, Chair or Supervisor fills out the PO form and attaches the supporting documentation (written estimate, vendor name, address, description of what is required, verification there is adequate funds in the budget to fund the PO, etc.).
2. The completed PO is delivered to the First Selectman for approval.
3. The approved PO is given to the Fiscal Clerk.
4. The Fiscal Clerk will use the Micro Fund software to assign the PO number and encumber the budget for the amount of the PO.
5. A copy of the PO with assigned number will be returned to the originating individual.
6. The original with the attached information will be filed in the PO Log Notebook under the proper department tab.
7. Rejected PO's will be returned to the originator and a copy will be held in the Fiscal Office.
8. When invoices that have been incurred via a PO are to be paid, the PO Number should be included with the authorization of payment.

Petty Cash – Tax Collector

The Tax Collector's petty cash is primarily used to make change when residents are remitting their taxes. The Selectmen have approved a policy to waive following up on refunds and collections when the cost of pursuing payment or collection exceeds the benefit. The policy is documented in the Tax Collector's procedures.

Fees for Copies

The Town Clerk receives fees for copies. The fee is \$.25 /page, \$1.00/page for Legal Documents, \$.50/page for FAX. \$.50/page for FOI Requests. The fees tracked by the Town Clerk's software and are turned over to the town monthly.

Fixed Asset Management/ Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns on the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. Property, plant, equipment, and infrastructure assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land	N/A
Buildings and Improvements	5-40
Land improvements	20
Machinery, equipment and vehicles	5 -20
Intangibles assets	varies, if any
Infrastructure	30 -50
Sewer Systems	30-50

- Property Description
- Date in Service
- Tax Cost
- Tax Prior Depreciation
- Tax Current Depreciation
- Tax End Depreciation
- Tax Net Book Value
- Tax Method
- Tax Period

Annually the fixed asset schedules are routed to Department Heads for review and identify disposals. Any new fixed assets must be reported to the fiscal office at time of purchase.

Personnel

The Selectman's Executive Assistant is charged with the responsibility of maintaining personnel files for all employees. The personnel files will be kept secure and confidential in the Selectman's Executive Assistant's office. Accessing these records is limited to the First Selectman and the Selectman's Executive Assistant.

Each personnel file should contain the following information, at a minimum:

- Employment application and/or resume
- Acknowledgement of Employee Handbook & Sexual Harassment forms
- Time-off forms
- Carryover time spreadsheet (maintained by Selectman's Admin Asst.)
- Insurance enrollment forms
- 401K enrollment forms
- Drug & Alcohol results for Public Works and Transfer Station employees only
- Training certifications
- Date of Employment
- Position pay rates via a letter from the First Selectman
- Employee information sheet - Confidential Emergency Contact Sheet
- Payroll Authorization Form authorizing employee withholdings
- Notice of Intent to do Drug Testing (Public Works Employees only)
- Criminal Background Authorization for positions working with children
- Completed employee evaluations

The following forms are maintained in the Selectman's Executive Assistant's office in a secure and confidential location:

- Authorization of payroll deductions
- W-4 Forms, withholding authorization
- CT Forms, withholding authorization
- Payroll deductions forms, withholding authorization
- I-9 Immigration Forms
- Court documents regarding garnishments

Payroll Preparation and Timekeeping

Timecards/sheets are to be prepared by salaried staff persons. Hourly employee's time is tracked by an automated timecard system (Easy Clocking Time System) using the biometric method. Bi-weekly, the Selectman's Executive Assistant runs the reports from the timecard system for hourly employees, includes salaried employee's timesheets, and transfers it into ADP payroll. The Selectman's Executive Assistant also enters vacation, sick and personal time into the ADP system. Hours are submitted on Monday mornings by 11:00 a.m.

ADP will calculate the payroll as the hours are entered. The Executive Assistant and Fiscal Clerk will review the final payroll report before submission. On weeks when the Fiscal Clerk does not work (weeks when a holiday falls on a Monday), the First Selectman will review the final report. The GL Company Report, Deduction for Insurance, 401K, Union dues, Life Insurance is run on Mondays and delivered to the Fiscal Office to record in the accounting records.

ADP prepares the payroll and a payroll package is received on Wednesdays, and payroll checks are distributed on Thursday mornings. All employees receive a paper stub or payroll check in their departmental box in the town hall. The complete payroll report is filed in a binder in the Executive Assistant's office and is reviewed by the Treasurer. ADP provides a journal entry which is given to the fiscal office to record the activity in the General Fund.

The First Selectman will review the Easy Clocking reports for hourly employees on a random basis. He will review & initial timecards for salaried employees on a random basis.

Any discrepancies are investigated and corrected on the subsequent payroll check.

The Executive Assistant will enter pay rates at the beginning of the fiscal year and during the year as needed. The Treasurer will receive an email notification of a change in pay rate.

Payroll Tax returns are prepared by ADP. The funds are deducted from the Town's operating account electronically. Returns are printed and filed by the Selectman's Executive Assistant in his/her office.

ADP also prepares W-2s which are mailed directly to the employees. Copies are kept in the payroll binder in the Selectman's Executive Assistant's office.

The Multiple Worksite Report is required to be filed each quarter and is completed by the Selectman's Executive Assistant. The total wages and number of employees needs to agree with the amounts reported on the CT-UC-5A. The Selectman's Executive Assistant will use the UC-5A as a reference to complete the BLS worksheet.

A link is emailed to the Selectman's Executive Assistant to complete the form on-line; <https://idcf.bls.gov>

The password and account number are kept by the Selectman's Executive Assistant.

Time-off Tracking

Employees will complete a "Request for Time-off Report". Department Heads must approve the form before it is submitted to the Selectman's Executive Asst. Department Heads requests are approved by the First Selectman. The approved forms are delivered to the Selectman's Executive Assistant who will verify that the employee has time available.

Approved forms are kept in the employee's personnel file. Earned time off is in accordance with the Collective Bargaining Agreement.

Year-end Procedures for W-2's and 1099's

The W'2s are prepared by ADP.

Form W-9s are given to all new vendors. 1099Misc are prepared by the Fiscal Clerk using the Micro Fund system. The Fiscal Office prepares the Federal and CT transmittal forms.

Monthly Contributions for Deferred Compensation

Monthly contributions are deducted by ADP. ADP provides a report of amounts withheld and a check is remitted to Nationwide by the fiscal office monthly.

Capital Non-recurring

1. Money is transferred to the Non-op fund annually.
2. Projects are budgeted outside of the General Fund and approved with the annual budget.
3. Activity is tracked in an excel spreadsheet based on activity in Micro Fund by project by the Treasurer.
4. Periodically, the status of projects is reviewed by the Board of Finance to evaluate and approve projects that should be closed into the Non-Operating Fund's assigned fund balance.

Making Journal Entries

Purpose: Periodically journal entries will need to be made. Bi-Weekly payroll prepared by ADP is recorded in Micro Fund based on the ADP report by the Fiscal Clerk. The Fiscal Clerk will also record interest income earned in the bank accounts by journal entry. If another need is identified, the Treasurer or Fiscal Clerk will write up the entry and either the Treasurer or Fiscal Clerk will record the entry in Micro Fund. All Journal Voucher Edit List reports are kept in a binder in the fiscal office.

Fiscal Office Quarterly Procedures

1. The Quarterly Dog Report is due to the Department of Agriculture.
2. The Quarterly Report for Inland Wetlands is prepared by the Town Clerk:
 - a. The Town Clerk provides the Fiscal Office with the appropriate accounts payable form to process any funds due the State of Connecticut.
 - b. The Fiscal Office processes the Quarterly Report and issues a check if required. (See A/P Process)
3. The Quarterly Report for the Building Inspector is prepared by the Executive Assistant with the information from the Building Official:
 - a. The completed report is given to the Fiscal Office with the appropriate Accounts Payable form to process any funds due the State of Connecticut.
 - b. The Fiscal Office processes the Quarterly Report and issues a check if required. (See A/P Process)
4. The Quarterly Reports for Planning and Zoning and the Zoning Board of Appeals are processed by the Zoning Enforcement Officer.
 - a. The completed report is given to the Fiscal Office with the appropriate Accounts Payable form to process any funds due the State of Connecticut.
 - b. The Fiscal Office processes the Quarterly Report and issues a check if required. (See A/P)
5. The quarterly Bureau of Labor Statistics (BLS) report is prepared by the Executive Assistant with supporting information from the Fiscal Office.
6. Quarterly reports for payroll and tax withholding are processed by the payroll service (ADP).
7. The Town Clerk processes quarterly reports and any fees that are paid through the Town Clerk's Account or requested by an accounts payable form and given to the Fiscal Office for processing (See A/P Process).
8. Quarterly Status Reports are provided to the Board of Finance on balances of Capital Nonrecurring Expenditures, all fund balances, Balance Sheet Reports for all funds, and any other specific information requested by the Board of Finance.

Fiscal Office Annual Procedures

1. Receive approved budget information from the Town Clerk and enter information into the Micro Fund software.
2. End of Fiscal Year:
 - a. Treasurer notifies all departments to have invoices submitted for payment by June 30.
 - b. Compare budget to actual expenses and notify departments when there is a budget shortfall.
 - c. Advise departments when an invoice cannot be paid because of lack of budgeted funds.
 - d. Verify all interest has been entered and credited to the proper account.
 - e. Verify payroll has been entered and all fees have been entered into Micro Fund software.
 - f. Transfer funds as directed by Board of Finance.
3. Verify the Trial Balance is correct.
4. Provide End of Year Reports to the Board of Finance.
5. The Fiscal Office (Fiscal Clerk, Treasurer and Accounting Consultant) work with the Town Auditor, the Executive Assistant, Board of Finance, Town Clerk, Assessor, Tax Collector and Board of Selectmen to complete the annual audit.
6. Process Dog Report and request check using an Accounts Payable form for the State Department of Agriculture
7. Annual OSHA report is processed in February and posted in appropriate locations.
8. Annual Transfer Station report for licensing is processed by the Transfer Station Foreman and a copy is provided to the Executive Assistant.

Monthly Municipal Animal Control Officers Report Town Quarterly Adoption Statement and Annual Dog Fund Report

The Town maintains an Animal Program, and reports filed with the State of Connecticut for the Animal Population Control Program.

An Annual Town Clerk Report and a Dog Fund Report are required to be prepared on a fiscal year basis. The Town Clerk will prepare the Dog Fund Report which summarizes all Dog Fees collected and deposited to the General Fund throughout the fiscal year and file it with the state. A copy of that report will be needed to prepare the Annual Town Dog Fund Report. This report is prepared by the Treasurer. All Dog Fund revenue and expenses are recorded in the General Fund. Total license fees collected, as reported by the Town Clerk, is reported on line 3 of the annual report. Other Dog Fund Revenues and Expenses for the Animal Control Program reported based on the activity recorded in the General fund. The net loss is covered by the General Fund and identified as "subsidy from the Town". This report is due to be submitted with the state by September 1st following the year-end. It would be helpful to review the work papers prepared the prior year and filed as backup with the prior year report. This report will need to be completed prior to closing the General Fund for the fiscal year since the amount due to the state will need to be accrued as of June 30th.

Financial Reporting

Monthly Reports prepared by the Fiscal Office

1. A monthly budget versus actual is generated out of Micro Fund software for the Board of Finance's review and their monthly meetings.
2. A monthly actual to budget expense report is generated from the Micro Fund software for all Departments.
3. Trial Balance Reports are provided to the Board of Finance.
4. Estimated Revenue Reports are provided to the Board of Finance.
5. An Over Budget report is provided to the Board of Finance.
6. Any other reports requested by the Board of Finance.

Budget Transfers

The Town Budget is passed on a departmental line-item basis. Board of Finance approval is needed for departments, boards or commissions which over spend on a specific line item if it is covered within the original budgeted appropriation for the department. Departmental expenses greater than the original budget appropriation require Board of Finance approval based on the following procedures:

1. The Fiscal Office will notify departments if invoices submitted for payment are in excess of budgeted amounts.
2. Department Heads and Chairs receive monthly expenditure reports to keep them aware of the current status of their budget to expenditure information.
3. The Department Head or Chair must request a transfer of funds within their budget or from contingency from the Board of Finance. The Board of Finance may authorize a transfer of up to \$20,000 from contingency. In accordance with state statutes, any transfer in excess of \$20,000 from contingency to a budgeted line-item must be approved at a Town Meeting. Transfers from contingency to a specific account may be done only once in a fiscal year.
4. At the end of the fiscal year the Treasurer will prepare a list of intra and inter department transfers to cover budget shortfalls for the Board of Finance to authorize.
5. At the end of the year the Board of Finance may approve entries to cover departmental shortfalls with a transfer from another department or from contingency.
6. The Fiscal Office cannot transfer funds without permission of the Board of Finance.
7. If the Board of Finance approves the transfer of funds, the Treasurer or Fiscal Clerk will record the budget adjustments in the Micro Fund software using the departmental information and the minutes of the Board of Finance as authorization.

Year-End Close, Encumbrances and Year-end Report/Audit

In mid-June, a memo will go out to all boards, departments and commissions notifying them that all invoices must be received by the fiscal office by the end of July.

An outside public accounting firm will be appointed by the Board of Finance for a full fiscal year audit.

Grant Compliance

When a Federal, State or private grant is received or renewed, a copy of the executed grant must be forwarded to the Selectman's Executive Assistant. The Selectman's Executive Assistant will set up a permanent file for the grant and maintain the contract along with any other financial correspondence regarding the grant. Private grants may be received from an organization or individual.

Computer System Backup

All Town computer files are maintained on the Town's server. The accounting records are maintained in Micro Fund produced by Harris. Each Town fund is indicated by the following prefix.

<u>Fund</u>	<u>Description</u>
01	General Fund
02	Non-op
03	Social Service
04	Library
05	Sewer
06	Old Library fund
07	Transfer Station
08	TAR
09	Beach & Recreation
10	Town Pension Fund
11	Fire Department Pension
12	Small Cities Grant
13	Morris Senior Center
14	Morris Fire Company

Individual users each have their own sign-on and password. Nightly backups are automatically performed as well as periodic backups to the cloud. The Town uses Yucatech as an IT service for any computer issues.

Driveway Permits and Payments

The Selectman's Executive Assistant provides a permit request for a new driveway. A \$3,000 performance surety bond must be obtained prior to a driveway permit being issued. The Highway Foreman is responsible for approving and issuing all driveway permits. A copy of the driveway permit is kept at the Public Works Garage and tracked numerically. The Performance Bond shall remain in effect until the final review and approval of the driveway is given.

Road Excavations

The Selectman's Executive Assistant provides a permit request for road excavations. A \$3,000 performance surety bond must be obtained prior to a road excavation permit being issued. The Highway Foreman is responsible for approving and issuing all road excavation permits. A copy of the permit is kept at the Public Works Garage and tracked numerically. The Performance Bond shall remain in effect until the final review and approval of the road is given.

Sale of Town Assets or Scrap Metal

The Highway Department accumulates scrap metal for recycling and brings it to a convenient metal recycle/purchase facility. The Highway Department will bring the weight ticket receipt received from the facility to notify the Fiscal Office that a check should be arriving. The facility will mail a check directly to the Town of Morris or pay for the scrap in cash at the time of the transaction.

Inlands and Wetlands

The Building Official provides a checklist to anyone taking out a building permit which identifies what types of permits are necessary and who to contact. If an inland wetlands permit is required, an application is filled out and reviewed by the Inland Wetlands Enforcement Officer and approved at Inlands and Wetlands monthly meetings. The Town Clerk is responsible for filling out a Town of Morris Accounts Receivable Form which identifies the account coding and amounts collected. The Accounts Receivable Form, checks/cash, and I/W application is delivered to the Fiscal Office and reviewed by the Treasurer. The Treasurer prepares the deposit, takes it to the bank. The Fiscal Clerk records the deposit in the accounting software.

Quarterly – The Treasurer will prepare quarterly Land Use Application Fee Summary for the State of Connecticut Department of Energy and Environmental Protection. The form is downloaded from the State website:

- Print and have Inlands and Wetlands Officer sign.
- An accounts Payable Form is prepared and attached to the form.
- A check is prepared.
- The original is mailed with the check and a copy is retained with a copy of the check.

Planning & Zoning and Zoning Board of Appeals

The Building Official provides a checklist to anyone taking out a Building Permit which identifies what types of permits are necessary and who to contact. If a P&Z permit is required, an application is filled out and reviewed by the Enforcement Officer. Once approved and the fee paid, the checks and a copy of the approved application is delivered to the Fiscal Office.

Monthly –

- The Fiscal Office receives the checks from all zoning permits, inland wetlands permits, special permits, etc. collected by the Enforcement Officer. The Treasurer will review the permit numbers for sequencing.
- Applicant Fees for Planning and Zoning or Zoning Board of Appeals will be collected by the Zoning Enforcement Officer.
- The Zoning Enforcement Officer will provide the Fiscal Office with a completed “Accounts Receivable” form and copies of the front page the application and the appropriate fee monthly by the 15th day of following month, i.e. fees collected in July will be brought to the Fiscal Office by August 15th.
- The information may be placed in the lock box outside the Fiscal Office or in the inbox on the Fiscal Clerk’s desk.
- The Enforcement Officer fills out a Town of Morris Accounts Receivable form indicating the date, description of the fee, account coding and the amount collected. The form is signed by the Enforcement Official.
- The Treasurer will balance cash and checks to the accounts receivable form, make copies of the checks, prepare the deposit and take it to the bank.
- The Fiscal Clerk will record the cash receipt in the General Fund software.

Quarterly – The Treasurer will prepare quarterly Land Use Application Fee Summary for the State of Connecticut Department of Environmental Protection. The form is downloaded from the state website. The Treasurer maintains a summary of activity by quarter. The treasurer fills out the online form.

- The form is printed for the Enforcement Officer to sign.
- An Accounts Payable form is prepared and attached to the form.
- A check is prepared.
- The original is mailed with the check and a copy is retained with a copy of the check.

Town Clerk

A majority of the money that comes through the Town Clerk's Office is by check for Land Recordings. Cash is also received in the Town Clerk's Office for copies, dog licenses and sport licenses. All procedures are documented separately in the Town Clerk's office. Monthly the Town Clerk will compile a schedule of all fees collected and the associated General Ledger account. A check will be drawn on the Town Clerk's account to transfer the funds to the Town's General Fund. The reports and check are given to the fiscal office. The Treasurer will make a copy of the checks, prepare the deposit, take it to the bank and give the Accounts Receivable Report and copies of the checks to the Fiscal Clerk to record in the accounting software. See Appendix 1 Town Clerk.

Tax Collector

The Tax Collector's procedures are documented in Tax Collector's Manual. Monthly, the Tax Collector will provide the Treasurer a report generated from the Tax Collector's software to trace the amounts wired to the Town's General Fund.

Cash shall be deposited at the end of the day or period and will be verified by the Tax Collector and/or the Assistant Tax Collector. If the deposit will be made after normal bank hours, the deposit shall be placed in the bank's night depository.

Building Official

The Selectmen's Executive Assistant is charged with this responsibility of assisting in tracking the permits. If a building permit is needed, a paper application may be obtained from the First Selectman's Office.

Monthly – the building official brings an excel list of all permits approved for the month and all checks or cash to the First Selectman's Office. The Executive Assistant will prepare a Town of Morris Accounts Receivable Form and the Building Official Revenue Report. A copy of the checks, cash and forms are made for the First Selectman's Office and the Building Official. The reports, copies of the checks and monies are given to the Fiscal Office. The Treasurer will prepare the deposit, take it to the bank and give the Accounts Receivable Report and copies of the checks to the fiscal Clerk to record in the accounting software. The Executive Assistant will calculate the Building Official's commissions which are paid monthly as a separate check as part of the ADP Payroll system.

Quarterly – The Treasurer will prepare quarterly Educational Training Remittance Report for the State of Connecticut Department of Public Safety.

- Print and have the Building Official sign.
- An Accounts Payable form is prepared and attached to the form.
- A check is prepared.
- The original is mailed with the check and a copy is retained with a copy of the check.

Recreation Department and Senior Center

The Director of Community Activities is responsible for all recreational and senior center activities. The office is physically located at the Senior Center on East Street. The Director turns over any funds collected from programs to the Fiscal Office. The Director fills out a Town of Morris Accounts Receivable form indicating the program(s), total amount received and the amounts received as cash and checks. The form is also signed by the Director. The General Fund account coding is verified by the Treasurer, copies are made of the checks and taken to the bank by the Treasurer and deposited into the General Fund. The deposit is recorded in the software by the Fiscal Clerk. Class rosters and other programming documentation are maintained by the Director. Beach and Recreation and Senior Center expenses are budgeted as separate departments and paid out of the General Fund.

There is also a Recreation Fund (Fund 09) that is used to accept donations and receipts for fund raising. The funds are deposited into the Recreation Fund checking account. The checkbook is kept in a locked cabinet in the Fiscal Office. The Selectmen, Town Treasurer, Recreation Commission Chairman and Recreation Commission Treasurer are all signers on the account. The funds are to be used on a mutually agreed upon Beach and Recreation project.

There is a Morris Senior Center Fund (13) that is used to accept donations, grants, and receipts from fund raising. The funds are deposited in the Morris Senior Center account. The check book for the account is kept in the locked cabinet in the Fiscal Office. The Selectmen, Treasurer, Senior Center Commission President and Treasurer are all signers on the account. The funds are used for Senior Center Commission approved projects.

Morris Fire Company

The Morris Fire Company (MFC) Account (14) was established to receive funds from the Morris Volunteer Fire Department (MVFD) per the order of the Connecticut Attorney General when the MVFD disbanded on June 30, 2018. This account is a Money Market account at Litchfield Bancorp and the signers are: Selectmen, Town Treasurer, MFC President and MFC Treasurer. All checks must be signed by one (1) Town of Morris signer and the MFC President and Treasurer. This account can only be used for MFC approved expenses.

Budget

Toward the end of November, the First Selectman prepares a memo to each of the departments, boards and commissions. The Fiscal Office will attach a report exported from the software with the final Budget and Actual balance for the prior fiscal year, the current year-to-date and columns to insert budget requests for the subsequent fiscal year. Department heads and board and commission chairs are responsible for preparing their budget for the next fiscal year.

- The information is due to be returned to the First Selectman's Office by February 1. The First Selectman inserts the numbers into a Draft of the budget. The Board of Selectmen receives copies of the Draft budget.
- The First Selectman keeps the original budget documents submitted by the various departments and provides a copy to the Board of Finance.
- The First Selectman and the Fiscal Office will maintain the Draft Budget as a combined worksheet of expenses and revenue until it is turned over to the Board of Finance.
- The Board of Selectmen reviews the Draft budget and submits it to the Board of Finance
- The Board of Finance will receive the Board of Selectmen reviewed Draft budget.
- The Board of Finance will review the Draft Budget and the individually requested department budgets.
- The Board of Finance will schedule meetings with the Board of Selectmen and various department heads and board, committee and commission chairs to review individual budget requests if required.

- The Board of Finance will receive estimated revenues from the Tax Collector and the Treasurer to determine available income for the town.
- The Board of Finance will receive the Board of Education budget to estimate total expenses for the town
- The Board of Finance will maintain a combined budget worksheet including revenues and expenses.
- Capital Projects will be submitted to the Board of Selectmen for approval
- The Equipment Committee will make recommendations for Capital Equipment purchases and submit their recommendations to the Board of Selectmen for approval.
- Approved Capital Projects (equipment and info structure) will be submitted by the Board of Selectmen to the Board of Finance.
- The Board of Finance will determine the Capital Projects to be added to the budget and the method of funding (transfers from Operating Account to Capital Restricted Account, from the Capital uncommitted balance, or by borrowing)
- The Board of Finance will publish the draft budget and schedule a public hearing.
- The Board of Finance will conduct a public hearing of the draft budget.
- The Board of Finance will request the Board of Selectmen to call a Town Meeting to approve the budget after receiving public comment during the hearing.
- Once the Budget had been approved at a Town Meeting (or Referendum) the mill rate is set by the Board of Finance and the budget is filed with the Town Clerk.
- The Fiscal Office will enter the budget information into the Micro Fund accounting system and provide the Board of Finance with reports as requested.

Town Aid Road

Annually the Road Forman will provide a list of projects utilizing town aid road funds. The Board of Selectmen will approve the projects. Generally, only the vendor costs for approved projects utilize TAR funds. Any labor costs provided by Public Works employees are paid out of the General Fund and covered by the Public Works budget.

APPENDIX I

Town Clerk Procedures Receiving Funds:

- All cash /Checks (credit cards, ATM are not accepted) that come into this office are entered into the Cott System computer / cash register.
- Each week reports are run and deposits are made to the bank by the Town Clerk into the Town Clerk's checking account.
- Reports are run at the end of each month.
- Checks are written from the Town Clerk's Checking Account to the following:
 - Treasurer of the State of Connecticut
 - DEEP
 - Town of Morris
 - Town of Morris for Town Clerks use only
- Fees are collected for the following:
 - Notary Registration and Renewal
 - Recordings
 - Trade Names
 - Liquor Licenses
 - Dog Licenses
 - Sport licenses
 - Marriage Licenses
 - Land Record copies
 - Copies of maps
 - Public copies
 - Certified copies
 - Vital certificate copies
 - Fax
 - Purchase of Regulations P&Z etc.
 - Hall Rental