



TOWN OF MENDON

Cash Receipts, Petty Cash and Returned Check Policy

Purpose

The purpose of this Cash Receipts, Petty Cash, and Returned Checks Policy is to establish proper management practices over cash, checks, and other receipts in order to instill public confidence in Town operations and to provide accurate, reliable, and timely information upon which financial decisions can be made.

Authorized Personnel

For internal control purposes, only the following officers, employees, and volunteers are authorized to receive funds on behalf of the Town of Mendon: treasurer, assistant treasurer, town clerk, assistant town clerk, collector of delinquent taxes.

Proper Payee

All checks, money orders, and credit card payments, regardless of function, must be made payable to The Town of Mendon. 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 funds are received. The second copy must be delivered to the treasurer with the funds. Planning and Zoning must sign off on the Planning and Zoning Receipt line for any applicable application form.

Safeguarding Funds

Safeguarding funds prior to deposit with the treasurer 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 treasurer in accordance with the section below.

Preparing And Depositing Funds

Funds collected by authorized persons must be deposited with the treasurer no later than the following business day.

Each person depositing funds with the treasurer must submit a spreadsheet or adding machine tape of the checks in the same sequential order and totaled with each deposit. The treasurer will count and verify the amount deposited in the presence of the person depositing the funds. All deposits made to the treasurer will be issued a receipt or other acknowledgement. The treasurer or designate will make deposits to the bank and retain copies of all deposit statements issued by the bank. Any discrepancies shall be reported to the treasurer.



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Petty Cash

No officer, employee, volunteer, department, committee, board, or group may establish a petty cash system without consent from the Selectboard and the treasurer. The Selectboard will appoint an officer, employee, or volunteer to be custodian for each petty cash account. A base petty cash amount must be determined by the treasurer. A lockable cash box will be used to store petty cash and must be locked at all times. The key will be kept in a secure location. Only the petty cash custodian and the treasurer will have access to the locked petty cash box and key.

A pre-numbered, two-part receipt will be issued by the custodian or the treasurer for each payment made out of petty cash. This receipt is to be signed by the custodian or treasurer and the officer, employee, or volunteer receiving the petty cash. Payments out of petty cash will be made only when a valid receipt is presented. Should prepayments out of petty cash be necessary, a memo explaining the purpose of the prepayment must be signed by the custodian or treasurer and the officer, employee, or volunteer and placed in the petty cash box or drawer.

At all times the total of receipts added to the cash remaining in the petty cash box must equal the predetermined amount of petty cash. Under no circumstance will personal funds be used to compensate for shortages. All shortages must be brought to the attention of the treasurer immediately upon discovery.

Returned Check

A returned check will be recorded in the accounting system against the revenue in which it was originally posted if the check is not replaced. First-time returned checks will be re-deposited. Upon second receipt of a returned check, the treasurer will notify the check writer and inform him or her that his or her check did not clear and advise that there is a \$25 return check fee due. Thereafter, full payment, including the return check fee, must be in the form of money order or bank certified check.

Effective Date

This policy will become effective immediately upon its adoption by the Town of Mendon Selectboard and the treasurer.

Adopted: April 13, 2026

Signatures:

/s/ Megan Smith, Chair

/s/ Seth Bridge, Vice-Chair

/s/ Jesse Bridge, Treasurer