



RESOLUTION 23-307

A RESOLUTION OF THE TOWN OF CORNERSVILLE REVISING THE INTERNAL FINANCIAL CONTROL POLICY TO SAFEGUARD PUBLIC FUNDS

WHEREAS, Ordinance 12-175 and Resolution 15-224 previously adopted internal control policies.

WHEREAS, The Town of Cornersville, has adopted and implemented Internal Financial Controls Policies to safeguard public funds and to provide clear instructions to town officers and employees as to how such funds should be processed and recorded. All town and employees handling town funds shall be subject to the requirements of this policy. This policy may be amended from time to time by the Board of Mayor and Aldermen.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF MAYOR AND
ALDERMEN OF THE TOWN OF CORNERSVILLE, TENNESSEE AS FOLLOWS:**

SECTION 1. Ordinance 12-175 and Resolution 15-224 as well as any previous internal control policies are hereby repealed in their entirety and replaced with the following:

RECEIPTS AND DEPOSITS OF FUNDS

A designated employee, who is not depositing funds, shall obtain incoming mail and provide the mail to the Town Clerk. The Town Clerk shall be responsible for opening all incoming mail and stamping "For Deposit Only" on all checks immediately upon receipt. This employee should also prepare a list of checks of payments and calculate the total amount of all money/checks/credit cards received in a daily collection report. If more than one employee receives payments, then he or she shall complete a daily collection report. The list of payments received shall be signed by this/these employee(s) and remitted along with money/checks/credit cards, stubs and receipts to the Town Administrator.

All cash payments should be received by the Town Clerk, or a designated employee, who shall be responsible for preparing a written receipt and duplicate for all such funds. The receipts shall be pre-numbered. All cash and duplicate receipts should be turned over to the Town Administrator not later than the end of each business day. A daily collection report should be prepared by each employee receiving any cash payments summarizing all collections by source.

Anytime custody of money changes from one employee to another, the money should be counted by both. A pre-numbered receipt or other document recording the count should be prepared and signed by both employees indicating concurrence with the amount transferred. This document should be retained by the individual turning the money over.

All deposits of cash, checks, credit card, or other payments should be posted to the Town's fund ledgers by the Town Administrator. Each deposit should be counted and initialed by the Town Clerk, who verifies the deposit ticket prior to depositing into bank. The Town Clerk shall be responsible for making all deposits and collections within three (3) working days after initial receipt. Deposit receipts should also be retained and matched against the collection reports.

CHECK WRITING AND DISBURSEMENTS

All persons with authority to write and sign checks on the behalf of the Town shall be approved by resolution of the governing body of the Town. The Town will not sign blank checks at any time.

Two (2) authorized signatures are required for all checks. Before signing checks, each signatory should review the supporting documentation (such as vendor invoices, purchase authorizations, etc.) to verify that the expenditure is legitimate before the check is signed.

All debit/credit card statements should be reviewed by multiple persons, including by individuals independent of those who are authorized to use such cards, to ensure the legitimacy of the charges.

All persons using Town debit/credit cards shall be specifically authorized to do so by authorization of the Town Administrator and shall comply with Town's credit card use policy. All receipts shall be turned into the Town Administrator.

PETTY CASH

Petty cash disbursements are only allowable for legitimate purposes, are not for personal use and must be properly documented. An employee allowing a petty cash disbursement shall state the purpose for the disbursement in the petty cash journal. The employee, to whom the funds are disbursed, shall sign indicating receipt of the funds for each transaction at the time the petty cash is withdrawn. The employee shall return any unused funds. The amount on hand and the petty cash journal must total to the originally authorized amount. The Town Clerk shall be responsible for monitoring the petty cash account and shall review the petty cash account for discrepancies daily.

The petty cash account may be used only for withdrawals of less than Seventy-Five Dollars (\$75.00) and the total account balance shall not exceed Five Hundred Dollars (\$500.00). When petty cash is replenished, the check shall be made out to the Town Recorder. At no time will checks be made out to Cash.

BANK STATEMENT RECONCILIATION

All bank statements for each fund shall be reconciled monthly by the Town Administrator and a town Alderman, or other designee.

SURPLUS PROPERTY

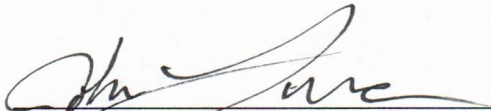
Assets belonging to the Town cannot be sold without prior approval of the Board declaring them as surplus and designating how the assets should be sold (auction, bid process, or other means). Only the Board can establish credit terms.

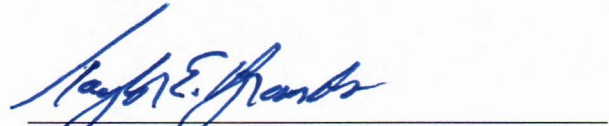
INTENT TO COMPLY

The Town fully intends to comply with this policy whenever possible. However, staffing restrictions may prevent occasional full compliance.

SECTION 2. If any section, clause, provision or portion of this Resolution is for any reason declared invalid or unconstitutional by any Court of competent jurisdiction, such holding shall not affect any other section, clause, provision or portion of this Resolution that is not itself invalid or unconstitutional.


This Resolution shall be effective immediately upon passage this 5th day of October, 2023, the public welfare requiring it.



John Luna, Mayor

Taylor Brandon, Town Recorder

Approved as to legality and form:



Billy Ostermann, Town Attorney