

Town of Alexandria
 Special Meeting
 March 25, 2024
 6:00 PM
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 Audio/Video

Supervisor Sweet called the meeting to order at 6:00pm

Pledge to Allegiance

Roll Call:

Councilman Davidson - Present
 Councilman Hunneyman - Present
 Councilman Kring - Present
 Councilman Thomas - Absent
 Supervisor Sweet - Present

Motion by Councilman Kring to accept minutes from March 20,2024. Motion seconded by Councilman Davidson. Motion was carried all in favor.

PUBLIC COMMENT: No one present for public concerns.

REPORTS:

1. No action taken on a resolution for switching banks to get a higher CD rate because they are waiting for one more bank to reply.
2. A motion by Councilman Davidson to approve the following 5 policies and procedures. Motion was seconded by Councilman Hunneyman. Motion passed all in favor.

Town of Alexandria Cash Receipts Policy and Procedure

Cash Receipts Process:

The bookkeeper receives cash from the transfer site, the arena, and the zoning officer. The cash is deposited into our general fund, pooled account. First, the money is counted, to make sure it agrees with the amount listed by the attendant. A deposit slip is filled out, in triplicate. Two of them go to the bank and one is returned with the bank's receipt. That one is then stapled to whatever information that was brought in to substantiate their receipt. The 3rd one is left in the deposit book for record. The money is sent to the bank as soon as possible. The supervisor or the town clerk takes deposits to the bank promptly. There are no different procedures for cash or checks. Most credit card payments are made online through Municipal Pay. But a few will come in and ask to use their credit card here to either pay their water & sewer bills or something else. We log onto the Municipal Pay website and proceed to make a payment for them. A receipt for the transaction is printed and it is posted in the account, accordingly. If there is a discrepancy with the amount of cash given to the bookkeeper, the bookkeeper will contact the attendant and find out what happened and document the response also reporting discrepancy to CFO for further verification/investigation.

The other people handling cash in this office are the town clerk and her deputy clerk. The court clerk also handles money, but we have no concern or jurisdiction over that. The town clerk, and her deputy, take in money for taxes, water & sewer bills, dog licenses, etc. They make their own deposits.

There are also ACH wires in from NYS OSC or Jefferson County. The supervisor gets an email from Jefferson County, letting us know of the deposit. The ACH money coming from NYS OSC just appears in the account. I then must log into Open Book NY to find out what the deposit was for and so label the transaction.

Internal Controls:

Segregation of duties – Attendant gives bookkeeper the cash. The bookkeeper gets it ready for deposit to the bank. The supervisor or the town clerk takes it to the bank.

The arena and the transfer site use pre-numbered receipt books. This is what is used to record the collections. The transfer site also has a daily “Z” report from the cash register. The numbered receipt and the Z report are attached to the bookkeepers adding machine tape to record the deposit. All 3 of these are kept as records.

Town of Alexandria Record Keeping Policy and Procedure

Cash receipts are recorded in EBS, when the bank receipts come back from the bank. All deposits that are “pending” are in a special folder in the bookkeeper’s office. When the bank receipt comes back, the bookkeeper pulls that receipt out of the “pending” file and staples all corresponding information together. After posting, the information is put in a file and will later be put in a container holding all the deposits for the year.

The receipt books are pre-numbered. The bookkeeper then verifies that all numbers are spoken for properly. Sometimes, if there seems to be a number missing, the bookkeeper will call the attendant and ask for an explanation. Usually, it is because a 3rd copy of the receipt was needed, and our book has only 2 copies. Future deposit books are ordered with three copies to eliminate the extra step.

The cash receipts are sent to the bank in a timely manner. All deposits and monies are kept either in the vault or the locked safe in the bookkeeper’s office.

Deposits are made by either dropping off the bags at the bank in their locked drop box or by the clerk taking it in and waiting for the transactions to be recorded. If they are dropped off, the town will get the receipts the next time the clerk or supervisor goes to the bank.

Cash receipts are given to the town clerk or deputy town clerk. When the clerk receives any type of funds, a receipt is filled out. One copy of the receipt is kept in the receipt book while the other is given to the payee. If a check is received, a copy of the check is made to be maintained in the accounting office while the original check will be deposited into the bank. Deposits are taken daily by the town clerk or supervisor to the bank. The deposit slip receipt comes back and goes to the bookkeeper, who will process into the cash receipts journal and the accounting system (segregation of controls). The bookkeeper will take the receipt book and tie it to the deposit slip and ensure that the amounts are properly stated.

The town clerk mainly takes in payments for property taxes, dog licenses, marriage licenses, death certificates, water and sewer rents and any other town clerk responsibilities. They will go to the bank daily. Then once a week the town clerk will provide the accounting office with all cash receipts and deposit slips. The bookkeeper will then make all necessary entries to record the receipts.

Town of Alexandria Cash Disbursement Policy and Procedure**Cash Disbursement Process:**

When the invoice is ready to be posted, it must be stamped with a special Town of Alexandria stamp, depicting all the necessary information needed for the voucher. It then is to be posted into Enhanced Business Systems (EBS) and put in a pile with the rest. The heads of the departments then initial the stamp, as “1st Review/Approval”. Then, the day before the

meeting, the abstract is to be finalized and the board is made aware that the bills are ready for review. The town requires at least 2 board members to review all the bills and initial them in “Final Approval” line provided.

The bookkeeper then must initiate the cash disbursement. The board then approves each of them separately.

All disbursements will be treated the same. The Town of Alexandria **does not** have petty cash.

Internal Controls:

The head of the departments must initial the invoices pertaining to their department to make sure they are truly an expense to that town department. See explanation above in “Cash Disbursement Process”.

The town board will sign and date the abstract, authorizing the bookkeeper to go ahead and process the checks for payment to the vendors, listed in the abstract. A motion must be made, seconded, and voted on by the board at the meeting, for the approval and payment of the bills.

Record Keeping:

After the bills are approved for payment, the bookkeeper goes to the EBS system and checks all the invoices that are to be paid. The checks are printed. Then the bookkeeper must log into Watertown Savings Bank and report all checks written. The bookkeeper must report each check number, the date, and the amount of the check to the town’s bank. If a check is **not** reported to the town’s bank, and it is presented for payment, it will be returned to the vendor. The Town of Alexandria only has one (1) electronic payment, besides payroll. That is Key Bank credit card. All electronic payments must go through the same approval process as the regular payments that get paid by check. The town bookkeeper must then log onto the bank website and initiate the payment that was approved.

If the Town of Alexandria needs to void a check, the bookkeeper goes into EBS and “Void” it in the system. If the invoice also needs to be voided, it is. If it doesn’t, we proceed to correct the problem and issue a new check. The town makes sure that this is documented from beginning to end and an additional town official is required to sign off on the void.

The Town of Alexandria does not have purchase orders. However, when a large piece of equipment is needed, the department head informs the board, and they check to make sure it was in the budget. Depending on the dollar amount of the purchase the town always adheres to the procurement policy. There may be times the number of quotes, verbal pricing or bids cannot be met. In that case the town provides documented proof (in writing) that they tried to meet the town procurement policy for the purchase. Nothing can be ordered without board approval. All contracts must be monitored to ensure the correct payments are made.

Banking & Reconciliation:

Bank accounts are to be reconciled monthly. All bank statements must be opened by either the town clerk or the supervisor and are initialed and dated by them, as received. They then must be handed to the bookkeeper, and then the bookkeeper reconciles the accounts. The only bank transfers the town is allowed to make is the one between the town clerk’s water & sewer account and the General fund account. This must be done monthly, also. As a control, the bookkeeper reconciles the water & sewer account also. It is part of the General fund cash. This took effect in January 2023 when the new full-time town clerk took office. This process was then added to the bank reconciliation policy and procedure.

Additional Information:

The town board needs to have documented thorough oversight of all policies and procedures within this Cash Disbursement guidance document.

Town of Alexandria Payroll Process Policy and Procedure

General Payroll Information:

The Town of Alexandria has bi-weekly, monthly, and annual payrolls.

Employee Information Management:

A new employee is to be given an employee packet containing all the necessary information that the state and federal governments require. The town clerk will maintain the employee personnel files. The town bookkeeper will be permitted to have access to all the personnel files initially for payroll setup purposes. The personnel files must be kept under strict lock and key only accessible by the town clerk.

Payroll Processing:

Payrolls are (bi-weekly) on Wednesday, every other week. Employees must drop off their time sheets or timecards on Monday mornings. The Motor Equipment Operator (MEO)'s time sheets are to be approved in writing by the highway superintendent. The bookkeeper goes over these and calculates the hours, overtime, comp time, etc. Town employees will have many different accounts that their time is posted to. The bookkeeper also will track the benefits for each employee on paper and provide a copy to the board for review and approval with every payroll period. The vacation, personal time, sick time, comp time will all be kept track of, on an excel spreadsheet, to make sure that Enhanced Business Systems (EBS) numbers are correct. These will be posted on their pay stubs. Upon the town supervisor and bookkeeper documented signed review the bookkeeper will input the information in Enhanced Business Systems (EBS) and process the payroll. The transaction details will then be printed and proofread (initialed by supervisor or board member) to make sure all employees are getting paid correctly. The bookkeeper will then print the checks and print the stubs for all employees. After verification that everything is OK, the payroll is posted to the payroll in EBS. The bookkeeper then goes to the town banks software online and inputs the direct deposit information and reports for all the checks that were written, so that they will be processed. The amounts are manually entered, as our software does not cooperate (quirk we are trying to fix) with the bank's Natcha file system.

The bookkeeper then scans the transaction detail report and every time sheet. All personal information in the report must be redacted before scanning. The redacted documents, report and time sheets must be emailed to the supervisor and every board member for review and approval. If mistakes are found, they would then be corrected and approved by the board with an initialing. If necessary, mistakes and corrections would be handled in the next payroll with documented approval by the board or supervisor.

Quarterly payroll reports are filed timely, and copies are sent to Jefferson County for the workers compensation computation. Copies of all reports are kept in a

secure fireproof place. Monthly retirement reporting must be done on time with documents to verify. The amount due to NYSLRS will be debited from the appropriate town bank account within three days of the report.

Payroll Authorization:

The town supervisor is required to approve the certified payroll after it is finalized.

Town of Alexandria Segregation of Duties Within Town Officials and Personnel

Segregation of duties is a fundamental control mechanism designed to prevent errors and fraud by ensuring that no single individual has control over all phases of a transaction. This principle is crucial in the context of financial accounting and journal entries. To ensure the integrity of financial records, it is essential to implement a clear segregation of duties policy, especially in the context of journal entries and the involvement of the board in their approval.

Segregation of Duties Framework

1. Initiation of Journal Entries

Responsibility: Bookkeeper

Duties: Identify the need for a journal entry based on financial transactions or adjustments required. Prepare the initial journal entry with supporting documentation.

2. Review of Journal Entries

Responsibility: Accounting Manager, TOA needs to appoint an accounting Manager

Duties: Review the prepared journal entries for accuracy, completeness, and compliance with accounting policies and principles. Verify the supporting documentation and ensure the rationale for the entry is sound.

3. Approval of Journal Entries

Responsibility: Chief Financial Officer (CFO), Town Supervisor

Duties: Provide final approval of journal entries. This role should have a comprehensive overview of the financial implications of the entries and ensure they align with overall financial strategy and reporting requirements.

4. Board Involvement in Journal Entry Approval

Responsibility: Town Board

Duties: While not involved in the day-to-day approval of every journal entry, the board or its designated audit committee should approve significant and unusual journal entries. This includes entries related to complex financial transactions, adjustments with substantial financial or entries at year-end that significantly affect the financial statements. The specific criteria for board-involved entries should be clearly defined. In the municipalities financial policies

Criteria for Board Approval:

Entries that exceed a predefined monetary threshold. (\$2,500)

Entries related to non-routine transactions.

Adjustments to prior period financial statements.

Entries with significant estimates and judgments.

5. Post-Approval Monitoring

Responsibility: Internal Audit: Town CPA

Duties: Conduct periodic reviews of journal entries and the segregation of duties process to ensure compliance with internal controls and identify any areas of risk or non-compliance. This function should also verify that the board or audit committee is appropriately involved in the approval of significant entries.

Implementation Considerations

Documentation: Maintain detailed documentation of the journal entry process, including the roles and responsibilities at each stage.

Training: Provide regular training to staff involved in the journal entry process to ensure they understand their roles and the importance of segregation of duties.

Technology: Utilize accounting software that supports segregation of duties by restricting access and functions based on user roles.

Change Management: Establish a process for regularly reviewing and updating the segregation of duties framework to adapt to changes in the organization's size, structure, or business model. Implementing a robust segregation of duties framework for journal entries, including board approval for significant transactions, is essential for maintaining the integrity of financial reporting and safeguarding against errors and fraud.

3 & 4. Discussion on potential grants that are available and who the Town Board would like to look at / work on different ones. No decision or motions were made, just thoughts and Town Supervisor Sweet will contact Rob at 4th Coast and Morgan at MSPEN to see what they can help us with.

4th Coast is currently working on WIIA Funding.

Redwood water tower and water line repairs that have been completed – talk to Melissa and see if we could apply for anything to help with what has been paid for on these.

4th Coast ask Rob about funding for new plow trucks. He has done it for us before and we would like to do it again.

Morgan – Redwood Sidewalks and digital speed sign.

Sewer Projects in Redwood Rob is working on. We already have a planning grant for study on Otter Street Sewer project and we are working on grants for Route 12 Sewer #2

Financial Software Grant. Tyler Munis software was recommended by EFPR as one of the more popular in this area Brent is going to investigate that further. Sandy and Mike Lisson have been looking at the G-Works software package. That company is new to the area and is buying up smaller companies, one of which is UB-Max that we have for our water and sewer billing. Sandy reported that because we are under their umbrella for utilities' if we buy their accounting software, they have bundles and offered a very responsible price. Further research is necessary to come up with 3 options.

Town offices & Parking lot – Sandy is working on drawings for bathrooms and will work on getting bids. Parking lot started last year.

Construct sports field, clubhouse bathrooms and storage area. Where are they doing this? No idea yet. Must get rid of Bonnie Castle first and then the Town can investigate options.

Highway Garages. Rob was discouraging. Brent will ask Morgan what she thinks about this or if she has any ideas.

New Water Source. Brent said there is a new Village Board, and he thinks they should be able to work together in the future and undertaking a new water source would be a huge undertaking.

Salt Barn Replacement – Check with Morgan to see if any grants are available.

Redwood Lighting District. Brent has spoken with Marlene the Assessor and has got a legal opinion from the Association of Towns and forwarded that to Irene and Mike Tibbles. After Easter he would like to meet with Irene and Mike. Councilman Kring if we had all the figures of what the costs are for the lighting district and what would happen if those properties were taken out what would happen to the rate for the rest of the property owners in the district. Brent said he had all the information and would forward it to the board members for review before the meeting with the Tibbles.

Auction of Bonnie Castle Stables. Looking at Brzostek's Auction Co., questions were raised about cancellation fees and if the minimum bids was not reached would that be considered cancellation fee of 10% or would the Town just be required to for the advertising? Supervisor Sweet will get confirmation on these questions.

Councilman Kring asked if the Town has a nuisance permit to trap beaver? Supervisor Sweet does not think we do. Last year they hired someone to do the trapping. The highway department is having trouble in areas with beavers. Supervisor Sweet will investigate this matter.

Motion at 6:23 by Councilman Kring to adjourn. Motion seconded by Councilman Davidson. Motion carried. Next meeting April 17, 2024 at 6 PM