

FISCAL RESPONSIBILITIES OF MUNICIPAL CLERKS

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Fiscal Responsibilities	Village Clerk / Treasurer	Town Clerk / Tax Collector
Receive moneys	X	X
Deposit moneys	X	X
Disburse moneys	X*	X
Maintain accounting records	X*	X
Maintains bank accounts	X*	X
Collects property taxes	X*	X**
Collect water & sewer rents	X	X
Prepares vouchers / abstracts (unless Village Auditor or Town Comptroller exists)	X	X
Issue Reports	X	X
	* Treasurer	** Collector

GOVERNING LAWS

- Village Clerk- VL §4-402
 - Claim Processing- VL §5-524
- Village Treasurer – VL §4-408
- Town Clerk - TL §30
 - Claims Processing - §§ TL 118, 119
- Town Tax Collector – TL §35
 - Town Clerk as Collector - TL §36
- Receiver of Taxes – TL §37
- Governing board polices, local laws, ordinances
For chartered villages, the clerks will need to check the Charter for a description of duties

Segregation of Duties

- A good internal control system provides adequate segregation of duties so that one individual does not control all phases of financial transactions.
 - One individual should not have the ability to authorize, execute and record a transaction or control the entire cash collection and disbursement processes.
- When it is not practical or cost effective to segregate financial duties, a board must ensure compensating controls are in place.
 - Independent review of work performed by individuals

RECEIVE MONEYS

- Moneys collected should be secured until deposited
 - Cash register, cash drawer, locked drawer, safe
 - Cash drawer should be reconciled with collection records daily
 - Restrictively endorse checks when received
- Receipts should be issued (*General Municipal Law § 99-b*)
 - Duplicate, press numbered
 - Date, name, purpose
 - Payment method (cash, check, credit card)
- Restrict practice of cashing checks from cash drawer

DEPOSIT MONEYS

- Deposits should be made timely
 - Town Clerk monies – within 72 hours of receipt when exceeding \$250
 - Village Treasurer – Within 10 days of receipt
 - Tax Collector – within 24 hours of receipt
 - Receiver of Taxes – generally within 24 hours of receipt
- Deposits must be made intact
 - In the same form as it was collected (cash, check, or money order)
- Prepare and maintain detailed deposit slips
 - Allows transactions to be easily identified, traced, and corrected

DISBURSE MONEYS

- Check signing authority must be limited to those authorized by law
- Keep blank check stock secured at all times
- Restrict practice of signing blank checks
- If computerized software is used to print checks, restrict use of hand-drawn checks
- Electronic signature disks and facsimile plates should be secured in under the control of the signatory
 - Should only be used under the direct supervision of the official (or deputy) whose signature is on the disk

DISBURSE MONEYS (Continued)

- Wire transfers:
 - Should only be made at the direction of the officer having custody of the monies being disbursed
 - Pass words should be used to prevent unauthorized use
 - Passwords should be controlled and changed often
 - Wire transfers to accounts outside of the local government should be restricted / limited

MAINTAIN ACCOUNTING RECORDS

- Cash receipt and disbursement books / registers must be maintained
 - Manual or computerized
 - Cash balance should be identified
- Entries should be made timely
- All accounting records and supporting documents must be audited/reviewed annually (TL §123, VL §4-408(e))
 - Supporting records include canceled checks, deposit slips, duplicate receipts, bank statements, etc.

BANK ACCOUNTS

- Only officers authorized by law to have custody of monies are permitted to open or close bank accounts for general governmental purposes.
- Bank accounts opened by Town Clerks and Tax Collectors are not under the control of the Town Supervisor.
 - Moneys deposited in these bank accounts do not become town moneys until turned over to the Town Supervisor by the Clerk or Collector.
- Bank reconciliations should be prepared monthly and any differences between adjusted (net) bank balances and cash book balances should be researched and explained.

BANK ACCOUNTS (continued)

- Town Clerk bank account adjusted (net) balances must also be reconciled to known liabilities each month.

Balance Per Bank	\$2,500.00	
Add: Deposits in Transit	\$85.00	
Less: Outstanding Checks	(\$175.00)	
Adjusted (Net) Balance	\$2,410.00	
Balance Per Books	\$2,448.00	
Add: Interest earned	\$5.00	
Less: Dishonored checks	(\$43.00)	
Adjusted Book Balance	\$2,410.00	→ Must equal unpaid liabilities

COLLECTS PROPERTY TAXES

- In towns of the 2nd Class, the Tax Collector is responsible for collecting property taxes (TL §35)
 - Town Board may abolish the office of Tax Collector and assign the tax collection duties to the Town Clerk (TL §36)
- Must submit collections to the Town Supervisor at least weekly (or sooner if required by the Town Board) until such time the collector makes the town whole for all taxes levied.
 - Thereafter, the collector must remit to the county by the 15th of the month following collection.

COLLECTS PROPERTY TAXES (continued)

- In towns of the 1st Class, the Receiver of Taxes is responsible for collecting property taxes (TL §37)
 - Also generally collects school taxes and water and sewer rents
 - Must deposit town tax moneys collected within 24 hours in a bank account to the credit of the Town Supervisor.
 - Must deposit school tax moneys collected within 24 hours in a bank account designated by the board of education.
 - After having made the town and school district whole for taxes due to them, the collector must deposit taxes collected within 24 hours of collection in a bank account designated by the town board and submit such moneys to the county by the 15th of the month following the collection.

COLLECTS PROPERTY TAXES (continued)

- In Villages, the Treasurer generally collects property taxes but the Village Board (or charter) may designate the Village Clerk to be the collector.
 - At the annual meeting of the board of trustees, the board may determine, by resolution, that the taxes in the village will be collected by the village- clerk rather than by the village treasurer. Thereafter, the village clerk collects village taxes until the resolution is revoked at a subsequent annual meeting.
 - If the Clerk is designated as the collector, RPTL §1438 requires the Clerk to submit moneys collected to the Treasurer within 24 hours of collection.

COLLECTS PROPERTY TAXES (continued)

- In towns, the collection period is January 1 to April 1 unless the town has requested an extension from the county.
- In Villages, the collection period is dependent upon the fiscal year of the village.
- In villages the collection period depends upon the village’s fiscal year and whether the village has elected to have the county enforce unpaid taxes pursuant to RPTL §1442.
 - Approximately 80% of NYS villages have elected to use the county to enforce unpaid taxes.
 - For example, a village with a fiscal year of June 1 to May 31 and uses the county to enforce unpaid taxes, the collection period is generally June 1 to November 1. If the same village chooses to enforce their own unpaid taxes the collection period would be generally June 1 to February 1.

CLAIM PROCESSING

- In towns, the town clerk prepares claims (vouchers) to be submitted for audit by either the town board or the town comptroller.
- In Towns that have not established position of Town Comptroller, the town board must audit and approve all claims prior to payment by the town supervisor.
 - If a Town Comptroller exists, the audit and approval of claims falls to the Comptroller.
- After claims have been audited and approved for payment an abstract is created listing the claims approved and the abstract is then sent to the town supervisor who is then authorized to pay the claims listed.
- If a Comptroller exists, the abstract is created and certified by him/her
- If no Comptroller exists, the town clerk must create and certify the abstract.

CLAIM PROCESSING

- In villages, the village clerk prepares claims (vouchers) to be submitted for audit by either the village board of trustees or the village auditor (unless a village charter specifies different).
- In villages that have not established position of village auditor, and/or has not delegated the audit responsibility to a separate appointed board, the village board must audit and approve all claims prior to payment by the town supervisor.
 - If a village auditor exists, the audit and approval of claims falls to the village auditor.
 - If the village board has created a separate board and delegated the claims auditing duties to them (e.g., water and sewer board), this board would audit and approve all claims under their authority.

CLAIM PROCESSING

- In villages, after claims have been audited and approved for payment an abstract is created listing the claims approved and the abstract is then sent to the village treasurer who is then authorized to pay the claims listed.
 - If a village auditor exists, the abstract is created and certified by the village auditor,
 - If no village auditor exists, the village clerk must create and certify the abstract.
 - If the Village Clerk also serves as a village/treasurer, the abstract must be certified by the Mayor.

Record of Debt Issued

- Pursuant to Local Finance Law §163, the clerk in towns and villages must keep a complete record of each issue of bonds and notes, to include:
 - The type thereof.
 - The amount thereof.
 - The number of obligations in the issue.
 - The rate of interest thereon.
 - The date of issue thereof.
 - The date of maturity of each obligation in the issue.
 - The date of adoption of the resolution or resolutions, if any, pursuant to which the obligations are issued.

Unless a bank or trust company has been so designated by contract. The clerk should notify or remind the supervisor (towns) and treasurer (villages) when principal and interest payments are due, the amount and to whom payable.

FINANCIAL REPORTING

- In towns, all officials that receive moneys must remit such moneys to the supervisor by the 15th of the month following collection. This submission must include a report showing the type and amount of money collected (TL §27).
 - The failure of submitting these moneys and report can result in the official not being paid until compliance has been verified.
 - This would include clerks charged with receiving water and sewer rents, garbage fees, recreation fees, zoning and code officer fees, etc.
 - This does not apply to town justices and their clerks or tax collectors who submit collections to the supervisor weekly.
- The town board may also require other financial reports from various municipal clerks at specified intervals (monthly, annually, etc.)

FINANCIAL REPORTING

- Town Clerks
 - In addition to the monthly report to the supervisor required by TL §27, the clerk is required to report to various state and county agencies for licenses and permits issued.
 - Dog licenses
 - Marriage licenses
 - DEC hunting and fishing licenses
 - Other

Annual Audit

- **Town Law §123 requires:**

On or before the twentieth day of January each person, who as a town officer or employee received or disbursed any moneys in the previous fiscal year, shall account with the town board for such moneys and shall produce all supporting books, records, receipts, warrants, vouchers and cancelled checks and check images.

FINANCIAL REPORTING

- In villages, pursuant to VL §4-408, the treasurer must file with the village clerk within sixty days after the end of the fiscal year, a statement showing in detail all revenues and expenditures during the previous fiscal year and the outstanding indebtedness of the village as of the end of the fiscal year.
- In place of this report (if the board of trustees authorizes), the treasurer can submit to the clerk within the prescribed period a copy of the village's financial report filed with the Office of the State Comptroller (known as the Annual Update Document or AUD).
- The board of trustees or a village charter may also require the treasurer or clerk to file other reports at specified intervals (monthly, annually, etc.).

Petty Cash

- **Towns (TL §64(1-a))**
 - Receiver of Taxes – maximum of \$1,000
 - All other officials – maximum of \$500
 - Town Board can increase the maximum by adopting a local law.
 - Tax collector must surrender petty cash each year at the end of the collection period.
- **Villages (VL §5-526)**
 - Any amount approved by the village board.
- Replenishing of petty cash amounts must be by voucher submitted for approval and must contain sufficient supporting documents (e.g., receipts).

QUESTIONS


