

Overview of Fiscal Duties and Responsibilities of Town Clerks and Village Clerk-Treasurers

Ingrid M. Otto, CPA, Auditor 2
Division of Local Government and School Accountability



New York State Comptroller
THOMAS P. DiNAPOLI



Financial Recordkeeping

- Receive Moneys
- Maintain Accounting Records and Deposit Receipts
- Issue Receipts
- Tax Collection Duties
- Additional Items
- Reporting
- Maintain Debt Register
- Disbursements
- Petty Cash
- Perform Reconciliations
- Process Claims
- Internal Controls
- Safeguard Assets

Receive Moneys Towns/Villages

- Marriage licenses
- Hunting/fishing licenses
- Dog licenses
- Garbage bags or tags
- Parking tickets
- Recreation fees
- Property tax collection
- Tax searches
- Water/sewer rents
- Building permits
- Birth/death certificates
- Many more ...
- Put money received in:
 - Cash register or
 - Cash drawer

Maintain Accounting Records and Deposit Receipts

Town Law Article 3 § 30 (1-a)

- **Town Clerk:**
 - Required to maintain a cash book
 - Enters money into cash book daily
 - Make deposits intact
 - **If receipts exceed \$250**
 - **Deposit by 3rd business day**

Maintain Accounting Records and Deposit Receipts

Village Law § 4-408 (a and b)

- Village Treasurer:
 - Has custody of all money belonging to the Village
 - Required to maintain records for all receipts and disbursements
 - Make deposits intact
 - **Deposit receipts within 10 days**
 - Good business practice is to deposit more frequently

Maintain Accounting Records and Deposit Receipts

- Village Clerk:
 - Maintain records for all receipts and disbursements
 - Make deposits intact
 - **Deposit receipts as soon as possible or as stated in the Village policy**

LOCAL GOVERNMENT MANAGEMENT GUIDE

The Practice of Internal Controls



Office of the New York
STATE COMPTROLLER
Thomas P. DiNapoli

Local Government and
School Accountability

INTERNAL CONTROLS SERIES

<https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

Issue Receipts

General Municipal Law § 99-b

- Receipt is required for collection of money
- Press-numbered
- Duplicate
- Date - Name - Purpose
- Payment method
 - Cash - Check - Money Order - Credit Card

Tax Collection Duties - Town (if any)

– Town Law § 35

- Duplicate receipts
- All money received
 - Deposit in 24 hours (we recommend using duplicate deposit slips)
 - Pay to Supervisor at least weekly
 - After warrant is satisfied, pay County Treasurer by 15th day of each month

– For Tax Collections and Interest:

- Interest Free - January 31
- Postmark

Tax Collection Duties - Village

Real Property Tax Law § 1438

- At the annual meeting the Board by resolution can appoint the Village Clerk to collect taxes instead of the Treasurer
 - The Clerk will collect taxes until the Board revokes this at a subsequent annual meeting
 - Remit taxes collected to the Treasurer in 24 hours

Tax Collection Duties - Village

- For tax collections and interest:
 - Deposit tax collections in 24 hours
 - Use duplicate deposit slips
 - Duplicate receipts
 - Interest free – January 31, March 31, April 30 or June 30 (depends on tax warrant/fiscal year end date)
 - Postmark date

Additional Items

- **Dishonored Checks** – GML Section 85 allows for imposition of service charge up to \$20

Additional Items (continued)

Credit Cards - GML §5b

- By local law, ordinance or resolution, the Board designates and officer to accept credit card payments for a specific purpose
 - Real property taxes
 - Water/sewer payments
 - Permits, licenses, etc.

Additional Items (continued)

Registrar's Fees - Public Health Law §4124, §4173

- **Salaried:**
 - Fees are property of village – A1603
 - Monthly report and fees to CFO (Village Clerk to Treasurer)
- **Unsalariated:**
 - Fees are property of village – A1603
 - Claim for fees – A4020.4
 - \$.50 for each birth certificate, death certificate, burial, removal or transit permit, report of fetal death
 - \$10 for each birth/death certificate, certified transcript of birth/death, or for a certification of search for birth/death
 - Reimbursement for actual and necessary expenses

Additional Items (continued)

Marriage Officer's Fees – Domestic Relations Law §11-c

- Board authorized officer (may or may not be Clerk) to solemnize marriages within limits; term to be set up to four years; may be removed at will by the Board with no cause necessary
- **Salaried:**
 - Salary set by Board; no other compensation may be received
- **Unsalariated:**
 - If no salary set, may accept up to \$75 per marriage officiated, paid by or on behalf of the persons married
 - Be aware of tax implications

Additional Items (continued)

Marriage Officer's Fees – Domestic Relations Law §14-a

- Clerks issue a marriage certificate fifteen days after receipt or return of the completed marriage license
- The Board can fix a set fee not to exceed \$10 for the issuance of a marriage certificate. This fee is payable at the time of issuance of the marriage license
- Corrections:
 - “To effectuate such correction and provide certified copies of the amended certificate, the town or city clerk shall be entitled to a fee not exceeding ten dollars to be fixed in the case of town clerks by the town board... The clerk shall forward a copy of such amended certificate to the commissioner of health”

Reporting - Town

- **To the Supervisor**

- Submit report to Supervisor by 15th of following month.
- Report should detail all fees and charges
- From cash receipts record

- **To Others**

- Marriage license fees – NYSDOH
 - 15th day of each month.
- Hunting/fishing license fees – NYSDEC
 - 14th - 16th of each month depending on County name.
- Dog licensing surcharge – Animal Population Control Fund
 - 5th day of each month.

Reporting - Village

Village Clerk:

- To the Treasurer

- Submit fees by the 10th of the following month
- Prepare and submit a detailed report of all fees and charges

- To others

- Hunting/fishing license fees – NYSDEC
 - 14th - 16th of each month depending on County name

Reporting - Village

Village Treasurer:

- **To the Board**

- Prepare and submit monthly financial reports, bank statements and reconciliations (recommended by OSC)

- **To the Village Clerk**

- File within 60 days after the end of the fiscal year or the extension date:
 - Detailed report of all revenues and expenditures
 - Schedule of indebtedness as of the last day of the fiscal year

Maintain Debt Register

Local Finance Law §163

Bonds and Note Register should include:

- Type and amount
- Number of obligations in the issue
- Interest rate
- Date issued
- Maturity dates
- Payment schedule
- Date of adoption of resolutions, if any, pursuant to which obligations are issued

Disbursements

- Disbursements can be made by check except for authorized petty cash payments

Petty Cash Fund

Town Law §64(1-a)

- **Maximum:**
 - Receiver of Taxes: \$1,000
 - All Other Town Officers: \$500
- Reimburse Periodically
- Submit Claim
 - Materials
 - Supplies
 - Services

Petty Cash Fund

Village Law §5-526

- **Board authorizes by resolution**
 - Dollar amount set by Board
 - Exists year to year until abolished by Board
- Reimburse periodically
- Submit **claim**
 - Materials
 - Supplies
 - Services

Petty Cash Fund

Replenish with voucher and supporting receipts.

Description	Account Code	Amount
Petty Cash Count		\$112.25
#2026-001 Rosalee (Receipt for Supplies)	A1325.4	\$48.75
#2026-003 Rosalee (Postage)		<u>\$39.00</u>
Petty Cash Fund	A210	\$200.00

Count and Prove Cash

- Daily – the sooner the better
- Reconcile cash – take back to original documents if necessary
- Discrepancies? – follow-up procedures
- Deposit intact

Deposit Intact

Description	Check No.	Amount
Twyla Jones	234789	\$25.98
Wendy Smith	10001	\$74.89
Connie Williams	2789	\$25.00
Lester Johnson	987435	\$175.06
The Pizza Shack	00013456951	\$1,325.42
Total Checks:		\$1,626.35
Cash		\$300.52
Total Deposit:		\$1,926.87

Total Daily Collected Equals Total Deposited

Perform Reconciliations

- Reconcile Monthly
 - Bank Statement
 - Check Register/Cash Book
 - Liabilities

Bank Reconciliation

Balance per bank		\$2,500
Add: Deposits in transit	\$85	
Less: Checks not cleared	(\$175)	(\$90)
Adjusted bank balance:		\$2,410
Balance per cash book		\$2,468
Add: Interest earned	\$5	
Less: Dishonored checks	(\$43)	
Plus or minus: Book adjustments	(\$20)	(\$58)
Adjusted book balance:		\$2,410

Process Claims

Town Law §119 & Village Law §4-402

- **Clerk's Statutory Responsibilities:**
 - Consecutively number vouchers (recommended by OSC)
 - Mark with date presented
 - Prepare abstract
 - Have available as a public record
 - Enter in the minutes

Please note the following:

- **Post audit not required:**
 - Payrolls
 - Indebtedness (principal and interest)
 - Contracts exceeding one year
 - Court-ordered payments
 - Retirement system payments
 - **Can pay in advance of audit*:**
 - Public utility services
 - Postage
 - Freight and express charges
- *Note:** All such claims shall be presented at the next regular meeting for audit

Abstract of Audited Claims

EXHIBIT H

ABSTRACT

Town of _____

No. __
Page

FUND _____

Voucher No.	Claimant Name and Address	Appropriation			Amount of Check	Encumbrance		Check No.
		Account	Amount	✓		Number	Amount Liquidated	

Claim #, Claimant Name & Address, Appropriation Code (s), Fund, Description, Amounts

Date Authorized

Certify To Treasurer

Summary of Accounts

Acct. Code	Amount to Be Charged	Totals

Abstract of Claims #01/2016

PO NO.	VOUCHE R NO.	PAYEE	APPROPRIATION		CHECK	
			ACCOUNT	AMOUNT	AMOUNT	NO.
A.11	V06-01	Burro Corp.	A1210.4	35.57		
A.5	V06-01	Burro Corp.	A1410.4	91.32	126.89	457
A.6	V06-02	Eager Beaver Sports	A1410.4	117.00	117.00	458
A.7	V06-03	Sunshine Co.	A8010.4	31.15	31.15	459
A.8	V06-04	Heavy Eq. Co.	A8160.2	3,450.00		
A.9	V06-04	Heavy Eq. Co.	A5130.2	3,700.00	7,150.00	460
Total Abstract				7,425.04	7,425.04	

Abstract of Claims #01/2016

SUMMARY		
ACCOUNT CODE	AMOUNT	FUND TOTAL
A1210.4	35.57	
A1410.4	208.32	
A8160.2	3,450.00	
A8010.4	31.15	
A5130.2	3,700.00	
TOTALS	7,425.04	A - 7,425.04

Resolution noted in
Minutes
V#16-01 to V#16-05

Anne Scott, Village Clerk

Signature

To the [Treasurer]/ [To the Supervisor],

I certify that the vouchers listed above were audited by <Board or Office of Auditor > on <date> and allowed in the amounts shown.

You are hereby authorized and directed to pay to the claimant the amount opposite his name.

<date> <Signature of Village Clerk, Office of Auditor or Mayor> OR

<date> <Signature of Town Clerk (or Comptroller)>

What Are Internal Controls?

- Any activities or procedures designed to provide reasonable assurance that operations are “going according to plan”

Why Are Internal Controls Important?

- Ensure compliance with laws, regulations, policies, and procedures
- Preserve integrity
- Increase public confidence
- Establish standards of performance
- Ensure objectives are met
- Reduce fraud opportunities

Safeguarding Assets

- Separate cash drawers
- Locked if unattended
- Use safe
- Frequent deposits
- Inventory of unused tags, licenses and permits, etc.
- Office (workspace)
- Duplicate receipts
- Check stock

Transaction Processing

- Computerized Accounting Systems
 - Who has access? Is it limited?
 - Are individual usernames/passwords used?
 - Are computer records safeguarded?
 - Are back-ups performed?
 - How do you manage access changes?
 - Is software supported?

A Breakdown in Controls?

- Waste or misuse of assets
- Inaccurate or incomplete information
- Embezzlement and theft

Resources

- Website
 - <https://www.osc.ny.gov/>
- Publications
 - <https://www.osc.ny.gov/local-government/publications>
- Training
 - <https://www.osc.ny.gov/local-government/academy>

Thank You.

localtraining@osc.ny.gov

<https://www.osc.ny.gov/local-government/academy>



New York State Comptroller
THOMAS P. DiNAPOLI

