

LOCAL LAW #3 OF 2020 MAKING AMENDMENTS  
AND ADDITIONS TO CHAPTER 9 OF THE ALBION TOWN CODE  
RELATING TO CASH DISBURSEMENT POLICY

Be it enacted by the Albion Town Board, County of Orleans, State of New York  
(hereinafter referred to as the Board), as follows:

SECTION 1. TITLE

This Local Law shall be referred to as "Local Law # \_\_\_\_\_ of 2020 making amendments  
and additions to Chapter 9 of the Albion Town Code relating to Cash Disbursement Policy.

SECTION 2. AUTHORIZATION

This Local Law is adopted pursuant to the legislative authority in Municipal Home Rule  
Law §10 and Town Law §261-§264.

SECTION 3. PURPOSE AND INTENT

The Town of Albion deems it necessary to enact certain additions, modifications and  
changes to Chapter 9 of the Albion Town Code to best serve the public interests of Albion and its  
population. Consequently, the Board has conducted a review of the Albion Town Code and this  
Local Law is the result of that review.

SECTION 4. AMENDMENTS TO CHAPTER 9

A. §9-4 Relation to purchasing policy is hereby changed to read:

“This procedure supports the Purchasing Policy set forth in Chapter 29.”

B. §9-5 Procedure is hereby changed to read:

B. “All Departments are in charge of their own purchases. All Department employees are to obtain slips and/or receipts for submission to their respective Department Head in a timely fashion. All purchases are to be made in accordance with Albion Town Code Chapter 29. All such slips and/or receipts are to be vouchered for payment by the Department Head.”

E. “Authorized prepays include utilities, medical insurance, and postage. These invoices are forwarded on a claim voucher to the accounting firm, who processes the check for the Supervisor’s approval before Town Board approval. Claim vouchers are included on following month’s abstract for approval by the Town Board.”

G. “Approved vouchers are sent to the accounting firm for check preparation and recording.”

H. “The accounting firm shall mail the checks and vouchers to the Supervisor, who aligns the checks with the abstract, signs the checks, and returns them to the Town Clerk who stamps and mails the checks. The list returned by the accounting firm is called ‘Disbursements by Account’ and the total equals the amount of the list sent to the accounting firm.”

I. “ Bank statements are mailed directly to the Town. The accounting firm prepares bank reconciliations using on-line services. The Supervisor verifies the bank

reconciliations by comparing monthly reports from the bank statements with the reconciliation prepared.”

#### SECTION 5. ADDITIONS TO CHAPTER 9

The following additions are hereby made to Chapter 9:

A. §9-6. Cash Receipt Policy.

1) Cash and checks collected by the Town of Albion Departmental Employees shall be kept secured at all times in locked boxes/safes until remitted to the proper office for deposit.

2) Checks shall be restrictively endorsed as soon as received.

3) Personal or payroll checks cannot be cashed from money in cash drawers.

4) Checks must be for the exact amount due, no “cash back” is permitted.

5) A pre-numbered duplicate receipt (or other acceptable evidence for auditing) will be given for any cash, checks or money orders received. One copy shall be provided to the customer, the other shall be retained for audit purposes. Receipts shall be given in order and voided receipts kept on file.

6) Office copies of receipts shall be periodically reviewed by the Town Supervisor and/or Town Clerk. Any missing forms shall be investigated.

7) Deposits shall be made timely, no later than 72 hours after receipt.

8) Detailed deposit slips shall be prepared and maintained.

9) The person who performs the bank reconciliation shall be the final custodian of all deposit slips.

10) NSF charge of \$20.00 will be assessed for checks returned for non-sufficient funds. Notification of the NSF check charge should be included on all billings and posted in public view.

11) Receipts shall be recorded in the accounting system in a timely manner.

12) Daily cash collection records shall be reconciled to the amount of cash on hand at the end of the business day.

B. 9-7. Cash Disbursement Policy.

1) Checks issued shall be pre-numbered and in sequence.

2) Blank checks and check stock shall be secure at all times.

3) Checks must be made payable to a specific payee.

4) Check signing authority shall be limited to the Town Supervisor and Deputy Supervisor.

5) The facsimile signature device shall be secured in a locked location under the control of the Town Supervisor and/or Town Clerk.

6) Signing a blank check is not permitted.

7) Electronic banking utilizes computer and electronic technology to streamline the processing and recording of receipts and disbursements while reducing costs of processing said transactions. Receipts, disbursements and transfers in proper circumstances can be processed via electronic funds transfer (EFT) services whether transferring funds from a savings to a checking account within the same bank or making a payment to a different vendor's

bank. The Board authorizes the Town Supervisor and/or Town Clerk to engage in electronic banking and/or electronic transfers in accordance with all applicable laws and regulations including General Municipal Law §5-a authorizing same, all to be in conformity with the guidelines established by this Chapter. The Town Clerk is authorized to initiate electronic transfers when appropriate with prior approval from the Town Supervisor. The Board also recognizes that most banking institutions no longer provide cancelled paper checks to their customers, instead offering an electronic image obtained online. The Board authorizes the acceptance of said electronic images in lieu of cancelled checks in accordance with General Municipal Law §99-b(2).

8) Electronic banking activities will be used for, but not limited to, the following:

a. Online banking services such as reviewing account balances, retrieving bank statements, downloading copies of cancelled checks and making stop payment orders.

b. Electronic depositing of checks received.

c. Pre-authorized debit payments.

d. ACH vendor payments.

e. EFT transfers.

f. Electronic Federal Tax Payment System (EFTPS).

g. Electronic State Tax Payment System (Prompt Tax).

9) The Town's auditing firm is to provide monthly reconciliation and review in order to provide safeguards relating to separation of duties. All electronic banking transactions for the Town are to be conducted on a secure computer. The Town Supervisor is

responsible to ensure that employees with electronic access to bank accounts and who are no longer employed by the Town are properly removed from all accounts as of the date of termination. In the case of the Town Supervisor not being able to perform his/her duties, the Deputy Town Supervisor is to do so

10) The Board is responsible for implementing adequate internal controls for all electronic banking. An effective internal control system includes, but is not limited to, segregation of duties, proper authorization and adequate documentation for all electronic transactions. The accounting firm for the Town is to be given information of all electronic banking transfers as described herein in a timely fashion. The accounting firm should present any findings of concern or questions directly to the Town Supervisor and/or the Board.

C. §9-8. Claims Processing Policy.

1) The procurement guidelines detailed in the Town of Albion's procurement policy shall be adhered to at all times.

2) Prior to authorizing a major purchase and periodically for routine purchases, the availability of budget appropriations shall be verified.

3) All vouchers shall include specific details about the items or services to be purchased including quantity, costs, model numbers (if available), terms of sale and approvals to purchase.

4) All vouchers shall be sequentially numbered.

5) When goods or services are delivered, receiving or packaging slips shall be verified against the quantity, type and condition of the goods received.

6) The responsibility for the receipt and verification of items ordered shall be segregated from the employee who requested or authorized the purchase.

7) Each department that ordered goods or services shall assemble a voucher package containing the receiving slip, the original invoice and the signed approval of the department head stating that the goods or services were received and they are a true and just charge. All voucher packages shall be forwarded to the Town Supervisor and/or Town Clerk.

8) Checks shall be mailed directly to the vendor and not returned to the department who made the purchase.

9) The criteria for evaluating claims:

- a. Is the claim for a valid and legal purpose ?
- b. Was the purchase authorized and approved ?
- c. Are there sufficient appropriations to pay the claim ?
- d. Is the claim mathematically correct ?
- e. Is the claim sufficiently itemized ?
- f. Does the claim meet legal and policy requirements in relation to competitive bidding and the Town's procurement policy ?
- g. Does the attached document support the claim ?
- h. Were the goods or services actually received ?

10) Claims not requiring audit:

- a. Salaries.
- b. Principal and interest payment on debt.
- c. Retirement contributions.
- d. Insurance premiums.

11) Payments allowed in advance of the audit:

- a. Utilities (water, sewer, telephone, electric and gas)

- b. Postage.
- c. Freight and express charges.

D. §9-9. Credit Card Use Policy.

- 1) Credit card use shall be limited to appropriations not payable by the voucher method.
- 2) The Town Supervisor is authorized to enter into a contract with any banking institution authorized to issue credit cards in the State of New York for purposes of obtaining a credit card for the Town, all to be in conformity with Town Law §118. Credit cards shall be kept in the office of the Town Supervisor and/or Town Clerk.
- 3) Credit cards shall only be used by Department Heads or employees assigned by Department Heads.
- 4) Credit cards shall be signed out for each use and returned the same day.
- 5) Credit cards receipts shall be returned with the card and must be in original form. Copies of receipts are not acceptable.
- 6) All credit card purchases shall comply with the mandates set forth in Chapter 29 Procurement Policy.

SECTION 6. SEVERABILITY AND/OR VALIDITY

If any clause, sentence, paragraph, subdivision, section or part of this Local Law, or the application thereof to any person, individual, firm or corporation, or circumstance, shall be adjudged by any Court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect impair or invalidate the remainder thereof, but shall be confined in its

