

**CITY OF WOODLAND**  
**COUNCIL POLICIES**  
**CHAPTER 1 – FINANCE**

**POLICY 1-5 – SEGRIGATION OF DUTIES**

**GOAL**

The goal of the City Council in establishing an internal control system for receipts and cash disbursements is to safeguard the assets of the City and to ensure an appropriate level of fiduciary responsibility.

**OBJECTIVE**

The objective of the City Council is to ensure that all cash intended for the City is received, recorded, promptly deposited, reconciled and kept under adequate security. And that all cash is disbursed only upon proper authorization for valid governmental purposes and that all disbursements are properly recorded.

No financial transaction shall be handled by only one person from beginning to end.

**RECEIVING MONEY**

- Clerk receipts all payments, giving one copy to payee, one copy stays in receipt book and one copy goes to Treasurer with deposit information.
- Payments are stamped with deposit only endorsement and then placed in bank bag in file drawer and held to be deposited.
- All cash receipts will contain a signature/initials of the staff member receiving the payment.
- Any change given for cash payments should be noted on the receipt.
- Receipts will be kept in the clerk's file and available for annual audit review. At the end of calendar year and after audit review the receipts will be placed in storage marked with the date of destruction. Receipts will be maintained for six years per state statute.
- The Clerk receipts, codes and logs all utility payments in Xcel spreadsheet for Utility Billing and reconciles accounts quarterly to new billing cycle.

**DEPOSIT PROCEDURES – (City Clerk)**

Clerk deposits receivables on a regular basis at TCF bank or branch offices.

Make sure checks are stamped with the endorsement stamp.

1. Fill out bank deposit slip.
3. Designates an account code for each receipt. All receipts are coded per the chart of accounts. Account code is recorded on front of each receipt.
4. Take the money and bank deposit slip to the bank and get a transaction receipt.

5. Bring the transaction receipt back to the office and attach it to the carbon copy of the bank deposit slip and carbon receipts.

#### ENTERING DEPOSITS INTO THE ELECTRONIC ACCOUNTING SYSTEM – (TREASURER)

1. Enter all deposits into the Accounting System.
2. Make sure the date represents the correct date of the deposit.
3. Deposit Subtotal must match the deposit amount.
4. File the transaction receipt and attachments.
6. Prepare monthly Treasurer's Report (financial report and bank reconciliation) delineating receipts, deposits and account balances.

#### PAYING BILLS – (City Clerk/Treasurer)

- The Clerk will review all the City's invoices
- The Clerk will assign payable code, per chart of accounts for each invoice.
- The Clerk will prepare a Request for Check form and attach it to the invoice.
- The Clerk will place the amount on the Monthly Expenditure spreadsheet.
- Treasurer enters payable invoices into computer system.
- Print and Post batch as monthly accounts payable.
- Print Checks for two Councilmember or Clerk signatures.
- Print Report of Payables (vendor, amount and check number) for Council to review at Council meeting.
- The Clerk will compare the Report of Payables with the Monthly Expenditure spreadsheet to ensure accuracy.
- The Clerk will mail out all checks to vendors, along with copy of invoice, following Council approval.
- The Clerk will finalize the month by placing the Report of Payables with the Monthly Expenditure spreadsheet and original receipt for the City of Deephaven services check in the record book.
- Clerk will keep permanent record of Accounts Payable Report will place in permanent agenda packet and a copy in the front of the payables record book.
- Clerk will file all invoices and check stubs alphabetically by vendor per calendar year.
- No checks will be payable to "Cash".
- Under no circumstances will blank checks be signed in advance
- All disbursements will be made on pre-numbered checks with fraud prevention feature and all blank check stock will be kept in a locked cabinet.

Clerk will keep permanent record of Accounts Payable Report and will place a copy in permanent agenda packet and a copy in the Clerk's file for Accounts Payables.

In accordance with Minnesota Statute § 471.425, subd. 2, claims of the city shall be paid within 35 days from the date of receipt, or as otherwise stipulated by the terms of a contract. Claims not paid within the allotted timeframe will be subject to penalty and interest charges assessed by the vendor, as provided for in Minnesota Statute § 471.425, subd. 4.

Original invoices for accounts payable will be kept in the Clerk's file for the calendar year and available for annual audit review. After the year end and audit, invoices will be placed in storage marked with the date of destruction. Invoices will be maintained for six years per state statute.

**CITY COUNCIL**

Approve Accounts Payable as presented by Clerk.