

TOWN OF BATTLE GROUND

RESOLUTION 19-97

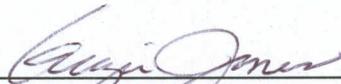
A RESOLUTION ADOPTING THE INTERNAL CONTROL POLICIES FOR FINANCIAL REPORTING

WHEREAS, appropriate oversight of governmental funds and financial reporting is needed as a financial safeguard; and WHEREAS, the State of Indiana has issued a material weakness over the Town's current internal control environment; NOW THEREFORE be it resolved by the Town Council of the Town of Battle Ground, Indiana that: We adopt the attached internal control policies over financial reporting.

PASSED, APPROVED, AND ADOPTED by the Town Council of the Town of Battle Ground, Indiana, on this 11th day of February, 2019.

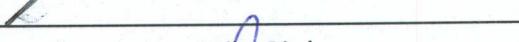
Adopted this 11th day of February, 2019

Attest:

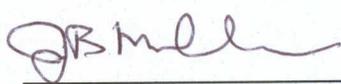

Georgia Jones, Clerk-Treasurer

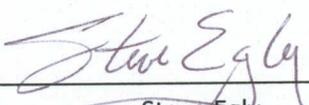
Council Persons:


Zachary Raderstorf, Council President


Mike Bird


Greg Jones


James Miller


Steve Egly

Town of Battle Ground Internal Control Policy
February 11, 2019

Below is the formal internal control policies adopted by the council for safeguarding financial reporting, to be used by all employees with roles related to financial reporting. When a review is performed of another employees work, it must be signified with a signoff or email approval. These documents and signoffs will need to be saved and accessible for audits.

Cash Receipts/Bank Recon

1. Mail is physically opened by the Clerk-Treasurer and Deputy Clerk-Treasurer. A log is kept for all cash received that day, totaled, and signed off on by both people. This log, called the Cash Summary Report, maintains the date, payer, and type of receipt of the cash. For example, ACH's are marked separately so a total of all ACH's is maintained for the day. **(C1)**

2. The Deputy Clerk-Treasurer prepares the bank deposit slip for the total received and places the checks in a safe, lock box, or bank that day. Typically cash is deposited on the same day it is received.

3. Once the deposit is made by the Deputy Clerk-Treasurer, the Deputy Clerk-Treasurer then gives the receipt to the Clerk Treasurer for review by attaching the deposit receipt to the cash summary report. The Clerk Treasurer then matches the deposit receipt to the check log from that day and signs off on the deposit receipt. If they don't match, an investigation is performed. **(C2)**

4. Additionally, the council appointed Board Treasurer should receive a copy independently (from the ACH issuer) of all ACH receipts as well.

5. At the end of the month, the Deputy Clerk-Treasurer receives the bank statement for all bank and investment accounts directly from the institution and provides the statements to the Clerk-Treasurer for reconciling **(C3)**. The Board Treasurer has read only access to the bank account.

6. The Clerk-Treasurer then prepares the bank reconciliation, making sure all the ACHs and deposits made appear correctly on the statement.

7. Once complete, the Board Treasurer reviews the reconciliation, including check copies and ACH receipts. **(C4)**

8. At meetings, the Board Treasurer raises any necessary questions, approves, and signs off on the bank reconciliation.

Cash Disbursements

1. While opening the mail, the Clerk-Treasurer and Deputy Clerk-Treasurer create a log of all invoices and bills received; total the bills, and signoff.

2. The Clerk-Treasurer combines all the logs from the month to form a listing to be presented to the board for approval at meetings, the Claim Register.

3. The claim listing from the prior month should be compared by the Board Treasurer and Clerk-Treasurer to the current month bank statement to ensure all payables were correctly paid and no unapproved payments were made. **(C5)**
4. All purchases made by employees through the month over \$500 must be approved by the Town Council. All purchases made by the Town Supervisor over \$1,000 must be approved by the Town Council. Both subject to the exception of emergencies in which the Clerk-Treasurer must approve and notify a board member.
5. The Clerk-Treasurer and the Board Treasurer review bank reconciliations and claim listings for items over these thresholds to ensure proper approval was received. **(C6)**

Payroll

1. Bi weekly the Clerk-Treasurer runs payroll based on salary allocations and hours worked for hourly employees.
2. Hourly employees submit their hours to the Assistant Clerk-Treasurer at the end of each pay period and are reviewed for mathematical accuracy and appropriateness.
3. The Clerk-Treasurer enters the payroll data in the payroll software, which acts as an approval of the hours worked. **(C7)**
4. The Clerk-Treasurer approves any PTO that arises based upon individual PTO accumulations and adjusts the payroll as needed. Additionally, the Clerk-Treasurer tracks all PTO for the year.
5. Total payroll entries and allocations are reviewed and signed off by the Board Treasurer each month.

Month End Close

1. The Clerk-Treasurer reflects all transactions above as entries in the accounting system.
2. The Clerk-Treasurer also books any necessary month end entries, like depreciation, investment gains/losses, etc.
3. Once all entries are made, the Clerk-Treasurer runs the appropriate financial statements and fund reports for board review and approval at monthly meetings. **(C8)**