Appendix C: General Recordkeeping for Chief Fiscal Officers

Adequate accounting records and effective procedures need to be in place to properly account for and report financial activities of the local government or school district. Although most local governments and school districts maintain their accounting records electronically, the requirements are the same. Governing boards should familiarize themselves with the chief fiscal officer's recordkeeping system, whether maintained manually or electronically, before attempting to review the records. Some basic and essential record keeping and reporting requirements include the following:

1. Maintain official bank accounts in designated depositories.

2. Deposit moneys received into an official bank account and properly secure those moneys.

3. Moneys received should be deposited timely. Moneys received may be required by statute or local legislation to be deposited within a given number of days after receipt.

4. Disburse moneys, by check or electronic funds transfer, throughout the year. Most payments are made for salaries and wages of municipal officers and employees (based on certified payrolls) and for contractual expenses.

5. Maintain accurate and complete accounting records to record moneys received and disbursed. Accounting records are required to be kept on a fund basis.

6. Maintain separate appropriation accounts for every appropriation.

7. Prepare and provide interim reports to the governing board.

8. Prepare in a timely manner the annual financial report, which shows the summary of the prior year fiscal activity and the results of operations for that year. The report is filed with OSC and generally with the municipal clerk.

9. Reconcile cash, receivables, and other control accounts. Reconciliations of cash in the bank to recorded cash balances, and of detailed receivables or other subsidiary accounts to related control accounts, should be made periodically (monthly is recommended) and on a timely basis.

Checklist for Review of Chief Fiscal Officer's Records

Determine the types of funds in use, and whether separate cash receipts and disbursements books are maintained for the various funds or whether a single cash receipts and single cash disbursements book is maintained. The following checklist can be used for each fund maintained.

Cash Receipts	**YES**	**NO**
Is the cash receipts journal up-to-date?	☐	☐
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose and the amount either individually or totals referenced to subsidiary receipt records (e.g., water rents receipts register)?	☐	☐
Are un-deposited cash receipts safeguarded?	☐	☐
Are duplicate deposit slips kept?	☐	☐
Do deposit amounts agree with cash receipt amounts?	☐	☐
Are deposits made timely and recorded up-to-date? *Last Recorded Deposit: Date*_____ *Amount*_____	☐	☐
Is the cash receipts journal totaled and summarized monthly?	☐	☐

Cash Disbursements	**YES**	**NO**
Is the cash disbursements journal up-to-date?	☐	☐
Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls?	☐	☐
Are pre-numbered checks used for all disbursements (other than petty cash)?	☐	☐
Are all checks signed by the chief fiscal officer and co-signed if required?	☐	☐
If checks are signed electronically, is the signature stamp or software in the custody and control of the chief fiscal officer?	☐	☐
Are canceled checks or check images returned with bank statements and maintained on file?	☐	☐
Are all unused checks properly controlled (blank check stock)?	☐	☐
Are checks recorded up-to-date? *Last Recorded Check: #*_____ *Date*_____ *Amount*_____	☐	☐
Is the cash disbursements journal totaled and summarized monthly?	☐	☐
Are payments supported by appropriate documentation? Consider comparing a sample of disbursements with supporting documentation.	☐	☐

Cash Reconciliations	**YES**	**NO**
Are bank accounts reconciled? *By Whom?*_____ *How Often?*_____ *Who Reviews/Verifies Them?*_____	☐	☐
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash?	☐	☐
Is the bank reconciliation performed timely after the bank statement is received?	☐	☐
Are reconciliations documented and available for review?	☐	☐
Does the reconciled bank balance agree with the cash balance recorded in the accounting records?	☐	☐

Last Bank Reconciliation for Each Bank Account

Bank Account	Date Performed	Month Ending

Receivables	**YES**	**NO**
Are receivable control accounts maintained?	☐	☐
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?	☐	☐

Investment Records	**YES**	**NO**
Is an investment record maintained?	☐	☐
Is the record complete and up-to-date?	☐	☐

Deposit Protection	**YES**	**NO**
Has the bank pledged adequate, eligible securities to protect deposits and investments (under the custody of the chief fiscal officer) that exceed FDIC insurance protection?	☐	☐

Indebtedness Records *(This record is maintained by the clerk in certain local governments)*	**YES**	**NO**
Is an indebtedness register maintained?	☐	☐
Is the register complete and up-to-date?	☐	☐

Property Records	**YES**	**NO**
Are property records maintained?	☐	☐
Are the records up-to-date?	☐	☐
Are all fixed assets included in the records?	☐	☐
Are physical inventories taken and compared to the records?	☐	☐

Financial Reporting	**YES**	**NO**
Are interim reports (budget/actual; trial balances; etc.) prepared?	☐	☐
Are the reports distributed to the governing board and department heads?	☐	☐
Does total year-end recorded cash agree with that reported in the annual financial report?	☐	☐

Payrolls	**YES**	**NO**
Are payrolls certified/approved by the appropriate official?	☐	☐
Are pay rates in accordance with collective bargaining agreements and other lawful employment contracts, or board resolutions?	☐	☐
Is leave time accounted for?	☐	☐

Comments and Conclusions

Appendix D: General Recordkeeping for Town Clerks

Adequate accounting records and effective procedures should be in place to account for and report town clerk financial activities properly. Some basic and essential recordkeeping and reporting procedures include the following:

1. Maintain a cashbook, which chronologically identifies all receipts and disbursements.

2. Make all disbursements by check, except as otherwise authorized by law, such as authorized petty cash disbursements.

3. Maintain official bank accounts in designated depositories.

4. Deposit all moneys received to official bank account no later than the third business day after $250 has been collected (Town Law Section 30 [1-a]).

5. Perform a monthly reconciliation of cash with amount in the bank and related liabilities.

6. Prepare monthly reports and remit collections to the supervisor and agencies on a timely basis:

    - To the Town Supervisor – for fees and other moneys collected belonging to the town no later than the fifteenth day of each month following receipt (Town Law Section 27[1]).

    - To the New York State Department of Health – for marriage license fees on or before the fifteenth day of each month (Domestic Relations Law Section 15[3]).

    - To the New York State Department of Agriculture and Markets – Dog Licensing Unit and County Treasurer – for dog license fees on or before the fifth day of each month (Agriculture and Markets Law Section 111[])).

    - To the New York State Department of Environmental Conservation (DEC) – for conservation (hunting/fishing) license fees as applicable via the DEC's automated system (Environmental Conservation Law Section 11-0713; 6 NYCRR Section 177.4).

The town clerk of certain towns may also serve as the tax-collecting officer (see Town Law Section 36). As collecting officer, the town clerk generally would be responsible for collecting both town real property taxes and county real property taxes that are levied within the town. A portion of the taxes collected (the amount levied by the town) is remitted to the town supervisor, and any residual amount is paid to the county treasurer (see Town Law Section 35). Because of some unique or additional legal requirements pertaining to tax collecting officers, a separate audit checklist has been developed for this portion of the clerk's functions.

Checklist for Review of Town Clerk's Records

Cash Receipts	**YES**	**NO**
Is the cash receipts journal up-to-date?	☐	☐
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose, and the amount either individually or totals referenced to subsidiary receipt records (e.g., water rents receipts register)?	☐	☐
Are un-deposited cash receipts safeguarded?	☐	☐
Are duplicate deposit slips kept?	☐	☐
Do deposit amounts agree with cash receipt amounts?	☐	☐
Are deposits made timely (no later than the third business day after $250 has been collected) and recorded up-to-date? *Last Recorded Deposit: Date*_____ *Amount*_____	☐	☐
Is the cash receipts journal totaled and summarized monthly?	☐	☐

Cash Disbursements	**YES**	**NO**
Is the cash disbursements journal up-to-date?	☐	☐
Is the cash disbursements journal maintained in a manner to identify amounts disbursed either individually or totals referenced to abstracts or payrolls?	☐	☐
Are pre-numbered checks used for all disbursements made by check?	☐	☐
Are all checks signed by the town clerk?	☐	☐
Are canceled checks or check images returned with bank statements and maintained on file?	☐	☐
Are all unused checks properly controlled (blank check stock)?	☐	☐
Are checks recorded up-to-date? *Last Recorded Check: #*_____ *Date*_____ *Amount*_____	☐	☐

Cash Reconciliations	YES	NO
Are bank accounts reconciled? *By Whom?*_____ *How Often?*_____ *Who Reviews/Verifies Them?*_____	☐	☐
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash?	☐	☐
Is the bank reconciliation performed timely after the bank statement is received?	☐	☐
Are reconciliations documented and available for review?	☐	☐
Does the reconciled bank balance agree with the cash balance recorded in the accounting records?	☐	☐

Last Bank Reconciliation for Each Bank Account

Bank Account	Date Performed	Month Ending

Deposit Protection	YES	NO
Has the bank pledged adequate, eligible securities to protect town clerk deposits that exceed FDIC insurance, if applicable?	☐	☐

Accountability	YES	NO
Is accountability (what the town clerk owes) determined at the end of each month?	☐	☐
Does the accountability amount agree with the bank reconciliation and supporting records?	☐	☐
Are unissued licenses and permits (e.g., dog licenses) safeguarded?	☐	☐
Are revenues from town clerk fees comparable with those of previous years?	☐	☐

Financial Reporting	**YES**	**NO**
Are monthly reports and payments made timely to the supervisor?	☐	☐
Are monthly reports and payments made timely to other agencies?	☐	☐
Do reported amounts on monthly reports agree with cash receipts and disbursements books?	☐	☐

Receivables (if applicable, such as water rents)	**YES**	**NO**
Are receivable control accounts maintained?	☐	☐
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?	☐	☐

Comments and Conclusions

Appendix E: General Recordkeeping for Tax Collecting Officers

In order to accomplish their responsibilities and properly account for tax collections, collectors and receivers of taxes and assessments should, and in some cases must, comply with the following:

1. Maintain tax warrants, tax rolls, tax bills (statement of taxes due), and other documents relating to tax accounts.

2. Maintain a cashbook, which chronologically identifies all receipts and disbursements.

3. Maintain official bank accounts in designated depositories.

4. Issue acceptable receipt forms to acknowledge all moneys collected (tax bill and tax receipts are generally one document).

5. Deposit all moneys received in a timely manner.
   For Towns Only: Deposit to the appropriate bank account(s) within 24 hours of collection.

6. Make all disbursements by check except for authorized petty cash payments.

7. **For Towns Only:** Generally, remit tax collections to the supervisor at least once a week until payment in full of all moneys payable to him/her pursuant to the warrant have been made.

8. **For Towns Only:** After payment to the supervisor in full of all moneys payable to him/her pursuant to the warrant, remit additional tax collections, if any, to the county treasurer by the 15th day of the month following collection.

9. Prepare a list of unpaid taxes at expiration of the warrant, and complete settlement with the county treasurer, if applicable.

(See, generally, Town Law Section 35, pertaining to the powers and duties of collectors, and Town Law Section 37, pertaining to the powers and duties of receivers of taxes and assessments.)

An Important Initial Step in the Audit Process for Tax Collectors and Receivers

Following the tax collection period, the tax collector or receiver is required to account for or settle up real property taxes that the collector or receiver was responsible for collecting. The accounting is made to the county treasurer, and is considered an important and integral part of any audit and/or oversight process.

Before the town board audits the records of the tax collector or receiver, a copy of the settlement sheet should be obtained and reviewed. If necessary, inquiry should be made with the county treasurer to find out if there were any known problems or concerns with the collector's or receiver's records or accounting at the time of settlement.

Note: An audit of the tax collector or receiver could be done any time after settlement with the county treasurer. Once the collector or receiver has settled with the county, there should be no further activity and the bank account balance should be zero (unless the bank, at the time of opening the account, required a minimum amount to be held in the account).

Checklist for Review of Tax Collecting Officer's Records

Settlement	**YES**	**NO**
Is a copy of the collector's or receiver's settlement sheet available?	☐	☐
Have all settlement issues/concerns been adequately resolved?	☐	☐

Bank Accounts	**YES**	**NO**
Is the bank account reconciled after bank statements are received? *Last Bank Reconciliation for Each Bank Account:* *Date Performed*_____ Month Ending_____	☐	☐
Note: Tax collector's bank account balance should be $0.00 at the beginning of the collection period		

Cash Receipts	YES	NO
Is the cash receipts journal maintained in a manner sufficient to identify the date received, payer, tax account number, tax amount, interest amount and other appropriate information?	☐	☐
Are deposits identified?	☐	☐
Are duplicate deposit slips kept?	☐	☐
Do deposit amounts agree with cash receipt amounts?	☐	☐
Are bank deposits timely or (for towns) within 24 hours of collection?	☐	☐

Cash Disbursements	YES	NO
Are pre-numbered checks used for all disbursements other than petty cash?	☐	☐
Are all checks signed by the tax collector or receiver?	☐	☐
Are canceled checks or check images returned with bank statements and maintained on file?	☐	☐

Deposit Protection	YES	NO
Has the bank pledged adequate, eligible securities to protect tax collector deposits that exceed FDIC insurance protection, when applicable?	☐	☐

Financial Reporting	YES	NO
Are payments made at least weekly to the supervisor?	☐	☐
Are receipt forms issued by the supervisor to acknowledge collection?	☐	☐
Are payments made timely to the county treasurer?	☐	☐

Accountability	**YES**	**NO**
Are penalties assessed/collected on late payments?	☐	☐
Is the total amount of penalties collected on overdue real property taxes comparable with that collected in previous year(s)? Do the amounts look reasonable?	☐	☐
Is the tax collector or receiver treating his/her own tax bills properly, e.g.,penalties, if required?	☐	☐
Are interest earnings remitted to the supervisor and/or the county as appropriate? (Check county resolution for guidance.)	☐	☐
Are there significant safeguards for the protection of assets and cash, such as a safe or locked file cabinet, offices with locks on the door, regular deposits of cash, etc.?	☐	☐

Comments and Conclusions

Appendix F: General Recordkeeping Requirements for Town and Village Justice Courts

As a general rule, board members should first gain an understanding of how the court operates, what the general rules and requirements are for financial accountability and reporting, and what types of financial records should be maintained to meet these responsibilities. Many board members, particularly newly elected members, may not be aware of these concerns.

The first step is to ASK! Ask the individuals involved (e.g., justices and court clerks). Ask other more experienced board members. Ask your local government's attorney or call us. OSC issues many publications that provide guidance on a variety of topics that will provide you with needed information. The Comptroller's Justice Court Fund Bureau issues a publication entitled Handbook for Town and Village Justices and Court Clerks that provides guidance as well as requirements for justice court transactions.

Court personnel are required to maintain various records and documents pertaining to the cases handled in their respective courts. They are also required to perform certain finance-related duties to account for and report all transactions.[12] Certain financial duties are the direct responsibility of each justice and, in certain circumstances, may not be delegated to other court personnel. Some key recordkeeping requirements are as follows:

Each justice is required to:

1. Maintain an official bank account in his/her name as judicial officer.

2. Issue acceptable receipt forms for all moneys collected.

3. Deposit all moneys received in his/her judicial capacity in the official bank account within 72 hours of collection, exclusive of Sundays and holidays.

4. Submit a monthly report, generally, and remittance to the Justice Court Fund within the first 10 days of the month following collection.[13]

[12] Recordkeeping requirements are generally contained in 22 NYCRR Section 214, *et seq.*

[13] With respect to courts that participate in the Invoice Billing Program, within the first 10 days of the month following collection, each justice must electronically file their report with the Justice Court Fund and submit a remittance to the Chief Fiscal Officer, instead of the Justice Court Fund.

Each court is required to:

1. Maintain individual case files containing all papers and other documents pertaining to each case.

2. Maintain an index of all cases with a unique number assigned to each case when filed.

3. Maintain a cashbook, which chronologically itemizes all receipts and disbursements. (Note: For accountability and internal control purposes, OSC recommends that a separate cashbook be maintained for each justice).

Board members should expect to find the following minimum records for receiving and disbursing moneys (either manually prepared or computerized):

1. Cash receipt records and supporting documents.

2. Cash disbursement records and supporting documents.

3. Bank statements and supporting documents.

4. Accountability worksheets detailing outstanding liabilities and cash available to meet such liabilities. These worksheets should compare net bank balances and cash on-hand to liabilities (e.g., bails and unremitted fines). Any difference between cash and liabilities should be explained. Correction of errors in accounting records, if any, should also be explained.

5. Copies of reports to applicable governmental agencies.

Checklist for Review of Justice Court Records

For the most current version of the annual checklist, please visit Appendix 10 – Annual checklist for Review of Justice Court Records in our **Justice Court Fund Handbook**.

Appendix G: General Recordkeeping Requirements for Departments

To exercise effective oversight, as a general rule, the governing board should first gain an understanding of department operations. Board members will need to know the general rules and requirements for financial accountability and reporting. Board members will also need to determine what types of financial records should be maintained to meet these responsibilities. Many board members, particularly those newly elected, may not be familiar with these requirements.

The department's personnel should maintain appropriate records (either manual or computerized) to account for money received and disbursed. Board members should expect to find the following minimum records:

1. Cash receipt records and supporting documents.
2. Cash disbursement records and supporting documents.
3. Bank statements and supporting documents.
4. Determinations of accountability.
5. Reports to the chief fiscal officer or other applicable officials, individuals, entities, or agencies.

Checklist for Review of Departments

The following checklist may be used for reviewing departments that receive and/or disburse cash.

Cash Receipts	**YES**	**NO**
Is the cash receipts journal up-to-date?	☐	☐
Is the cash receipts journal maintained in a manner that identifies the date received, payer, purpose, and the amount either individually or totals referenced to subsidiary receipt records?	☐	☐
Are duplicate deposit slips kept?	☐	☐
Do deposit amounts agree with cash receipt amounts?	☐	☐
Are deposits made timely and recorded up-to-date? *Last Recorded Deposit: Date_____ Amount_____*	☐	☐
Are un-deposited cash receipts safeguarded?	☐	☐
Is the cash receipts journal totaled and summarized monthly?	☐	☐

Cash Disbursements	**YES**	**NO**
Is the cash disbursements journal up-to-date?	☐	☐
Is the cash disbursements journal maintained in a manner to identify amounts	☐	☐
disbursed either individually or totals referenced to abstracts or payrolls?	☐	☐
Are pre-numbered checks used for all disbursements (other than petty cash)?	☐	☐
Are all checks signed by the appropriate official?	☐	☐
If checks are signed electronically, is the signature stamp or software in the custody and control of the department head?	☐	☐
Are canceled checks or check images returned with bank statements and maintained on file?	☐	☐
Are all unused checks properly controlled (blank check stock)?	☐	☐
Are checks recorded up-to-date? *Last Recorded Check: #_____ Date_____ Amount_____*	☐	☐
Are payments supported by appropriate documentation? Consider comparing a sample of disbursements with supporting documentation.	☐	☐

Cash Reconciliations	**YES**	**NO**
Are bank accounts reconciled? *By Whom?*_____ *How Often?*_____ *Who Reviews/Verifies Them?*_____	☐	☐
Is the bank reconciliation performed by a person whose job duties do not include maintaining either the cash receipts or disbursements journals or receiving or disbursing cash?	☐	☐
Is the bank reconciliation performed timely after the bank statement is received?	☐	☐
Are reconciliations documented and available for review?	☐	☐
Does the reconciled bank balance agree with the cash balance recorded in the accounting records?	☐	☐

Last Bank Reconciliation for Each Bank Account

Bank Account	Date Performed	Month Ending

Deposit Protection	**YES**	**NO**
Has the bank pledged adequate, eligible securities to protect town clerk deposits (held in department bank accounts) that exceed FDIC insurance, if applicable?	☐	☐

Accountability	**YES**	**NO**
Is accountability (what the town clerk owes) determined at the end of each month?	☐	☐
Does the accountability amount agree with the bank reconciliation and supporting records?	☐	☐
Are receipts for the year comparable with those of previous years?	☐	☐
Are there significant safeguards for the protection of records and cash, such as a safe or a locking file cabinet, an office with a door that can be locked, regular deposits of cash, etc.?	☐	☐

Financial Reporting	**YES**	**NO**
Are monthly reports and payments to the chief fiscal officer timely?	☐	☐
Are monthly reports and payments to other appropriate officials, individuals, entities, or agencies timely?	☐	☐
Do amounts reported agree with summarized cash receipt and disbursement books?	☐	☐
Are annual reports prepared and submitted timely?	☐	☐
Do annual reports agree with the records?	☐	☐

Other Concerns *(if applicable)*	**YES**	**NO**
Are receivable control accounts maintained?	☐	☐
Is there indication that the receivable control accounts are reconciled to the detail subsidiary records?	☐	☐

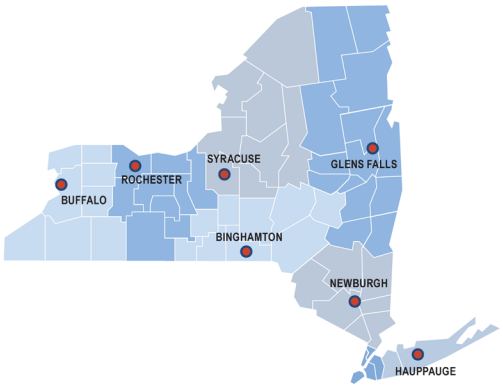
Comments and Conclusions

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