



13278 Berwick Turnpike
Gillett, PA 16925

Ridgebury Township Financial Policy (RTPM-1-1-71.1)

This policy explains the financial policy and procedure for handling and managing Ridgebury Township funds. This policy covers all funds received by Ridgebury Township, the management of these funds, the issuing of funds, identifies the roles of those authorized to manage these funds, the management and access to the financial records for both paper and electronic media, as well as the storage of financial records in electronic media and identifies the requirements for servicing and /or replacing devices containing Ridgebury Township financial and employee records.

This policy identifies specific requirements and shall be followed and enforced. Failure to comply with this policy can lead to disciplinary action up to and including termination.

Ridgebury Township's Financial Objectives

Ridgebury Township shall achieve and maintain a good credit status with all vendors, suppliers and businesses we conduct business with. To achieve a good credit status, bills shall be paid weekly for the payables that are coming due and payables shall be prioritized based on due dates so that we can take advantage of discounts for paying bills prior to their actual due date.

Ridgebury Township shall carry out day-to-day operations (day-to-day business) so we do not jeopardize safety, the equipment, our employees, our residents, to negatively impact our credit standings or the suppliers we deal with so that we can effectively carry out day-to-day operations.

All financial and employee related information shall be protected and the access to this information shall only be given to authorized bonded employee(s).

Ridgebury Township shall ensure all financials including bank transactions, management of finances and issuing of funds shall only be performed as outlined in this policy according to the Financial Roles and Definition of Roles section.



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Financial Roles and Definition of Roles

The following financial roles are appointed roles and are appointed at the January re-organizational meeting for the new fiscal year by the Board of Supervisors. Appointments to fill vacancies shall be appointed by the Board of Supervisors at a regular meeting and /or special meeting.

No one other than the following two financial roles shall have access to Ridgebury Township's financial records, employee records including employee data, and such devices containing this information. The only exception to this is for auditing purposes.

- Ridgebury Township Secretary: Receives all invoices, statements, bills and receipts coming in to the Ridgebury Township Office. Prepares invoices with their associated receipts for entry into Ridgebury Township's Accounting System. Validates and enters these invoices into the accounting system so authorized bonded employee(s) can then process Ridgebury Township's accounts payable.
- Authorized Bonded Employee: The Board of Supervisors appoint a Township Treasurer and may appoint an Assistance Treasurer, who they authorize to execute the financial objectives including all the banking and necessary transactions to achieve the township financial objectives.

The amount of the bond is set by the Board of Supervisors according to the Second Class Township Code requirement. Employee(s) authorized by the Board of Supervisors shall receive confirmation of bond and their actual bond before performing any banking functions, management of finances or issuing township funds.

Funds Received by Ridgebury Township

Funds coming in to the Ridgebury Township Office shall be deposited into the appropriate bank account reflecting the reasons those funds were issued. For example: Sewer payments will be deposited into the Sewer Fund, park donations the Park Fund and all other funds shall be deposited into the General Fund Checking Account. We shall not deposit funds directly into the State Funds (Liquid Fuels Checking and /or Savings Account) accounts unless there is a clear, justified and well documented reason for doing so. If a deposit will be made into either of these accounts there has to be a clear paper trail that describes the reason and actions for doing so.

1. Funds received directly at the township office other than USPS or other credible mail services.
 - Receipt based: Meaning any cash and /or checks that are delivered and passed into the township office a receipt will be generated identifying what was received, who issued it, date issued, who received it, check



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number or amount of cash received and any change returned. These receipts are signed by both the issuer and receiver and a copy is given to the issuer and the original is placed with the funds received. All Right to Know request money received follow this receipt based system and shall be deposited into the General Fund account.

- Checks are immediately stamped with the appropriate deposit account stamp where checks will be deposited, checks are then copied and attached to the township original receipt that was issued and then placed in the appropriate deposit bag for the account funds will be deposited. Cash received will be clipped to the original receipt and then placed in the appropriate deposit bag for the account cash will be deposited.

2. Funds received via USPS or other credible mail services

- Checks received via mail delivery: Checks are immediately stamped with the appropriate deposit account stamp where funds will be deposited, check is copied and attached to the physical check and placed in the specific account deposit bag for deposit.
- Cash received via mail delivery: A receipt will be generated indicating who issued the funds, what the funds were received for, date received and signature of who received it. Cash is clipped to the cash receipt generated and then placed in the appropriate deposit bag for the account cash will be deposited.

3. Funds received via electronic deposit into a Ridgebury Township Bank Account:

- The authorized bonded employee will determine if any further action is required on the electronic deposit. Depending on the source of the funds it may require a new or specific bank account to be created which will be determined by the authorized bonded employee.
- Liquid Fuels where a large electronic deposit is made directly into the Liquid Fuels Checking Account, the authorized bonded employee may determine a transfer of all or a portion of these funds should be transferred to the Liquid Fuels Saving Account. These electronic deposits will be looked at on an individual basis with appropriate action taken.
- Electronic deposits and their actions shall be recorded into Ridgebury Township's Account System with the appropriate documentation attached.



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Transferring Funds between Ridgebury Township Bank Accounts

The authorized bonded employee shall transfer funds between Ridgebury Township Bank Accounts to achieve the financial objectives of Ridgebury Township. A Treasurer's Report is generated for the month-end financials and shared at the next monthly meeting and this report is approved and accepted by the Board of Supervisors. Since all fund transfers are listed for each specific account where funds were transferred from and to, these transfers are approved with the motion to accept the Treasurer's Report for that financial month.

Capital reserve funds, (Ridgebury Township Equipment Fund) requires either a motion to be made at a public meeting before transferring funds out of the account, or the funds are allocated during the yearly budget meeting and once the budget is accepted no motion is necessary.

Ridgebury Township Bank Accounts and Banking Transactions

All Ridgebury Township bank accounts shall be managed and controlled by Ridgebury Township's authorized bonded employee(s), as described in the financial roles and definition of roles section of this policy.

1. Access to and managing Ridgebury Township Bank Accounts: The authorized bonded appointed Treasurer is the authorized manager of Ridgebury Township Bank Accounts as well as managing access to Ridgebury Township's on-line banking information. The Treasurer shall work with the bank to establish new accounts, deletion of accounts, and transfer of funds between accounts, withdrawals from accounts, the types of accounts the township uses and is the only person to discuss Ridgebury finances with the bank.
2. Each bank account where funds are deposited shall have its own deposit ONLY stamp that identifies the account name and number that will receive the funds being deposited.
3. Deposit of Funds into Ridgebury Township Accounts: Performed only by the authorized bonded employee(s). The appointed Treasurer normally prepares deposit slips, delivers the funds to be deposited to the bank, deposits the funds and produces the paper trail to properly record these deposits.

If an Assistant Treasurer has been appointed by the Board of Supervisors and the appointed Assistant Treasurer has received their bond for the same amount as the Treasurer, then in the Treasurer's absence or when specifically instructed by the Treasurer, the Assistant Treasurer may deposit funds into Ridgebury Township Accounts.

4. Reconciliation of Bank Accounts: The authorized bonded appointed Treasurer each month reconciles each bank account using the bank statements retrieved from on-line banking information against the township's accounting



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software and financial data records. Once the accounts have been reconciled a second set of eyes, usually the Township Secretary and /or one of the supervisors reviews the reconciled accounts to verify accuracy.

Ridgebury Township On-Line Bank Accounts

Ridgebury Township has availability to on-line banking set up with the township's banking institution. On-line banking is used only as a tool to help the Treasurer manage township funds. The Treasurer shall not use on-line banking to execute transactions involving the transfer or withdrawal of funds electronically. Bank statements may be generated electronically to reconcile accounts and on-line banking is used primarily as a view of the township's finances, history of the accounts and up-to-date information on electronic deposits into township accounts or withdrawals by authorized sources. This would include for example, Berkheimer and federal and state sources.

Ridgebury Township Payroll Fund Account

Prior to January 1st 2014 payroll and all payroll associated information had been generated using Ridgebury Township's General Fund Account. Effective January 1st 2014 Ridgebury Township's Payroll Fund Account becomes the source for generating payroll and all payroll associated information, including all federal and state wage role taxes.

All federal and state wage role taxes shall be generated, filed and reported by the Treasurer following federal and state requirements, and using the correct systems or paper process to report and file them. The Treasurer shall be the contact person and the manager for any on-line reporting systems involving wage role withholdings for both federal and state reporting.

Management of employee records and data, the configuration of employee withholdings and all other aspects regarding employee information shall be managed and executed by the authorized bonded Treasurer.

No one other than authorized bonded employee(s) shall have access to employee and payroll information.

All payroll functions are executed only by authorized bonded employee(s), primarily the Treasurer. Payroll is executed weekly, and normally performed by the Treasurer. If an Assistant Treasurer has been appointed by the Board of Supervisors and the appointed Assistant Treasurer has received their bond for the same amount as the Treasurer or the Assistant Treasurer has received a special bond which covers the payroll fund, then in the Treasurer's absence or when specifically instructed by the Treasurer, the Assistant Treasurer may execute payroll.



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Ridgebury Township Funds used for Purchases

Some of Ridgebury Township's financial objectives are to carry out day-to-day operations (day-to-day business) to not jeopardize safety, the equipment, our employees, our residents, to negatively impact our credit standings or the suppliers we deal with so that we can purchase what we need to carry out day-to-day operations.

1. Purchases relative to the day-to-day operations of Ridgebury Township: Purchases shall be made to conduct day-to-day operations so that business will not be impacted. Purchases that are made during that fiscal month will be listed on the month-end check detail report for the funds used.

The Board of Supervisors will motion to approve the Treasure's Report and any purchases made for that fiscal month are approved. When the check detail report is not available for a given meeting, the Board of Supervisors will motion to ratify the funds used for purchases in that fiscal month.

2. Purchases deemed not immediate that can wait for a regular monthly meeting, or a special meeting may be conducted to address a specific purchase: Usually these will be larger purchases that are not critical to the day-to-day operation of Ridgebury Township. The Board of Supervisors will motion to approve these purchases before the actual purchase is made. The exception to this is when a delay or other circumstances require that the purchase to be made immediately so that it does not impact day-to-day operations or other circumstances where the purchase may fall back under item number 1 in this topic.
3. Bids: Bids follow the state bid requirements, all bids and funds used for bid purchases shall be conducted in a regular monthly meeting and /or a special meeting. The Board of Supervisors will motion to accept a given bid which will approve the funds to carry out that bid purchase.
4. Adopted Budget: A yearly budget is created to identify anticipated income and expenses for the budget fiscal year. If a budget line item expense is projected to exceed the budgeted expense, this should be brought before the Board of Supervisors so an appropriate action may be taken.

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Ridgebury Township Accounting Software

Ridgebury Township uses Intuit's Quick-Books Accounting Software as the township's accounting system. Access to the accounting system and software is restricted to only those financial roles defined in the financial roles and definition of roles section of this policy.

No one other than authorized bonded employee(s) shall have access to the accounting system and the devices containing the accounting software and data. There are two exceptions only in this case and the requirements are as follows:

1. Software vendor (Intuit) when assistance from the vendor is required
2. Recognized and certified Intuit consultant for help with software issues, configurations and /or assistance required around financial or employee data

All bank transactions shall be recorded in the township accounting system. Ridgebury Township's Accounting System contains the master data of all financial records and transactions.

Access to Ridgebury Township Finances, Financial Data, Devices Containing Financial and Employee Data

No one other than authorized bonded employee(s) shall have access to Ridgebury Township's finances, financial data, the devices containing any financial and /or employee records and data. Refer to the financial roles and definitions of roles section of this policy and the section above describing Ridgebury Township's accounting software.

Backing Up Ridgebury Township Financial and Employee Data

Ridgebury Township uses an NSD (network storage device) to routinely backup the financial and employee data. Backups shall take place daily providing there has been activity in the accounting system. Authorized bonded employee(s) use a second device, jump drive to provide a second level backup for this data to ensure data is not lost due to a fire at the township office. A weekly backup of documents and other projects are backed up to the jump drive for the specific workstation.

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Servicing and /or Replacement of any Device Containing Ridgebury Township Financial or Employee Data

“Under no circumstances” shall any device including desktop computers, laptop computers, network storage devices including external hard drives be removed from the Ridgebury Township Office building for servicing and /or replacement. All service and /or replacements shall take place on-site at the Ridgebury Township Office building with no exceptions.

Any device that is being replaced shall have the disk storage unit removed and must be in the possession of an authorized bonded employee before the device is physically removed from the building, no exceptions. If the disk storage unit is deemed unusable it shall be disassembled and the disks shall be destroyed by physically breaking the media storage into pieces.

Any device that is being replaced due to age of the equipment, and where the township wants to donate this equipment to a good cause, the disk storage unit shall be erased using certified tools where township data can not be recovered before the equipment leaves the office building and on to its new owner.

Ridgebury Township shall only hire legitimate businesses that possess a Federal ID number and shall require both an agent of that business and an authorized bonded employee to sign a “non-disclosure / confidentiality agreement” before authorizing the service and /or replacement of these devices. Ridgebury Township shall use businesses that specialize in providing these services and have trained technicians that will perform the service and /or replacement. The only exception to this requirement is as follows:

- If an authorized bonded employee has the qualifications and skills to perform the service and /or replacement, they are then authorized to do so

Under no circumstances shall unauthorized un-bonded persons regardless whether they work for the township or not, shall supervise or bring in anyone to carry out service and /or replacement of these devices. Under no circumstances shall unauthorized un-bonded persons who work for the township shall not try to service and /or replace these devices with or without being supervised by non-authorized service providers.

Invoices, Bills and Receipts from Purchases Received that are Payable by Ridgebury Township

The term invoices and /or payables refer to any receipt, bill and /or invoice the township receives where we are required to render payment for purchases or services rendered.

The Township Secretary and /or Assistant Treasurer sorts all incoming payables with their associated garage receipts or other receipts and places them into a folder for entry into the accounting system. When the accounting data is made

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available, meaning ready for payables entry, each payable is entered into the account where funds will be made payable for the specific invoice.

The Township Secretary and /or Assistant Treasurer is responsible for entry of accounts payable and this provides each payables invoice to have multiple sets of eyes reviewing each payable invoice.

Each statement and /or invoice is treated and entered as a separate payable. Each multi-lined payable invoice is entered to reflect the actual invoice so each line item can be correctly classified that best describes the line item purchase.

Entry of payables normally takes place a few times a week. This keeps our financial responsibilities current and when actual payments are made we are paying the invoices that are coming due so we pay our bills on time. All invoices are entered using the bill entry functions within the accounting software.

Receipts Payable for Reimbursement by Ridgebury Township

Reimbursements shall not be made when there is no original, current receipt for purchases made by individuals on the behalf of Ridgebury Township. Before any reimbursement is made, the receipt must be validated by checking date of purchase, what was purchased and whether it was purchased on the behalf of Ridgebury Township.

All receipts received for reimbursement shall have received by (name or initials) and the date received written on the original receipt. A copy of the receipt is then made and the original is returned to the receipt holder.

Receipts payable for reimbursement are entered by the authorized bonded Treasurer, and entered using the write checks accounting function. After the check is generated to satisfy reimbursement payment, the copy of the receipt is attached to the check stub that is retained by Ridgebury Township.

Ridgebury Township Accounts Payable

Accounts payable, paying bills is performed by the authorized bonded Treasurer using the accounting systems pay bills function. Paying bills this way requires there is already an invoice recorded into the accounting system and this ensures that checks generated to pay bills are done so based on actual invoices or statements requesting payment.

In preparation of running accounts payable, each invoice that will be paid, a copy of that invoice shall be made so the original becomes part of our payment record and the copy will be attached to the check generated for payment. If the invoice already has a receipt portion that is returned with payment, a copy of the invoice is not necessary as the payment receipt acts as the invoice copy.

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After the checks are generated for the invoices being paid, checks are verified and staged with the correct invoice copy, the check is then signed by the authorized bonded Treasurer, the township portion of the check stub is removed, then the check stub is attached to the original invoice that becomes our payment record, the check and copy of the invoice are paper clipped together and set aside so the second and final signature can be obtained. The payment record is placed into the folder for the fiscal month.

This ensures that each check and payment have multiple sets of eyes reviewing each payment generated. First when entered into the accounting system, then when the invoice is paid and finally when the final signature is obtained.

The write checks accounting function can be used for odd ball payments or one time payables. The only difference is the accounting function that is executed as all other steps apply.

Ridgebury Township Bank Checks and Check Signatures

The check stock used by Ridgebury Township for all bank checking accounts shall be a mid to high secure check stock that prevents checks from being copied as an original and / or duplicated.

On all OUTBOUND checks generated by Ridgebury Township's authorized bonded employees, two authorized signatures are required on each check generated. Authorized signatures are granted first by the Board of Supervisors and second by the township's banking institution. The bank procedure to become authorized requires many forms to be completed with signature examples of the authorized signers for the township. All checks on all checking accounts require two authorized signatures. Normally the first signature is the authorized bonded employee with the second signature being one of the authorized supervisor signers. The two signatures shall not be the same signature on any check generated as two different authorized signatures are required.

Ridgebury Township Accounts Receivables

Ridgebury Township only uses accounts receivables within the Sewer Fund. Invoices are generated each quarter for residents connected to the High Street Sewer. As residents pay their sewer bills these payments are entered in by the authorized bonded Treasurer using the receive payments function. When the actual deposit is made for funds received the authorized bonded Treasurer will record the deposits using the make deposits banking function.

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Ridgebury Township Petty Cash

Ridgebury Township discourages the use of Petty Cash, and will only use petty cash in the cases where there is not time to generate a check and acquire the two signatures necessary and /or when no other alternative is available. An example for using petty cash would be when payment must be rendered immediately due to the requirement of two signatures and that isn't an option at that given time. Another example would be for postage for sending certified letters where the fee is paid directly to the post office.

Petty Cash uses the receipt based system which requires the issuer and receiver of the funds to sign along with providing explanation of why petty cash is being used. Petty Cash will be recorded into the accounting system like any other transaction and reconciled monthly.

Approved on November 12, 2013 as part of the regular township meeting

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