

CITY OF NEW CASTLE POLICY
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	06/06/2016 - Passed by a vote of 3 to 0	
	Council reviewed and approved 06/06/2016.	
	Passed by a vote of 7 to 0	

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Accounts Payable
Policy:	8.1
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments shall devise techniques and procedures for the proper approval and payment of expenditures of public monies for goods and services incurred to support its programs. Proper internal controls effectively and efficiently minimize the risks associated with accounts payable and purchasing activities, reduce the risks of fraud and costly errors, and protect the assets of the city.

Risks

- Unauthorized or fraudulent purchases/payments. (*high degree of inherent risk*)
- Duplicate payments to vendors.
- Payments to vendors prior to vendor terms which negatively impact the city's cash flows.
- Late payments to vendors resulting in late fees and loss of goodwill.
- Inefficient processing of payments.

Definition

The term "accounts payable" refers to processing payments for invoices and contracts for goods and services incurred by the City of New Castle.

Claim Procedures

- Payables, disbursements and expenditures are properly accumulated, classified and summarized in the accounting records.
- All claims should be received in the Clerk Treasurer's Office.
- Require date stamping of invoices indicating actual time of receipt. This can help to identify "bottlenecks" and process weaknesses.

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- Invoices must be billed to a responsible agency or department of the City of New Castle.
- Payments are made upon receipt of original invoice only.
- Invoices should be presented on a city claim form which allows for the detailed examination and comparison of invoice quantities, prices and vendor terms and discounts.
- Invoices should be matched to a requisition, purchase order, and receiving documents such as bill of lading or packing slips (if available).
- When an invoice presented for payment is incorrect, notify the vendor immediately and request that it be corrected and re-submitted by the vendor.
- All invoices must be reviewed and approved by the Department Head prior to payment.
- Appropriate segregation of duties and responsibilities must be considered. Responsibilities for performing ordering/purchasing, receiving of goods, approval of invoices, and posting to the accounting records should be segregated and assigned to different persons (if practicable).
- Perform monthly reconciliation of the subsidiary payables module to the accounts payable control account in the general ledger.

Notices

- These internal control procedures are intended to support and comply with the State Board of Accounts "Uniform Internal Control Standards for Indiana Political Subdivisions".
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Subject:	Accounts Payable
Policy:	8.1
Issue Date	June 6, 2016
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Departmental Procedures/Duties:

- 1.) Department Heads must approve all orders, purchases and requisitions for all departmental operating needs up to the sum of \$250.00.
- 2.) Purchases over \$250.00 require prior approval of the Mayor or Director of Public Works and Safety.
- 3.) Claims are processed (by the departmental Clerk, if applicable) and approved by the Department Head.
- 4.) Asset form must be filled out on all tool/equipment purchases and attached to claim.
- 5.) All claims are submitted to the Mayors office for review.
- 6.) The Mayor or Director of Public Works and Safety will initial approval of claim.
- 7.) The claim is submitted to the Accounts Payable Administrator in the Clerk Treasurer's Office for payment.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Accounts Receivable
Policy:	8.2
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments shall devise and implement techniques and procedures to properly account for, record, manage, and collect receivables. Departments must take appropriate and cost effective actions to aggressively collect accounts receivable.

Risks

- Liquid asset (i.e. convertible to cash) subject to theft or misappropriation
- Lost or misstated receivables and revenue due to inadequate procedures
- Impaired cash-flow due to delays in billing or collection
- Loss of interest revenue

Definition

Accounts Receivable:

Receivables may include amounts due for delivered goods and services, reimbursement of expenditures (e.g. costs incurred under grants or contracts), taxes, fees, fines, loans, and other miscellaneous circumstances where the City has rights to funds that have not yet been received.

Recognition of Receivables:

Recognize and report receivables in accordance with generally accepted minimum accounting principles established by the State Board of Accounts Minimum Level of Internal Control Standards. As a general rule, the recognition of receivables is tied to the recognition of revenue.

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Chapter:	Internal Controls
Subject:	Accounts Receivable
Policy:	8.2
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Procedures Include

- Written procedures exist for all accounts receivable and collection activities. Procedures should address preparing bills, recording receivables in the detail accounts receivable records, collecting the accounts, recording payments, adjustments to receivables, and follow-up of delinquent accounts. (also see Utilities SOP)
- The responsibilities for maintaining detail accounts receivable records are segregated from collections and general ledger posting (if practicable).
- Maintain an accurate record of receivables transactions; automated systems should be utilized (e.g. Keystone) where practical to facilitate processing and reconciliation.
- Receivables, collections, and revenues are properly accumulated, classified, and summarized in the accounting records.
- Monthly reconciliation of the detail accounts receivable module to the accounts receivable control account in the general ledger.
- Procedures ensure the billing and collection of all receivables is performed promptly as part of an effective cash management program; use measurable goals and standards to monitor collection performance.
- Billings are generated and sent to customers at least monthly; payment terms should be indicated on the bill.
- In a de-centralized environment, procedures provide for timely notification to the business office of billing and collection activities.
- Charges for goods, services, fees, etc. are based on approved rates as authorized by the appropriate State/Federal authorities (*where applicable*) and include the accrual of interest, penalties, and surcharges as allowed, or required, by law.
- Collections on accounts receivable are deposited in a timely manner (*i.e. daily when greater than \$50*), rather than being held for posting to detail accounts receivable records.

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Policy:	8.2
Issue Date	June 6, 2016
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- Posting to the detail accounts receivable records is only from authorized source documents.
- Periodically customer statements are issued which show the status of the customer's account and activity, including outstanding unpaid invoices and recent payments.
- Maintain adequate control over the issuance of customer statements to prevent interception before mailing.
- Active efforts must be made to collect on accounts that are past due; document actions taken to collect on delinquent accounts.
- Write-offs or other reductions of receivables (where allowable) are approved by a manager not involved in the accounts receivable recording or collection functions.
- A report of all non-cash adjustments to accounts receivable is produced and reviewed monthly by a responsible manager.
- Accounts receivable are recorded in a manner to permit an analysis of the aging of such receivables (e.g. <30 days, 30-60 days, etc.).
- An aging of accounts receivable is prepared monthly and is reviewed by a responsible manager.
- A responsible manager reviews credit balances before a refund check is issued.
- Provide realistic estimates of, and properly account for, doubtful or uncollectible accounts (where appropriate); document the methodology used for estimation.
- Upon suspicion of fraud or theft, immediately notify the appropriate personnel (i.e. management, State Board of Accounts, law enforcement).

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Notices

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Chapter:	Internal Controls
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Policy:	8.2
Issue Date	June 6, 2016
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Municipal Departmental Procedures/Duties:

- 1.) For Departments with individual receipt books, all payment transactions must be receipted into department.
- 2.) Each department will bring to the Clerk Treasurer's Office their individual forms that breakdown the days receipts along with the revenue collected.
- 3.) A receipt for revenue collected will be written by the Clerk Treasurer's Office detailing account, depositors name, amount and designation of checks and cash.
- 4.) Revenue collections total more than \$50.00 will be deposited/receipted into the Clerk Treasurer's office within 24 hours.
- 5.) The Clerk Treasurer's office staff will establish a "bank run" rotation and deposit daily, all revenue collected no later than 4:00pm.
- 6.) Receipts will be entered into Keystone system within 48 hours of date written and updated to the appropriate revenue funds.
- 7.) Financial reports shall be reconciled with bank statements monthly.

Utility Department Procedures/Duties:

- 1.) Utility Billing Department will follow established procedures outlined in the Utility SOP and/or Utility Rules and Regulations Manuals.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Bank Reconciliation
Policy:	8.3
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Any City Department or Office holding bank accounts outside the Office of the Clerk Treasurer shall identify and implement techniques and procedures to reconcile these accounts and to provide adequate security and controls, through segregation of duties for bank accounts entrusted to them.

Risks

- Lost, stolen, or misappropriated cash (high degree of inherent risk).
- Concealed errors or irregularities going undetected.

Definitions

- ***Bank accounts*** are generally checking accounts operated by a city department that are used to support programmatic revenue and expenditures (ie; City Court). Funds disbursed must be consistent with the rules and regulations of the State.
- ***Reconciliation*** is the act of confirming that the account balance in the checkbook matches the corresponding bank statement. Monthly reconciliation is crucial to ensure accurate and comprehensive financial reporting, because it identifies errors and inconsistencies requiring correction by verifying the accuracy of each account.
- ***Segregation of duties***, as a security principle, has as its primary objective the prevention of fraud and errors.

Procedures Include:

- Bank accounts can only be established at selected banks upon approval of the Office of the Clerk Treasurer.
- Bank accounts established at the departmental level must not be used to pay vendors for personal services, employee salaries, wages, loans, advances or bonuses. The Keystone accounting system and payroll system will be used for these types of payments.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Bank Reconciliation
Policy:	8.3
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Bank account funding levels should be sufficient to meet the normal operating needs of the department and the purpose of the bank account, and not in excess and accounted for in the Keystone accounting system.
- One employee should be assigned responsibility as custodian of the bank account with a designated back-up. Access to and the location of check books and other bank account records and information should be limited and restricted to only the designated custodians.
- The custodian must maintain a register in the Keystone system, which shall list all receipts, cash and checks received, and for each disbursement, the payee, the date of disbursement, the amount, and the business purpose of the expenditure.
- The custodian must maintain and match a copy of the deposit slip with the bank deposit receipt for reconciliation with the monthly bank statement for all bank account deposits.
- Restrictively endorse checks “For Deposit Only” upon receipt. Make frequent deposits (at least weekly).
- The custodian should be responsible for knowing which expenditures are allowable prior to disbursing funds.
- The custodian must reconcile the bank account within 30 days of each statement cutoff, sign and date the reconciliation, and submit it to a supervisor or manager for their review and approval signature. The supervisor or manager must review and sign the reconciliation promptly.
- Reconciliation procedures must include, (1) outstanding checks and deposits lists, (2) signatures by the person performing the reconciliation and approving the reconciliation, (3) procedures for resolving outstanding checks over 2 years old, and (4) procedures for resolving outstanding deposits over one month old.
- Procedures should be reviewed on a regular basis for applicability and for monitoring self-compliance.

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Chapter:	Internal Controls
Subject:	Bank Reconciliation
Policy:	8.3
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Any reconciling items should be resolved in a timely manner.
- Upon suspicion of fraud or theft notify the Clerk Treasurer immediately.
- In all cases, consideration should be given to closing a bank account if there is no longer a need.
- Established bank accounts may only be closed upon approval of the Clerk Treasurer with recommendation from State Board of Accounts.
- Any checks outstanding more than two years must be voided and receipted back into fund it was paid from and submitted to Indiana Unclaimed Property Division.
- No account information shall be sent over the internet, to include images of checks, without prior written approval from the Clerk Treasurer.
- Compliance with these guidelines, and with departmental procedures, is required to keep the account active.

Notices

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Budget-Ledger Review
Policy:	8.4
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

The City Clerk Treasurer is responsible for developing techniques and procedures for reviewing utility ledgers to ensure all financial transactions are appropriate, accurately described, and properly recorded. Ledger review is one component of a prudent financial management strategy that provides oversight of all departmental funds and provides management with information about the status of funds under their control.

Risks

- Undetected errors, irregularities, or misclassifications
- Improper or unauthorized transactions
- Overspent budgets
- Inaccurate financial statements

Definition

The term “ledger” refers to summary records and reports where financial transactions are recorded and posted from details included in subsidiary records of the Keystone Ledger. Reports listed below are required but not limited to;

- Monthly 3 Way Reports
- Monthly Trial Balance
- Monthly Check Register

For more information on available reports & queries and how to run them, refer to the [Reporting Manual](#) available in the Help Section of Keystone Ledger and/or Budget Programs.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Budget-Ledger Review
Policy:	8.4
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Procedures Include

- The employee(s) responsible for reviewing ledgers should be familiar with the financial activities of the department but should not have responsibilities for processing the day-to-day transactions of the department.
- Ledgers should be reviewed on a monthly basis; the passage of time makes it increasingly difficult to detect and act upon questionable transactions.
- The responsible employee should sign or initial the ledger reports to indicate their review and approval; any corrective actions should be noted for follow-up in the subsequent month's reports.
- Generally, ledger review is a broader and less detailed process than the steps involved in financial reconciliations. The reviewer should be looking for questionable activity that may be erroneous, invalid, or inappropriate. The reviewer should be on the alert for:
 - Unusual Transactions
 - Expense or revenue amounts (*or sources*) that appear to be out of line with expectations (i.e. budgets, historical trends), transactions with unknown or questionable vendors, an unusually high (or low) volume of transactions, etc.
 - Duplicate or Erroneous Transactions
 - Transactions involving the same vendor, invoice, and /or payment amount.
 - Incorrect Chart of Account Classifications
 - Questionable activity or balances in the chart of accounts (e.g. fund, DeptID, account, etc.) that are inconsistent with the department's financial activities.
 - Reasonableness
 - Experienced reviewers will likely be able to spot transactions or balances that appear unreasonable.
- The level and effectiveness of existing controls in place over a financial process influences the extent of ledger review that is necessary:
 - Strong front-end internal controls may enable a department to reduce (*but not eliminate*) its reliance on the ledger review process.
 - Conversely, weak controls will result in the department relying more heavily on a thorough ledger review process to detect erroneous and inappropriate transactions.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Budget-Ledger Review
Policy:	8.4
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- In smaller organizations with limited segregation of duties and controls, ledger review by the appointing authority or a senior manager is a critical financial control.
- In developing a ledger review strategy, consideration should be given to the following tactics:
 - Materiality Based on Dollar Amount
 - Use of a certain dollar threshold to determine which transactions, or account balances, are of significance and require review. A small sampling of transactions involving smaller amounts may also be reviewed, as well as any transactions that appear unusual.
 - Deviations from Anticipated or Past Expenditure Patterns
 - Analysis of expenditures (or revenues) by account code (*or other logical grouping*) based on a percentage of total expenditures compared to budgeted or historical percentages.
 - High Risk Transactions
 - Focus review on certain chart of account codes (or specific vendors) that may be more likely to contain inappropriate or erroneous transactions.

Primary Objective

- The primary objective of the **Month End Closing for ACTUALS Ledger** document is timely and accurate financial reports. Adherence to these instructions will facilitate a more productive ledger review process as any system identified incomplete or erroneous transactions will be corrected prior to month-end reporting.

Notices

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Cash Receipts
Policy:	8.5
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments shall devise techniques and procedures for the receipt and deposit of moneys coming into their control and custody, which are designed to adequately safeguard the assets of the City and to minimize idle and nonproductive cash balances.

Risks

- Lost, stolen, or misappropriated cash receipts (*high degree of inherent risk*)
- Unsafe work environment
- Concealed errors or irregularities going unchecked
- Loss of interest revenue

Definition

The term “cash receipts” as used herein includes currency, coins, checks, or other negotiable instruments.

Procedures Include

- Timely deposit of all cash receipts: Deposit daily when cash receipts total more than \$50, but in no case less frequently than once a week.

(This document does not address Cash and Deposits which are discussed separately under 8.4 Cash and Deposits.)

- Deposit all cash receipts on-hand on the last working day of the month.
(Regardless of any dollar or time threshold); this is to ensure that receipts are made available for their intended purpose and that activity is posted to the correct accounting period.
- Restrictively endorse checks (“for deposit only”) immediately upon receipt.
- Cash receipts must be properly safeguarded prior to deposit through the use of adequate physical security (e.g. safes, locking cabinets, etc.).

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Cash Receipts
Policy:	8.5
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Access to and location of cash receipts should be limited and restricted to only designated employees.
- All cash receipts are to be deposited into a bank account designated and/or approved by the City Clerk Treasurer.
- Conduct appropriate background/reference checks on prospective cash handlers.
- Provide receipts to each payer, if practical.
- Count cash in a non-public area not easily visible to others.
- Review checks and verify that:
 - The check has been signed and dated.
 - The pre-printed name (personal checks) agrees with the signature.
 - The numbered amount agrees with the written amount.
 - The check amount agrees with any accompanying paperwork.
 - The check is not stale-dated and has not been altered.
- Maintain a comprehensive cash receipts book that includes for each item:
 - The date each remittance was received.
 - The name of the remitter.
 - The amount of each remittance.
 - The form of each remittance (e.g. check, cash, money order).
 - The check number and date.
 - The purpose of the collection (if known).
- Centralize within each department the receiving of cash, if practical.
- Separate cash handling duties among different employees:
 - In larger departments, different employees should be designated to (1) receive cash, (2) deposit cash, and (3) record transactions so that no single employee has control over the entire process.
 - In smaller departments, with a minimal number of employees, cash operations should be reviewed and approved by someone (preferably a supervisor or manager) other than the person receiving the funds.
 - ♦ Note: The key to effective cash control, while maintaining appropriate separation of duties, is to minimize the number of employees who actually handle the cash before it is deposited.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Cash Receipts
Policy:	8.5
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Departments should maintain written procedures for all cash receipting and deposit operations. Procedures should address, at a minimum, staff responsibilities ("separation of duties"), key activities, timelines, and the safeguarding of receipts.
- Procedures should be reviewed on a regular basis for applicability and for monitoring self-compliance.
- All cash receipts must be deposited intact, that is no checks may be cashed or disbursements made from receipts.
- Maintain and match a copy of the deposit slip with the bank deposit receipt for all bank deposits.
- Upon suspicion of fraud or theft, immediately notify the appropriate personnel (i.e. management, State Board of Accounts, law enforcement).

KEYSTONE RELATED PRACTICES

- Regularly match 'cash receipts' to 'bank deposit receipts' to 'Keystone queries and reports'.
- Record the deposit in Keystone within two days of deposit at the bank.
- Enter the date the deposit was made at the bank in the Keystone *Received Date* field.

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Fixed Assets
Policy:	8.6
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments are responsible for developing cost-effective techniques and procedures to ensure its fixed assets are properly safeguarded, maintained, utilized and reported. The Clerk's Office is responsible for maintaining accurate and complete records regarding the acquisition, status, and disposal of all fixed assets and to comply with all applicable accounting and regulatory requirements.

Risks

- Misstated financial records and statements
- Lost, stolen, or damaged assets
- Idle and unproductive assets
- Assets acquired or utilized for personal benefit

Definitions

Fixed assets are long-term, physical resources of considerable value held for business use and not intended to be consumed or converted into cash any sooner than at least one year's time (e.g. buildings, equipment, vehicles, computers, furniture, etc.).

Capital assets, as defined by the State's capitalization policy, are fixed assets that cost at least \$250.00 and provide future economic benefit for a minimum of two years.

Infrastructure assets, are physical resources utilized primarily by the public that cost at least \$5,000 and provide future economic benefit for a minimum of three years (e.g. roads, bridges, dams, airports, etc.).

Capital assets, infrastructure assets, and computer equipment are required to be recorded and tracked in the Asset Keeper-Asset Management module. Departments will complete a Fixed Asset Form for any purchases established by policy.

Departments, regardless of Asset Keeper financial reporting requirements, are responsible for maintaining effective stewardship over all fixed assets (i.e. capital, infrastructure, and non-capital) in regards to asset security, maintenance, and utilization.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Fixed Assets
Policy:	8.6
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Procedures Include

- Written procedures exist for all asset management activities. Procedures should address, at a minimum, the acquisition and disposal of fixed assets, asset security, asset utilization and maintenance, performing the physical inventory, and the requirements for classifying and recording fixed assets in the accounting records.
- Fixed asset purchases are initiated and approved by the Board of Works and Safety in accordance with established criteria.
- Maintain adequate physical security over fixed assets to deter theft, damage, loss, or improper use.
- Limit access to fixed assets to personnel who have a business need; provide keys and lock combinations of secured locations only to authorized personnel.
- Fixed asset transactions are properly accumulated, classified and recorded in the accounting records (as appropriate) at the time of acquisition or disposal.
- Responsibility for fixed asset accounting and knowledge of financial reporting requirements is assigned to specific personnel to ensure accurate, complete, and timely reporting.
- The accounting functions for fixed assets are performed by personnel other than those responsible for the custody of the related assets.
- Adequate project cost records are maintained and appropriate values for completed projects are transferred timely to detailed subsidiary records for capital or infrastructure assets.
- Periodically compare recent acquisitions of fixed assets to financial and inventory records to ensure completeness.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Fixed Assets
Policy:	8.6
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Controls exist to ensure that changes in the status of fixed assets (e.g. disposals, change in location, improvements, etc.) are reported timely to those responsible for fixed asset accounting and recordkeeping functions.
- Perform a physical inventory at least annually to ensure the physical accountability of all fixed assets and the completeness and accuracy of financial records. *The annual inventory is a requirement for all assets maintained in Asset Keeper and a SBOA recommendation for other fixed assets owned by the department.*
- The physical inventory of fixed assets is performed by personnel other than those responsible for the custody of the related assets.
- Fixed assets are properly maintained to prevent shortening their useful life.
- Routinely inspect “high-risk” fixed assets (e.g. critical to department’s performance, increased likelihood of theft, misuse or breakdown, etc.) to confirm existence, condition, and valuation.
- Periodically evaluate fixed asset utilization to identify low-performing or idle assets that may be considered excess or surplus property.
- Fixed asset transfers, retirements and disposals are approved by an authorized person.
- Review and update insurance requirements periodically, or when a change in the asset’s status occurs.
- Appropriate action is taken to investigate and document missing fixed assets.
- Upon suspicion of fraud, theft, or malicious damage immediately notify the appropriate personnel (i.e. management, State Board of Accounts, law enforcement).

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Fixed Assets
Policy:	8.6
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- The department's asset capitalization policy is consistent with the thresholds defined in procedures established by the Board of Public Works and Safety.
- All capital assets, infrastructure assets, and computer equipment are properly classified, recorded (*at the time of acquisition or disposal*) and tracked in the Asset Keeper-Asset Management module.
- Departments comply with the requirements and timelines for conducting an annual physical inventory of all assets maintained in Asset Keeper, including submission of the **Asset Inventory Verification** form to Financial Operations.

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Petty Cash
Policy:	8.7
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments shall identify and implement techniques and procedures to provide adequate security and controls for “imprest” petty cash funds entrusted to them.

Risks

- Lost, stolen, or misappropriated cash (*high degree of inherent risk*).
- Concealed errors or irregularities going undetected.

Definitions

- The term “cash” as used herein includes currency, coins, and checks drawn on authorized bank accounts.
- An “imprest” fund is a cash fund of a designated amount established by an advance of funds from the Department of Finance and Management (the advanced amount is not charged to a departmental appropriation).
- “Petty Cash” is an imprest cash fund established for disbursement as needed in making payment for small incidental expenditures.

Note: The following types of imprest accounts are not considered “Petty Cash” for the intent of this document;

- “Change funds” accept payments from (or give refunds to) customers for specific goods and services (i.e. point of sale).

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Petty Cash
Policy:	8.7
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Petty Cash Funds

- Petty Cash should only be used for small dollar expenditures and/or consistent with the intended use of the fund.
- Petty Cash should not be used to pay vendors for personal services, employee salaries, wages, loans, advances or bonuses. The Keystone accounts payable and payroll systems should be used for these types of payments.
- The Petty Cash account funding level should be sufficient to meet the normal operating needs of the department, yet restricted enough to require replenishment at relatively short intervals (e.g. monthly).
- One employee should be assigned responsibility as custodian of the fund with a designated back-up. Access to and location of petty cash should be limited and restricted to only designated custodians.
- When reconciling, count cash in a non-public area not easily visible to others.
- The custodian must maintain a Petty Cash log which shall list for each disbursement, the payee, the date of disbursement, the amount, and indicate the business purpose of the expenditure. Receipts must be attached to the claim for reimbursement and replenishing petty cash recorded in Keystone.
- Petty Cash Log should be complete – petty cash on hand plus un-reimbursed expenditures should always equal the established imprest fund amount. Receipts for expenditures will be used to justify the replenishment of the fund.
- Petty Cash should be reviewed, reconciled and replenished, as needed, on a frequent basis.
- A supervisor or manager should approve each account reconciliation and the replenishment request.
- All petty cash replenishment checks must be cashed or deposited promptly, under the control of the custodian.
- Maintain and match a copy of the deposit slip with the bank deposit receipt for reconciliation with the monthly bank statement for all checking account deposits.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Petty Cash
Policy:	8.7
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Departments should maintain written procedures for all petty cash financial activity. Procedures should address, at a minimum, staff responsibilities ("custodian duties"), key activities, timelines, and the safeguarding of the fund.
- Procedures should be reviewed on a regular basis for applicability and for monitoring self-compliance.
- Upon suspicion of fraud or theft, immediately notify the appropriate personnel (i.e. Clerk Treasurer, State Board of Accounts, law enforcement).
- Petty Cash should be maintained in a secure location (i.e. locking file cabinet or safe) under the control of the custodian.
- The custodian should be responsible for knowing which expenditures are allowable prior to authorizing disbursement of funds.
- Consideration should be given to closing a petty cash account if there is no longer a need for it.

Notices

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- Nothing in this document shall limit or supersede any applicable Federal, State or Local laws, statutes, bulletins, or regulations.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Purchasing-Claims
Policy:	8.8
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Departments are responsible for developing and maintaining procurement processes that are in compliance with all laws, administrative requirements, and ethical standards pertaining to purchasing. Departments are responsible for conducting the purchasing function in a manner which results in the most effective and efficient use of state funds.

Risks

- Unauthorized, unnecessary, or fraudulent purchases
- Improper charges to departmental budgets
- Excessive costs incurred
- Payments made for items or services not provided
- Goods purchased for personal use

Definition

Purchasing is the process of procuring quality goods and services, delivered in a timely manner, at the most cost-effective price from reliable sources.

Procedures Include

- Written procedures exist for the purchasing function. Procedures should address procurement strategies and administrative requirements, employee's authorization levels to initiate/execute purchases, contract requirements, receiving and verification of goods & services, and payment processing and approval.
- No one employee should have complete control over the entire purchasing function. The responsibilities for purchasing, receiving, and approving payments for goods and services should be assigned among different employees.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Purchasing-Claims
Policy:	8.8
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Departments comply with all policies and procedures established by the Board of Public Works and Safety.
- Departments comply with the requirements, thresholds, and limitations of applicable established by the Board of Public works and Safety.
- Purchases should be made by a competitive process, even when not expressly required, to ensure a prudent and efficient use of city funds.
- Purchases, regardless of funding source, are made from vendors who are not suspended or debarred from the federal procurement process; this is a requirement for purchases along with the procedures established in

(This document does not address Purchasing and Bids which are discussed separately under 8.6 Purchasing and Bids.)

- Requisitions for bulk purchases of goods and services must have prior approval by the Mayor.
- Purchase orders are based on valid, approved requests and are properly executed as to price, quantity, and vendor.
- Verify goods and services received agree with contract/purchase order terms.
- Received goods are secured in a safe location and inspected for quality and condition.
- Invoices are matched with purchase orders and receiving reports before approval for payment.
- Review invoices for accuracy by comparing charges (e.g. quantity, price, etc.) to amounts indicated in purchase orders, contracts, or other source documents.
- Periodically compare recent purchases to financial and fixed asset/inventory records to ensure the accuracy and completeness of the transaction.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Purchasing-Claims
Policy:	8.8
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- All purchases should be for necessary goods and services to support the department's mission and programs and in accordance with established budgetary guidelines.
- Employees involved in the purchasing function should not use their position to receive any type of personal benefit from any vendor or contractor, and, any potential conflict of interest should be disclosed to an appropriate supervisor or manager.
- Vendors are contacted promptly for damaged or sub-standard goods.
- Completion of an asset form is required for tools/equipment of \$50.00 or more.

Notices

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Credit Card Use
Policy:	8.9
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Procedures

Resolution #11192012-2 will be followed as ordered by Council, regarding credit card use.

Notices

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RESOLUTION NO. 11192012-2

RESOLUTION AUTHORIZING CREDIT CARD USE

WHEREAS, the City frequently purchases merchandise that requires immediate payment; and,

WHEREAS, the current method of payment utilized by the City often creates difficulty when dealing merchants; and,

WHEREAS, the use of a credit card for making such purchases would resolve this issue.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE, INDIANA THAT the Clerk-Treasurer may apply for a credit card from a financial institution. Said credit cards maximum total limit should be no greater than \$10,000.00. The maximum single purchase on said card should not exceed \$2,500.00. The card should be issued to the City of New Castle and the Clerk-Treasurer or her deputy shall be the officials responsible for its use in accordance with this resolution. Said account should not be used as a method for incurring debt and the outstanding balance must be paid in full upon receipt of the monthly statement.

The purpose of the credit card is for City wide use so that small purchases in amounts less than \$2,500.00 may be made from merchants demanding immediate payment. After the card is used, it must immediately be returned to the Clerk-Treasurer or her Deputy for safe keeping. The Clerk-Treasurer or her Deputy shall maintain an accounting system or log which will include the names of the individuals requesting usage of the card, their position, estimated amounts to charged, fund and account numbers to be charged, and the date the card was delivered to the individual requesting usage and returned.

The use of credit cards shall not be considered as a bypass to the normal City's accounting system. Purchase orders must continue to be issued so that the Clerk-Treasurer's office has a means to encumber and track appropriations so that officials may be provided with timely and accurate accounting information and the accounting system might be monitored. Payment should only be made after those procedures necessary to pay any other claims are made. Supporting documents such paid bills and receipts must be available. Any interest or penalty incurred due to late payment or failure to furnish proper documentation by an officer or employee shall be the responsibility of that officer or employee. However this does not restrict the ability of the City to pay properly authorized annual credit card fees.

In all respects, use of the credit card must comply with guidelines established by the Indiana State Board of Accounts and good public accounting practices.

Nothing herein shall release the City from complying with State purchasing laws.

REPEALER: All resolutions or parts of resolutions in conflict herewith are hereby repealed.

SEVERABILITY: Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation shall be inapplicable, shall be deemed omitted but the rest and remainder of this resolution, to the extent feasible, shall remain in full force and effect.

EFFECTIVE DATE: This resolution shall become effective immediately upon passage.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE THIS 19th DAY OF November, 2012.

Greg York
Greg York, PRESIDING OFFICER
COMMON COUNCIL, NEW CASTLE, INDIANA

ATTEST:

Christy York
CHRISTY YORK, CLERK-TREASURER

AYE

NAY

Dana K. Bertram
James P. Kidd
Mary Malone
Mal Regan
Vaughn R. Bink
Alex. Parks

APPROVED BY ME THIS 19th DAY OF November, 2012.

Greg York
Greg York, Mayor
City of New Castle, Indiana

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Daily Cash Collection Procedures

PURPOSE All Cashiers that collect payments will use the following procedures. These procedures provide guidance on the daily cash drawer opening process, collection of payments, and voiding of receipts.

Specifically,

1. Every payment will receive a uniquely numbered sequential receipt to document the transaction.
2. All receipts for the day will be maintained by the Cashier to aid in the daily reconciliation. This includes voided receipts.

RESPONSIBILITY

Cashier

ACTION

- Starting the Business Day
 - At the start of the business day, each cash drawer to be used for collection purposes will be taken out and the cash will be counted prior to the start of the shift. During the shift, only the person or persons designated as the cash handler will have access to the drawer.
 - During breaks and lunch periods, the cashier will lock the cash drawer. The person relieving must use their own drawer.
- Receiving and Processing Customer Payments
 - Determine the form of payment and process the payment as directed below:
 - Cash
 - Count the cash in the presence of the customer.
 - Verify the count with the customer.
 - If there is a discrepancy, take the appropriate measures to clear the issue immediately.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

- Check
 - All checks will be made payable to “New Castle Utilities”.
 - Ensure that the check is complete and signed.
 - Ensure that the numeric amount equals written amount.
 - No post dating.
 - Do not accept a check if it indicates that it is for “Payment in Full” if account is not paid in full.
 - Restrictively endorse the back of the check for deposit.
 - When payment is processed, three receipts will print. The individual receives the pink slip. Yellow receipt copy must maintain intact for cashier daily close. DO NOT tear the yellow portion; it MUST stay in a complete daily roll. (See Violation Steps section for violation of this rule)
 - Place the cash in locked cash drawer.

RESPONSIBILITY

- Cashier **cannot** void a transaction; it must be done by the Group Leader Cashier or Office Manager at the time of transaction. Cashier voiding of a receipt falls under contract disciplinary action (See Violation Steps section for violation of this rule).

RESPONSIBILITY

Group Leader Cashier/Office Manager

- Someone other than the cashier will void the transaction and sign their name in the upper right hand corner of the yellow copy. The pink copy will be recorded and attached to the daily void/correction log.

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RESPONSIBILITY

Group Leader Cashier

- Clearly write "VOIDED" across the face of the pink receipt form.
- Record and attach to daily void/correction log.

Night Deposit Box, Mailed payments and online payments

PURPOSE This procedure provides guidance for the Group Leader Cashier who receives and process' miscellaneous payments.

RESPONSIBILITY

Group Leader Cashier

ACTION

1. Receive and Process Miscellaneous Payments.
 - Keep the yellow receipt in a continuous roll.
 - Place white and pink receipt copy with tickets.
2. At the end of the business day the Group Leader Cashier must follow Daily Closing Procedures.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Cash Drawer Key Control Procedure

PURPOSE Each cashier will have a cash drawer with a change fund of \$50.00 to be used for payments.

RESPONSIBILITY

Cashiers/Group Leader Cashier

ACTION

- Obtain cash draw from Utility safe.
- Cash drawers are the responsibility of the Cashier. Cash drawers must be locked when unattended. Spot checks will be made at random by administration. Discipline for an unlocked, unattended drawer will be treated as a Serious Violation of the discipline code.
- Return cash drawer to utility safe at time of reconciliation at the end of shift.
- Cashier performs cash count returning \$50.00 change fund back to drawer.
- If over or short, perform recount:
- If discrepancy still exists, Group Leader Cashier will perform recount, if still exists, Group Leader Cashier will complete over/short form and distribute one copy to Utility Accountant and one copy to Office Manager.
- If discrepancy problem continues, disciplinary actions will be taken.
- Report any lost or stolen keys to office manager immediately.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Cash Drawer Procedures

PURPOSE The Cash Drawer is defined as the working cash used in each cash drawer.

- Cashiers are not to use the Cash Drawer for Petty Cash or change drawer purposes.

RESPONSIBILITY

Office Manager

ACTION

- Each drawer should be setup with an initial \$50.00.
- For internal control purposes it is recommended that a drawer be provided to each employee handling cash.

RESPONSIBILITY

City Clerk

ACTION

- Unannounced periodic cash counts of the cash drawers will take place on an ongoing basis.

Void and/or Correction Procedures

RESPONSIBILITY

Group Leader Cashier/Office Manager

- Void capabilities must be limited to Group Leader Cashier or Office Manager access only.
- When a void is necessary, the original receipt (white copy) will be attached and reported on the Void and Corrections Log with all pertinent information documenting the void or corrected transaction.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
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- The Group Leader Cashier or Office Manager must witness the correcting transaction and note the correcting receipt number on the voided transaction.
- The yellow copy of the void and correction must be maintained by the cashier but initialed by the Group Leader Cashier or Office Manager.

Daily Closing Procedures

PURPOSE This document provides guidance on conducting daily closing procedures for cashiers; including daily reconciliation and deposit report. This document also explains the disposition of funds remaining overnight.

- Each cashier is required to conduct a daily reconciliation and prepare a daily deposit report after 3:00 pm for each day that payments are collected. **Any exceptions to this policy must be authorized by the Mayor.** All cash collections will be reconciled daily.
- Each cash drawer used during a business day must be reconciled individually. In addition, the entire collections for the Utility Office for a business day must reconcile.
- Deposits will be made daily and will be documented on bank deposit slips, which will be completed by the Utility Accountant.
- All funds held overnight in the Utility Office will be stored in utility safe.

RESPONSIBILITY

Cashier/Group Leader Cashier

- At the designated time the cashier will remove the cash drawer and conduct the following tasks:
 - Count the currency and coins in the drawer and write the counts for each individual denomination on the Cash Count Form.

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- Run an adding machine tape on all checks and place the total on the check out sheet.
- Add the totals from (a.) and (b.) above and place the grand total on the check out sheet.
- Submit the cash, checks, receipts, adding machine tapes, and cash verification form to the Utility Accountant.
- Place cash drawer in designated area in safe. Utility Manager will check cash drawers for the accurate amount of change fund at least weekly.

Over and Short Policy

PURPOSE Discrepancies in the amount of collections or in the change fund will be investigated immediately in accordance with the procedures listed below. In addition the following general policies will be followed.

- Periodic random cash counts of change funds will be conducted by the Office Manager and Clerk Treasurer.
- At Office Managers discretion or by request of the State Board of Accounts, City Clerk Treasurer, Mayor, Director of Public Works, Water Superintendent or HR may be called to assist in over/short investigations. Any indications of fraud or theft should be thoroughly investigated by the appropriate departments.
- As stated in the Cash Handling, Cashiers will collect payments, and prepare an accurate and complete receipt which is provided to the customer with correct change.
- Group Leader Cashier is responsible for documentation of voids and corrections.
- Staff who is responsible for daily reconciliation will not use their own funds nor will they accept money from others in order to balance a short cash drawer. Additionally, individual cashier's who are responsible for counting their cash drawers will not cover any shortages with personal funds.

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RESPONSIBILITY

Group Leader Cashier

ACTION

- Daily over and shorts of less than \$10.00 require the following steps:
 - 1a. All discrepancies will be investigated using the following steps:
 - Verify amounts collected for the day by adding all receipts.
 - Add checks individually and total.
 - Re-count cash
 - Match total with total from receipts.
 - 1b. If, after these steps have been completed the over or short amount cannot be found, note the difference on the reconciliation form and send to Utility Accountant. Utility Accountant will then make an entry into the department's over and short account.
 - 1c. The Group Leader Cashier and Utility Accountant must record the amount over/short on the over/short Log. A copy is submitted to the Office Manager.

RESPONSIBILITY:

Group Leader Cashier/Cashier

ACTION

- Over/short Log is to be signed by person responsible for drawer. Group Leader Cashier will immediately inform Office Manager.
- Office Manager will count drawer, review daily reconcile form, inspect and count cashiers change fund drawer and inspect all trash cans for missing funds if more than \$1.00. Office Manager will review the over/short log on a weekly basis and take the proper disciplinary actions.

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RESPONSIBILITY:

Cashier

ACTION

- Individual cashiers responsible for counting their cash drawers will not cover any shortages with personal funds.

RESPONSIBILITY:

Office Manager

ACTION

- Counseling and training should be conducted as deemed necessary.
- Daily over and shorts under \$10.00 require steps 1a through 1c plus the following additional steps:
 - Group Leader Cashier should notify Office Manager of over/short and submit a copy of the over/short Log.
- Office Manager should counsel cashier(s) regarding over/short to figure out why mistake was made.
 - Office Manager will monitor for three days to see whether over/short mistake shows up and thereby is resolved.
- After three unresolved over/shorts within a four week period, the Office Manager is required to:
 - Alert the City Clerk that correction action is required.
 - Corrective Action: disciplinary actions noted in the AFSCME contract will be followed. (SEE VIOLATION STEPS)
- One unresolved \$10.00 or more over/short will require all the above steps. These procedures must be followed at the time of the reconciliation when the over/short is discovered.

CITY OF NEW CASTLE POLICY	
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- If a specific individual can be reasonably identified as being responsible for the overs/shorts, the following steps must occur:
 - If there is a reasonable certainty that a specific individual has deliberately removed money from the cash drawer for their own or another's personal gain, that individual may be subject to termination of employment. The appropriate procedure in this circumstance is to place the individual on a disciplinary suspension leave without pay and contact Administration to arrange a disciplinary hearing. At the hearing, the employee will be given the opportunity to share their side of the story. Note: The evidence for theft must be incontrovertible i.e., witnessed, videotaped, receipt identified.
 - With the one person per cash drawer system in place, any over/ short in the amounts listed below will require that the Office Manager contact Administration and identify the cashier for disciplinary action as listed in the Violation Steps section of this SOP.

Clerk Treasurer's Office Daily Procedures

PURPOSE The Clerk Treasurer Office is responsible for ensuring that all customer receipts and deposits are accounted for accurately and that all reconciliations are complete and accurate.

The following activities will be conducted daily by the Clerk Treasurer Office in order to verify reconciliations and process clinic collection receipts.

RESPONSIBILITY

Clerk Treasurer

ACTION

- Receive and transport daily bank deposits.
- Receipt all utility fund bank deposits into the Clerk Treasurer Office fund accounts for monthly bank reconciliation.

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Subject:	Utility Office Standard Operating Procedures
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- Compare the deposit amount receipted in with the amount recorded on the bank deposit form. Contact the Utility Office Manager if there are any discrepancies.
- Initial or check the reconciliation indicating it has been verified for clerical accuracy and that it has been matched to the deposit slip.
- Retain the bank statement.

RESPONSIBILITY

Clerk Treasurer

- Confirm the deposit and batch settlement amount recorded into the system through the daily bank reconciliation's. (Follow up on any discrepancies.)
- Revisions will be open for discussion at all times and any amendments or reviews will include Utility Management, AFSCME Union Officials and utility employees.

VIOLATION STEPS

- **VIOLATION STEPS PER AFSCME CONTRACT SECTION 9**

- **Torn receipt** Minor Violation of Disciplinary Code
(4th offense in 4 weeks starts disciplinary action)
- **Unlocked Drawer** First offense begins at 2nd Step of Minor Violation of Disciplinary Code

Over/Short

- **Under \$10** Minor Violation of Disciplinary Code
(4th offense in 4 weeks starts disciplinary action)
- **\$10-\$50** Serious Violation of Disciplinary Code
- **\$50 +** Major Violation of Disciplinary Code

AFSCME Contract step procedures will be followed.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

RECEIPT PROCEDURES

- **ROLL REPLACEMENT PROCEDURES**

- Group Leader Cashier will initial end of roll and beginning of new roll.
- Cashier will record in the top right corner of reconcile sheet 2 rolls.

- **TORN RECEIPT PROCEDURES**

- Cashier will report to Group Leader Cashier as soon as possible.
- Group Leader Cashier will report to Office Manager and proper disciplinary actions will be taken per Violation Step section.

As of February 3, 2012 the following representatives and employees have read and understood these are the current operating procedures of the Utility Billing Cashier Department. These procedures will go into full effect as of April 1, 2012.

Employee Signature:_____

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Utility Office Standard Operating Procedures
Policy:	8.10
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Notices

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CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Confidential Reporting Policy
Policy:	8.11
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Objective

Encourage employees to feel confident in raising serious concerns and to question and act on concerns about city practice. Provide avenues to raise those concerns and receive feedback on any action taken, receive and respond to concerns and how to pursue them if not satisfied and ensure protection from possible victimization due to disclosure.

Definition

Confidential Reporting is intended to supplement the existing complaints, disciplinary and grievance procedures as laid down in the Employee Handbook and/or appropriate Union Contracts. It is intended to cover serious concerns that fall outside the scope of other procedures and may relate to something which;

- Is against Council's standing orders, financial regulations and policies, or
- Is against city policies and procedures, or
- Falls below established standards of practice, or
- Amounts to improper conduct, including something you believe may be;
 - Against the law
 - A health and safety risk
 - Damaging to city property or the environment
 - Misuse of funds
 - Corruption or unethical conduct
 - Abuse of customer or service users

Confidentiality

All concerns will be treated in confidence and every effort will be made to protect the employees identity if they so wish. At the appropriate time, however, you may be needed to provide a statement or act as a witness and will be expected to cooperate fully with the investigation and disclose all relevant information.

Anonymous Allegations

This procedure encourages the employee to put their name to their concern as anonymous allegations may often be difficult to substantiate/prove.

Concerns expressed anonymously are much less powerful but will be investigated unless the City of New Castle in consultation with the City Attorney agrees there is insufficient evidence to proceed.

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Chapter:	Internal Controls
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Policy:	8.11
Issue Date	June 6, 2016
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Untrue Allegations

If an employee (s) raise a concern in good faith, but it is not subsequently confirmed by the investigation, no action will be taken against the employee. If, however, an allegation is made frivolously, maliciously or for personal gain, disciplinary action may be taken.

How to Raise a Concern

As a first step the employee should raise concern with their Department Head informing him/her using this procedure. However, the City recognizes that on occasion this may not be appropriate.

A number of alternative contacts may be appropriate depending on the nature of the concern. All Elected Officials, City Managers and the City Attorney are available.

Concerns may be raised verbally or in writing.

Although the employee is not expected to prove beyond doubt the truth of their concerns, they will need to demonstrate that they have reasonable grounds to raise them.

Where employee fail to report their concerns they may become themselves implicated and consequently the City may treat failure by an employee to report such matters as a serious matter which could lead to disciplinary action.

How the City will Respond

In order to protect individuals and the City, initial enquires will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures will normally be referred for consideration under those procedures.

The person with whom the employee has raised concern will inform the relevant City Representative of the facts. The relevant representative will inform the employee within 10 working days of the following;

- Acknowledgement that the concern has been received
- An indication of how the concern will be dealt with
- An estimate of how long it will take to provide a full response
- Whether any initial inquiries have been made
- Whether further investigations will take place, and if not, why not

The representative will inform the employee in writing of the outcome of any investigation, or any action taken, subject to the constraints of confidentiality and the law.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Confidential Reporting Policy
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Issue Date	June 6, 2016
Authorized by:	Department of Finance

How the Matter can be Taken Further

This procedure is intended to provide the employee with a route within the City to raise concerns, if the concern has not been addressed adequately, the employee may raise it with an independent body such as one of the following;

- The City Attorney
- Union Representative
- Board of Public Works and Safety
- City Council
- Police

Notices

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CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Annual Performance Review Policy (Direct line of Clerk Treasurer)
Policy:	8.12
Issue Date	June 6, 2016
Authorized by:	Department of Finance

This procedure in no way is intended to interfere with any contract procedures or issues dealing with employee performance. It is only to enhance the performance ability of an employee in direct financial line of the Clerk Treasurer, for procedure updates, trainings and improvements to employee performance.

Procedures

- **Due Date:** Performance reviews can be prepared at any time throughout the year and should be conducted for each employee at least every 12 months.
- **Supervisors Role:** Provide guidance, coaching and feedback to their staff throughout the year on job duties and responsibilities, performance goals and expectations, appraising the performance and future development opportunities.
- **Evaluation Steps:**
 - Advise employee that performance reviews are being completed, set and communicate the dates of planned reviews, and communicate how the performance review process will be conducted.
 - Provide employees with a blank form, their current position description and direction on completing a self-review.
 - Complete a draft review taking note of items in your departmental personnel file.
 - Review the employee's performance and prepare the appropriate Performance Review form, focusing on the entire year, not just recent events.
 - Discuss the draft Performance Review with next level supervisor as appropriate. Include any additional input, suggestions, and/or comments.
 - Meet with employee to conduct the performance review discussion on a predetermined date. This should be a two-way conversation starting with the discussion of the position description and ending with the employee's comments and signature.
 - Obtain signature of next level supervisor on the final copy.

CITY OF NEW CASTLE POLICY	
Chapter:	Internal Controls
Subject:	Annual Performance Review Policy (Direct line of Clerk Treasurer)
Policy:	8.12
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Notices

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- Nothing in this document shall limit or supersede any applicable Federal, State or Local laws, statutes, bulletins, or regulations.

Employee Performance Review

Employee Information

Name		Employee ID	
Job Title		Date	
Department		Manager	
Review Period			

Ratings

	1 = Poor	2 = Fair	3 = Satisfactory	4 = Good	5 = Excellent
Job Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Work Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Attendance/Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Communication/Listening Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Dependability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments					
Overall Rating (average the rating numbers above)					

Evaluation

ADDITIONAL COMMENTS

GOALS

(as agreed upon by employee
and manager)

Verification of Review

By signing this form, you confirm that you have discussed this review in detail with your supervisor. Signing this form does not necessarily indicate that you agree with this evaluation.

Employee Signature		Date	
Manager Signature		Date	

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Information-Communication Policy
Policy:	8.13
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Testing, Monitoring and Continued Compliance

A committee will be established, known as the DOF Committee, consisting of the Clerk Treasurer and/or Deputy, Utility Office Manager and one employee from each department (Clerks Office and Utility Office) to bi-annually review the Internal Control Manual and make suggestions on changes and recommended training needs to maintain compliance with all regulations that govern governmental finance.

Document Retention/Sharing of Financial Information

The Department of Finance will follow all federal, state and local law regarding document retention and financial sharing of information.

New Hire Procedures

New hires, who have financial responsibilities as part of their position, will be trained using the Uniform Internal Control Standards video recommended by the State Board of Accounts as well as training on the Internal Control Manual of the City of New Castle within 30 days of hire and sign for a copy of the City Policy and Procedures which includes the individual Internal Control Policies.

Notices

- These internal control procedures are intended to support and comply with the State Board of Accounts "Uniform Internal Control Standards for Indiana Political Subdivisions".
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RESOLUTION NO. 03072016-3

THE CITY OF NEW CASTLE, INDIANA
POLICY REGARDING ERRONEOUS OR IRREGULAR VARIANCES,
LOSSES, SHORTAGES AND THEFTS

Comes now the Common Council of the City of New Castle, Indiana and adopts the following policy:

PURPOSE

This Policy is intended to comply with Indiana Code 5-11-1-27 and State Examiner Directive 2015-6.

MATERIALITY THRESHOLD

The materiality threshold for the City shall be One Hundred Dollars (\$100.00). If the erroneous or irregular variance, loss, shortage or theft is not cash or a cash-equivalent, the value of the item at the time of the variance, loss, shortage or theft shall be used to determine whether the materiality threshold has been met.

All erroneous or irregular variances, losses, shortages, or thefts of One Hundred Dollars (\$100.00) or more shall be reported immediately to the State Board of Accounts. In addition, all erroneous or irregular variances, losses, shortages, or thefts which occur more than four (4) times in a month and which in the aggregate total Three Hundred Dollars (\$300.00) or more shall be reported immediately to the State Board of Accounts.

KNOWLEDGE OF MISAPPROPRIATION

A public officer who has knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office shall immediately send written notice of the misappropriation to the Indiana State Board of Accounts and the Henry County Prosecuting Attorney.

MAINTENANCE OF DOCUMENTATION

The City shall maintain records and documentation concerning erroneous or irregular variances, losses, shortages, or thefts in accordance with generally-accepted accounting principles and the internal control standards provided by the Indiana State Board of Accounts.

RESOLUTION OF INCIDENTS NOT MEETING THE MATERIALITY THRESHOLD

The City shall investigate all erroneous or irregular variances, losses, shortages or thefts, regardless of whether they meet the materiality threshold established by this policy. Upon conclusion of each such investigation, the City shall:

1. Implement procedures designed to prevent the recurrence of such incidents; and

2. Take appropriate disciplinary action against the employee responsible for the incident.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE THIS 17th
DAY OF March, 2016.

Greg York
Greg York, PRESIDING OFFICER
COMMON COUNCIL, NEW CASTLE, IN

ATTEST:

Christy York
CHRISTY YORK, CLERK-TREASURER

AYE

NAY

Mary Albright

Jim Hancock

[Signature]

Mark Kohn

Dawn Perdue

Kerry Kelly

APPROVED BY ME THIS 17th DAY OF March, 2016.

Greg York
Greg York, Mayor
City of New Castle, Indiana

Clerk and Master
Internal Control Checklist
Payroll Checks

See Column Instructions Below

Assets/Inventory						
Complete Asset Form for purchases required.	Approve Asset Forms for purchases required.	Record the Assets in Asset Keeper	Annually run inventory and submit to departments for review	Determine and approve inventory	Submit Asset/Inventory Disposal Form for removal of items	Signature Authority Review and approve annual assets/inventory
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Legislative Body-BOW/Council						XX
Clerk Treasurer/Mayor						XX
Department Head	X	XX		XX	XX	
Department Clerk's	XX			X		
Bookkeeper		X	X			X
Payroll Administrator						
Accounts Payable		XX	XX			

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Issuing Payroll Checks -

(1)	Asset forms should be completed per invoice, listing item/model number, purchase price and date of purchase. (Perfer a copy of invoice attached.)
(2)	Approval of Asset Forms for submission.
(3)	Record assets in City Asset Keeper program as forms are received.
(4)	Run annual inventory reports and distribute to appropriate departments for review.
(5)	Approve departmental assets/inventory for submission to Clerk's Office
(6)	Review and approval disposal of property forms.
(7)	Authorize and approve annual assets/inventory.

Clerk and Master
Internal Control Checklist
Receipts

See Column Instructions Below

	Checks Received in the Mail		Daily Receipting and Depositing											
	Open Mail, Stamp Checks for Deposit Only, and Make a List of Checks	Issue Receipts for Mail-in Checks	Maintain Separate Cash Drawers	Issue Receipts	Stamp All Checks for Deposit Only when Received	Issue Manual Receipts if Utilized	Post Receipts to Accounting Records	Verify that Mail-in, and Manual Receipts were Recorded	Count Cash	Deposit Intact	Carry Deposit to Bank	Verify Deposit Slip with Check-out Sheets and Amt. Recorded	Examine Audit Log and Explain Each Entry	Determine that the Trial Balance is in Balance
									Check Out to Certain Amount of Cash	Verify Cash Check Out and Make Up Daily Deposit				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Clerk Treasurer							X					X	XX	X
Bookkeeper	X	XX	X		X	X	XX	XX	X	XX	X	XX	X	XX
Payroll Administrator	X		X		XX	XX	X	X	XX	X	XX			
Accounts Payable	XX	X	X		XX	XX	X	X	XX	X	XX			
Utility Manager							X	X	X					XX
Utility Accountant	X	X	X	X	X		X	XX	X	XX	X			
Utility Cashier	XX	XX	X	XX	XX				XX	X				
Utility Billing							XX	XX						

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Checks Received in the Mail -

- (1) Open mail, Stamp Checks for "Deposit Only", the Official's Bank Account Number should be on the Stamp.
(2) Issue receipts for the mail-in checks.

Daily Receipting and Depositing -

- (3) Each employee should have a separate cash drawer. (Employees should not share passwords) (It is preferable for each cash drawer to have a lock.)
(4) Issue Receipts for Collections.
(5) Stamp All Checks for "Deposit Only" immediately upon receipt. The stamp should include a bank account number. Do not wait until the end of the day.
(6) When a manual receipt book is utilized, (The use of a manual receipt book is discouraged when a computerized system is utilized.)
If a manual receipt book is utilized, it must be bound, include the Official's Title, and be prenumbered. (Receipt books that can be purchased at local stores such as Walmart should not be utilized.) The receipt should have a place to indicate whether the payment was by cash, check, money order, or credit card and a place to indicate the name of the person who issued the receipt.
(7) Update the accounting system for the day's receipts or manually post receipts to accounting records.
(8) Examine accounting records. Determine that all mail-in (use list prepared in Column 1) and manual receipts were recorded.
(9) Each employee should check out to a certain amount of cash (e.g. \$100). This procedure should be performed daily if practicable. In a manual system, use of a standard check-out sheet is advised. The computer may generate the check-out sheet in a computerized system. Each employee should sign or initial his/her check-out sheet.
(10) Combine the money from all drawers and complete a deposit slip. The deposit slip should be itemized. The total deposit amounts should agree with the check-out sheets in Step 9. The Deposit should be made "intact". This means that the deposit should equal all receipts for a given day. (As an alternative, a deposit could be made up for each cash drawer rather than making a combined deposit)
(11) Carry the deposit to the bank and obtain a deposit slip. Clerk's Office Staff alternate bank runs weekly.
(12) Verify that the amount on the slip agrees with the check-out sheets and the amount recorded on the accounting records. Initial and date the deposit slip to indicate the review.
(13) Examine the audit log from the computerized system. Determine why transactions were deleted or changed. (It is preferable to perform this procedure daily, but the procedure should be performed at least each month. It is also preferable to print the report and write a brief explanation.) Initial and date the report after review or otherwise document that you examined the audit log if it was not printed.
(14) Make sure the debits and credits on the trial balance agree. This should be performed each day.

Clerk and Master

Internal Control Checklist

Issuing Non-Payroll Checks and Reconciling Bank Statements

See Column Instructions Below						
Issuing Checks			Monthly Bank Reconciliation			
Non-Payroll Checks	Signature Authority	Post Checks to Accounting Records	Receive, Open, and Review Bank Statements and Cancelled Checks	Perform Bank Reconciliation	Review Bank Reconciliation and Trace Reconciling Items and Balance to Acct. Records	
Write Checks	Verify Amt. Sign and Mail Checks					
(1)	(2)	(3)	(4)	(5)	(6)	
Legislative Body - Board of Works	XX					
Clerk Treasurer	XX			X	XX	
Bookkeeper	X	XX	X	XX	X	
Payroll Administrator	X					
Accounts Payable	XX	X	XX			
Utility Accountant	XX	X	XX			
Utility Manager	X	XX				
Utility Cashier						
Utility Billing						

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Issuing Checks -

- (1) Physically prepare the checks for signature.
- (2) Determine the reason and examine documentation for the issuance of the check. Sign the checks and maintain possession of the checks. Mail the Checks.
All checks, except for checks approved for pre-approval release by resolution of Council, shall be placed in basket and held until approved by BOW.
- (3) Record the checks in the accounting system.

Monthly Bank Reconciliation -

- (4) A person who is **not** responsible for reconciling the bank should open the bank statement and review it for unusual transactions, bank transfers, bad checks, and if possible, cancelled checks. Trace deposits-in-transit, bad checks, outstanding debits or credits, outstanding checks, etc. from the **previous bank reconciliation** to the current bank statement. Ensure that interest earned was posted to accounting records if applicable. Initial and date the statement indicating that you opened and reviewed the statement. (It is very important to get copies of cancelled checks, front and back, in your bank statements if possible.)
- (5) Obtain the Bank Statement after it has been initialed and reviewed as directed in Step 4. Perform the bank reconciliation. This should be done monthly.
- (6) The person who is **not** responsible for reconciling the bank should review the bank reconciliation. Trace the balance on the bank reconciliation to the general ledger. Make sufficient inquiries to understand reconciling items (i.e. Deposits-in-transit, bad checks, outstanding debits or credits, interest earned, large or unusual outstanding checks, etc.). Trace at least some of the reconciling items to underlying accounting records. Initial and date the reconciliation to indicate the review.

Clerk and Master
Internal Control Checklist
Investment Transactions

See Column Instructions Below													
Investment Purchases							Maturing Investments						
Investment Decision (1)	Write Check for Investment (2)	Sign Check/ Purchase Investment (3)	Inspect Investment and Record in Investment Ledger (4)	Post Investment to the Accounting Records (5)	Determine that the Transaction has been Properly Recorded (6)	Place Investment Document in a Secure Location (7)	Retrieve Investment Document (8)	Verify Investment Maturity with the Investment Ledger (9)	Investment Decision Redeem or Renew Investment (10)	Inspect Redemption/ Renewal Documents and Record in Investment Ledger (11)	Post Investment Maturity to the Accounting Records (12)	Determine that the Transaction has been Properly Recorded (13)	Place Investment Renewal Document in a Secure Location (14)
Clerk Treasurer	XX	XX		X	XX	X	XX	XX	XX	XX		XX	
Bookkeeper			XX	XX		XX	X	X	X	X	XX	X	XX
Payroll Administrator													X
Accounts Payable	X		X								X		
Utility Accountant	X		XX	X							X		X
Utility Manager	X	X	X	XX	XX	X	X	X	X	X	XX	X	XX
Utility Cashier													
Utility Billing													

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Investment Purchases -

- (1) The Official should make Investment decisions.
- (2) The Official should authorize the employee to issue a check for the amount of the Investment drawn on the appropriate bank
- (3) The Official should purchase the Investment.
- (4) The particulars (i.e. Date, Maturity, Amount, Bank, Interest Rate, etc.) should be recorded in an Investment Ledger (if applicable). The balance for Investments on the Investment Ledger should agree with the Investment balance on the General Ledger after procedure 5 has been performed
- (5) Record the Investment in the accounting records.
- (6) Determine that the Investment transaction has been correctly recorded in the Investment ledger and the general ledger. Determine that the Investment ledger and general ledger agree.
- (7) Place the Investment document in a secure location. (If the secure location is a lock-box, safe, locking file cabinet, etc., only two people should know the combination or have a key Placing or retrieving the Investment Document (in/from) the secure location should be witnessed by a second employee who does not have access to the secure location:

Maturing Investments -

- (8) Retrieve the Investment document from the secure location.
- (9) Present the maturing Investment to the appropriate Employee for verification of the maturity with the Investment ledger. Remove maturing Investment from the Investment ledger
- (10) Redeem or renew the Investment at the bank.
- (11) Remove the matured Investment from the Investment ledger balance. Record any new Investment. The particulars (i.e. Date, Maturity, Amount, Bank, Interest Rate, etc. should be recorded in the Investment ledger. The balance for Investments on the Investment Ledger should agree with the Investment balance on the General Ledger after procedure 12 has been performed.
- (12) Record the maturity and any renewal on the Accounting Records
- (13) Determine that the Investment transaction has been correctly recorded in the Investment ledger and the general ledger. Determine that the Investment ledger and general ledger agree.
- (14) Place the Investment document in a secure location.

Clerk and Master
Internal Control Checklist
Payroll Checks

See Column Instructions Below

Issuing Payroll Checks								
Collect Time-sheets. Calculate Hours and Leave	Approve Leave Balances and Time-sheets	Write Checks	Manual System	Determine that Payroll Deductions Clear out for each Payroll	Determine Amount of Payroll Tax Deposit	Approve and Make Payroll Tax Deposit	Signature Authority	Post Checks to Accounting Records
			Record the Checks in the Payroll Ledger				Verify Amt. Sign and Mail/Deliver Checks	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Legislative Body-Board of Works							XX	
Clerk Treasurer							XX	
Department Head	X	XX						
Department Clerk's	XX							
Bookkeeper		X	X	XX	X	X	X	XX
Payroll Administrator		XX	XX	X	XX	XX	X	X
Accounts Payable								
Utility Manager								X
Utility Accountant				X				XX
Utility Cashier								
Utility Billing								

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Issuing Payroll Checks -

- (1) Collect the time sheets and calculate hours and leave balances if applicable.
- (2) Sign the time sheets indicating approval of the hours presented and leave calculations if applicable.
- (3) Obtain the approved time sheets, calculate salaries and deductions, and physically issue checks for signature.
- (4) Record the Gross Pay, Payroll Deductions, and Net Pay in the Payroll Ledger if applicable.
- (5) Determine that all payroll deductions are paid to proper payee and that payroll deductions clear out for each payroll period.
- (6) Determine the amount of the Payroll Tax Deposit using the payroll ledger or other method.
- (7) Electronically make the payroll tax deposit.
- (8) Verify the amount and sign the payroll checks, mail other payroll deduction checks, and mail or deliver payroll checks to employees. (Blank checks should never be signed.)
(The Official should sign and mail/deliver checks except for brief periods when the official is absent. The Official should examine all checks issued during his/her absence.)
- (9) Record checks in the accounting system.

Clerk and Master
Internal Control Checklist
Journal Entries

See Column Instructions Below

Entering Journal Entries and Transfers			
Prepare and Document the Journal Entry	Approve Journal Entries	Post Journal Entries to Accounting Records	Review Accounting Records for Proper Posting
(1)	(2)	(3)	(4)

Legislative Bodies - UIB/BOW

		XX		
Clerk Treasurer	X	XX	X	XX
Bookkeeper	XX	X	XX	
Utility Manager	X	XX	XX	X
Utility Accountant	XX	X	X	

Column Instructions:

XX The Person indicated by the XX is the preferred person to perform the procedure.

Entering Journal Entries and Transfers -

(1)	Use a journal entry form to record debits and credits and to explain the transaction. Attach documentation as necessary.
(2)	Sign the journal entry form to indicate approval of the journal entry, the explanation, and the documentation.
(3)	Record the journal entry in the accounting system.
(4)	Review the accounting records to determine that the journal entry was properly recorded.

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Deposit Procedure
Policy:	8.15
Issue Date	June 6, 2016
Authorized by:	Department of Finance

I. POLICY

The City of New Castle follows all applicable federal, state and local laws regarding monetary receipts and accounting.

II. DEFINITIONS

Department Head - A Superintendent, Commissioner, Chief or Manager of a department of the local government of the City of New Castle, Indiana.

III. PROCEDURES

In order to insure that monies collected by the city are properly deposited with the Clerk Treasurer within 24 hours of receipt (excluding holidays and weekends) all monies collected by the various departments after 9AM the previous morning (business day) are to be deposited with the Clerk Treasurer no later than 9AM each business day. Any monies collected are to be kept secured in a safe or locked box in the department office until transferred to the Clerk Treasurer. Should the Department Head feel it necessary, (i.e., regular deposit time may not be achievable the next morning) the deposit to the Clerk Treasurer may be made earlier. If this is necessary, the Department Head or a designee shall cause the deposit to be delivered or contact the Clerk Treasurer's office to make alternate arrangements for transfer no later than 3:40PM. During the absence or unavailability of the Department Head, a designee shall be responsible for following this policy.

Notices

- These internal control procedures are intended to support and comply with the State Board of Accounts "Uniform Internal Control Standards for Indiana Political Subdivisions".
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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Travel Per Diem
Policy:	8.16
Issue Date	June 6, 2016
Authorized by:	Department of Finance

I. POLICY

The City of New Castle follows all applicable federal, state and local laws in insuring responsible and responsive fiscal control of spending. Provision is made for travel related expenses incurred while conducting City business or approved training. Per Diem reimbursement rates are established and claims approved by the Board of Public Works and Safety.

II. DEFINITIONS

Department Head - A Superintendent, Commissioner, Chief or Manager of a department of the local government of the City of New Castle, Indiana.

III. PROCEDURES

A. One Day Travel Limitation

If an employee's time actually worked at an off site location that is not in Henry County and the drive time to and from this location all in one day meet the following criteria, then the employee may claim the following per diem with an original receipt:

1. If the City related travel begins before 6:00 AM, the employee may claim a breakfast per diem up to the overnight rate divided by 4 which is \$7.00. This must be documented showing a departure and arrival time at the travel status work location.
2. If the employee is in travel status after 7:00 PM, the employee may claim a dinner per diem up to the overnight rate divided by two (2) which is \$14.00. This must be documented showing a departure and arrival time from the travel status work location and the normal work station location. (8 to 12 hours)
3. If the employee's drive time to an from an off site work station, and the time actually spent at the off site work station are greater than six (6) hours but less than eight (8) hours, the employee may claim a lunch per diem up to the overnight rate divided by four (4) which is \$7.00.
4. If a meal is provided, no claim shall be made. This includes but is not limited to meals included in registration fees or by hotels in the room charge. The City must not pay for a meal more than once. This does not include continental breakfasts or meals served on airplanes.

B. Overnight Travel

To claim lodging and/or subsistence allowance a properly prepared mileage claim (general form #101/1986) must be completed showing accurate record of travel status. This mileage form must be completed for all trips where disbursements for lodging and subsistence per diem allowance are being made, even if the trip is made in a department vehicle. Original receipts must accompany per diem claims.

1. Lodging – An employee in travel status may claim reimbursement for actual lodging expenses not exceeding the single occupancy room rate, including taxes, for over-night stays only. It is the traveler's responsibility to check out of accommodations in sufficient time to not be required to pay additional charges for late check-out. (Most credit card receipts will not qualify as a receipt by themselves, but they can be used as "Proof of Payment" if a lodging bill does not indicate it has been paid.
2. Subsistence Allowance for Overnight Travel – The City will pay a subsistence per diem allowance to an employee in travel status for the required length of time. The maximum allowable per diem is twenty-eight dollars (\$28.00).

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Travel Per Diem
Policy:	8.16
Issue Date	June 6, 2016
Authorized by:	Department of Finance

3. All claims for lodging and/or subsistence should have some form of itinerary showing a schedule of the business that requires the employee to be in travel status. This documentation must show the business and time of the off site location event and departure from that location when making claim for daily subsistence or any part thereof.
4. All travel, lodging and subsistence allowances must be authorized by the department head and have prior approval by the Board of Public Works and Safety.

C. Transportation

Pursuant to City Code 36.14, Ordinance #2619, #2737 as amended and Internal Revenue Code the following policy shall apply:

1. When the City travel is within the State or two hundred fifty (250) miles the preferred traveling method is first by City owned vehicle, and second by personal vehicle.
2. When the City travel is outside the state and greater than two hundred fifty (250) miles the preferred traveling methods rank as follows:
 - a. By commercial air
 - b. By city owned vehicle
 - c. By personal vehicle
3. Payment of mileage allowance for use of a personal vehicle will be for the lesser of the distance actually traveled, per odometer reading, or the distance between the destination and the work station, but in no case shall allowable mileage exceed the actual map mileage.
4. Personal automobile mileage rates shall be the amount allowed per mile by ordinance and Internal Revenue Code for the first 500 miles and ½ of the same amount per mile for those miles over 500 each way of the trip.
5. When two (32) or more employees are traveling to the same or general destination (using either a city-owned vehicle or a privately owned vehicle (the City requires that only one (1) vehicle be drive if it is administratively feasible.
6. A person in travel status may be reimbursed for the cost of parking and tolls when using either a personal or City vehicle, provided an original receipt is provided with the claim. A properly completed mileage claim for must be completed for disbursements to be made by the Clerk Treasurer.

Notices

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Procurement Policy
Policy:	8.17
Issue Date	June 6, 2016
Authorized by:	Department of Finance

I. POLICY

The City of New Castle follows all applicable federal, state and local laws regarding responsible and responsive fiscal control of purchasing.

II. DEFINITIONS

Department Head - A Superintendent, Commissioner, Chief or Manager of a department of the local government of the City of New Castle, Indiana.

III. PROCEDURES

A. Scope and Authority

The Mayor, City Council and Board of Public Works and Safety establish fiscal policies for the City of New Castle. The Board of Works shall approve the purchase of all professional services. The Director of Public Works is the general Purchasing Agent for the city of New Castle, as designated by the Mayor, with respect to the purchase of operating supplies and equipment. The Mayor may designate others to authorize certain purchases at his/her discretion.

The Mayor or his/her designated purchasing agent may make a special purchase when there exists, under emergency conditions, a threat to public health, welfare, or safety. Otherwise the following procedures are to be followed.

B. Purchase of Services

Requests to purchase services in excess of \$500 liability to the Department's annual budget or expenses shall be pre-approved by the Board of Public Works and Safety.

C. Purchase of Supplies

1. Small Purchases

Purchase requirements may not be artificially divided so as to constitute a small purchase. This section applies to the purchase of supplies or equipment needed to operate the department that is expected to be less than \$25,000 aggregated for the entire year. Any purchase that exceeds \$400 must be pre-approved by the general Purchasing Agent.

2. Purchases \$25,000 to \$75,000

This section applies if an annual aggregate purchase of a supply or equipment is expected to be between \$25,000 and \$75,000. The Purchasing Agent may make such purchase by inviting sealed quotes from at least three (3) persons known to deal in the lines or classes of supplies or equipment to be purchased. The Purchasing Agent shall mail or e-mail an invitation to quote to the persons described at least seven (7) days before the time fixed for receiving quotes. If the Purchasing

CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Procurement Policy
Policy:	8.17
Issue Date	June 6, 2016
Authorized by:	Department of Finance

Agent receives a satisfactory quote, he/she shall award a contract to the lowest responsible and responsive offer for each line or class offered. If the Purchasing Agent does not receive a quote from a responsible and responsive offeror, he/she may make a special purchase under IC 5-22-10-10.

3. Purchases over \$75,000

Any aggregate purchase of supplies or equipment expected to exceed \$75,000 for the year shall be made by acceptance of a formal bid, legally advertised to be accepted by the Board of Public Works and Safety pursuant to IC Chapter 5-22-7.

Notices

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CITY OF NEW CASTLE POLICY

Chapter:	Internal Controls
Subject:	Management COMP Time
Policy:	8.17
Issue Date	June 6, 2016
Authorized by:	Department of Finance

I. POLICY

The City of New Castle follows all applicable federal, state and local laws regarding management compensation and benefits.

II. DEFINITIONS

Department Head - A Superintendent, Commissioner, Chief or Manager of a department of the local government of the City of New Castle, Indiana.

III. PROCEDURES

A. Comp Time Limitation

Management, salaried, and Department Head staff of the City of New Castle are limited to no more than 16 hours of compensatory leave time accumulation unless otherwise authorized by the Mayor.

Notices

- These internal control procedures are intended to support and comply with the State Board of Accounts "Uniform Internal Control Standards for Indiana Political Subdivisions".
- In consideration of these practices, the objective should be on adherence and not on rationalizing ways and means for circumvention.
- Nothing in this document shall limit or supersede any applicable Federal, State or Local laws, statutes, bulletins, or regulations.