RESOLUTION NO. 16-2016

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF MAIDENCREEK, BERKS COUNTY, PENNSYLVANIA, ADOPTING THE FISCAL POLICY OF THE TOWNSHIP OF MAIDENCREEK.

BE IT RESOLVED by the Board of Supervisors of the Township of Maidencreek, Berks County, Pennsylvania, and it is hereby resolved by the authority of the same as follows:

WHEREAS, the Board of Supervisors desires to provide assurance that the fiscal objectives of the Township of Maidencreek will be achieved; and

WHEREAS, the Board of Supervisors desires to safeguard the Township of Maidencreek's assets by putting proper controls in place for accountability of public funds; and

WHEREAS, the Board of Supervisors desires that financial reporting internally, to the public, to the Commonwealth and to the Federal funding agencies be presented fairly and accurately in all material aspects.

NOW, THEREFORE, be it resolved by the Board of Supervisors of the Township of Maidencreek, Berks County, Pennsylvania and it is hereby resolved by the authority of the same as follows:

SECTION 1. That the Maidencreek Township Board of Supervisors hereby adopts the Maidencreek Township Fiscal Policy attached as Exhibit A.

SECTION 2. All resolutions or parts of resolutions inconsistent with this Resolution are hereby repealed insofar, but only insofar, as the same are inconsistent herewith.

SECTION 3. The effective date of this Resolution shall be the date that the same is signed by the Board of Supervisors.

RESOLVED AND ADOPTED by the Board of Supervisors of the Township of Maidencreek, Berks County, Pennsylvania, in lawful session duly assembled this 14th day of April, 2016.

Attest:

Joseph Rudderow III, Chairman

Claude Beaver, Vice Chairman

Diane Hollenbach
Secretary/Treasurer

David Franke

EXHIBIT A

Maidencreek Township
Fiscal Policy

The Township of Maidencreek has established this policy to provide assurance that the Fiscal objectives of the Township will be achieved, financial reporting will be accurate and that assets will be safeguarded.

Goals:

1. To record revenue properly in regard to amount, account and period.
2. To assure proper controls are in place for accountability of public funds.
3. To assure that expenditures are properly authorized, supported with accurate documentation, properly classified and recognized in the appropriate period.
4. To assure that required reporting internally, to the public, to the Commonwealth and to Federal funding agencies as well as any third parties are presented fairly, accurately and in all material aspects.

Annual Budget

An annual budget shall be established by fund. The budget shall be comprehensive and be in sufficient detail to provide insight into all of the financial obligations and operations of the township. By September 10th of each year, the township manager shall receive projected budgets for the subsequent year from department heads and shall review them with the supervisors in each Department.

After compiling the departments' information, the manager shall prepare a preliminary budget using prior year information and future year projections after gaining input from each member of the Board of Supervisors. The preliminary budget shall be presented to the Board of Supervisors for review and alteration by October 15th.

The rate of taxation for the proposed budget shall be set by resolution. The budget shall be properly advertised and adopted prior to December 31 of the year preceding the budget under consideration. The adopted tax resolution shall be affixed in the minute book of the Township of Maidencreek in its entirety. The budget shall be prepared in the form of a resolution and adopted prior to December 31 of the year preceding budget under consideration. The adopted budget shall be affixed in the official minute book of the Township of Maidencreek in its entirety.

Treasurer's reports that include balance sheets and a budget comparison of budgeted and actual revenue and expenses for each department in each fund shall be submitted to the Board each month.

Annual Audit

The Board of Supervisors shall annually retain the services of an independent CPA auditing firm with experience in accounting requirements for municipalities. Said firm shall conduct a comprehensive

audit which shall meet the requirements imposed by the Commonwealth of Pennsylvania. In addition, the manager shall assure that any additional audits as required for specific funding programs are conducted on a timely basis. At the conclusion of the audit, any journal entries recommended by the auditors shall be booked and documented.

General Ledger

The manager shall review journal entries regularly. Journal entries shall be logged with appropriate supporting documentation. All routine postings from payroll, accounts payable and accounts receivable shall be accomplished in a timely manner. When required by funding sources (State Liquid Fuels, Fire Tax, etc.), funds shall be deposited in separate accounts and interest shall be tracked and credited to the account.

Monthly bank statements will be opened by the receptionist. The secretary will compare the deposits to the bank statement. The bank statements will then be turned over to the treasurer to reconcile and file. During the reconciliation, the treasurer shall investigate returned checks, bank charges, check number sequence and checks outstanding over 90 days. All funds and bank accounts are to be reconciled prior to the regular Board of Supervisors' meeting.

Transfers

Electronic interfund transfers are to be completed in two steps. First, the treasurer shall prepare a memo establishing the actual fund transfer along with an attached analysis detailing the purpose of the transfer. Second the transfer shall be executed by the treasurer. Transfer analysis will be presented to the Board for signature with the monthly treasurer's report.

Cash Receipts/Revenue

The receptionist shall open all incoming mail and record receivables in a log book. Non-mail receivables shall be accepted by the receptionist and recorded in the log book. Checks shall be stamped for deposit only, cash shall have a cash receipt written and attached. A copy of the invoice or permit the money is received for shall be attached to the check or cash and given to the treasurer. The treasurer shall prepare deposits Tuesday and Friday and record the deposit in the QuickBooks system. Checks shall be copied before they are deposited. The deposit shall be compared to the log book by the receptionist prior to the treasurer taking it to the bank.

Cash Disbursement/Expenses

All disbursements except from petty cash are to be made by check. Checks are to be prenumbered, used in sequence and noted when not in sequence. Voided checks are to be marked VOID and maintained in a file. All checks are to be made payable to specified payees and never to "cash" except for the Petty Cash Fund.

The treasurer is responsible for petty cash. The maximum value of a petty cash reimbursement is $60. Any expense in excess of $60 shall be paid by check. Petty cash shall be maintained in a locked closet or drawer and all disbursement recorded in a manual receipt book. Receipts for payment shall be

presented to the treasurer who shall sign for all disbursements. Disbursements shall be entered into the QuickBooks system by the treasurer and Petty Cash shall be counted and reconciled by the receptionist periodically.

Accounts Payable

The Township manager shall authorize purchases of a discretionary nature. Receipts are required for all purchases. No purchase may be made for an account in excess of budgeted funds without the manager's approval. All checks shall have two signatures. Authorized signers are the Board of Supervisors and the manager. Signing blank checks is strictly prohibited. Blank checks shall be kept in a locked closet in the manager's office. Checks are to be prepared by the treasurer after approval of the monthly invoice list by the Board of Supervisors. This invoice list includes all prepared invoices, pre-paid invoices and manual checks. For repetitive invoices such as utilities, preprocessing approval is not required but these items shall be included on the monthly invoice list. The invoice list shall be organized by fund and list cumulative totals for all bills.

Invoices for processing shall be received in person, via mail, fax or email by the receptionist. The receptionist shall match invoices to purchase orders and/or delivery receipts. The treasurer upon receipt of matched invoice, shall code to the proper account, fund and department and enter into QuickBooks placing the invoice into the appropriate folder to await payment. Checks shall be run every Monday. When paid, the bottom third of the check shall be attached to the paid invoice(s) and the document filed.

Cash Management

The manager and Board of Supervisors shall have the authority to authorize transfers among and between various accounts. The manager shall analyze the cash need for the period and report to the Board of Supervisors the Township's ability to meet approved obligations. Should transfers be required, the treasurer shall prepare them as described in this document. Quarterly at the end of March, June, September, and December, the manager shall make projections of budget to actual for the year to present to the Board of Supervisors.

Payroll

Payroll is on a bi-weekly basis by a payroll service. The manager shall review, tally and approve each department's time cards. The receptionist shall enter the hours into the online payroll system. Once processed, the receptionist shall print checks and reports. The treasurer shall download the general ledger into QuickBooks and make the payroll tax entry into the same. The treasurer is responsible for ensuring the payroll transfer to the Payroll account is completed upon determination of the cash requirement.

Payroll tax returns and W-2s are to be prepared by the payroll company. The amount received by employees receiving 3rd party sick pay benefits(disability) shall be reported to the payroll company prior to the last payroll of the year.