

MINUTES
REGULAR MEETING
BOARD OF FINANCE
LISBON TOWN HALL
WEDNESDAY, SEPTEMBER 17, 2014
7:00 P.M.

1. Call to order

The regular meeting of the Board of Finance was called to order by Wayne Donaldson, Chairman, at 7:01 p.m.

MEMBERS PRESENT: Wayne Donaldson, Robert Dufort, Jim McCloud, Thomas Wakely
Alternate Frank Burzycki

MEMBERS ABSENT: Alternates: Dennis Duplice, Michael Zelasky

A motion was made by T. Wakely, seconded by J. McCloud, to have Frank Burzycki sit in for Dennis Duplice.

VOTE: UNANIMOUS MOTION CARRIED

2. Reading of Previous Minutes

A motion was made by F. Burzycki, seconded by J. McCloud, to approve the August 20, 2014 minutes as presented.

VOTE: UNANIMOUS MOTION CARRIED

3. Correspondence (not covered in an agenda item below)

1. C: Letter , Bill Plummer, ST CT OPM, from Thomas Sparkman, First Selectman, 9/16/14, Re: Corrective Action Plan (Reply)
2. Letter, Leonora J. Szruba, Chair., Commission on Aging, 9/11/14, Re: Bill Paying Procedures

4. Bills and action thereon - None

5. Chairman's Report

Mr. Donaldson reported that he has been in communication with Brady Tate (Shooting Stars) regarding the proposed ordinance for the Shooting Stars' revenue account.

6. Student Ambassadors - None Present

7. Monthly Statements

- a. Treasurer's Report as of July 31, 2014
 - b. BoE August 2013 & 2014 Financial Statement
 - c. General Government Profit & Loss Statement July through August 2014
- All of the reports were distributed for review. There were no questions or comments.

8. Public Comment - None

9. Old Business

a. Shooting Stars Special Revenue Account

After reviewing the proposed ordinance for the Shooting Stars Special Revenue account, a motion was made by R. Dufort, seconded by F. Burzycki, that the concept of the Shooting Stars ordinance be forwarded to the Selectmen with a recommendation that an ordinance is not required.

VOTE: YES F. Burzycki, R. Dufort, W. Donaldson, J. McCloud
No T. Wakely

MOTIONED CARRIED

TOWN OF LISBON
TAX RECONCILIATION PROCEDURES
Last Updated: 9/17/14

OBJECTIVE

Proper internal control requires a segregation of duties. One individual should not be responsible for all aspects of a transaction: authorization, record keeping, and custody of the assets (cash). Because of limited personnel in the Town, the tax collector and/or the tax collector's assistant(s) need to handle all aspects of the collection process.

The following system has been designed to provide a system of checks and balances on the tax collection process with the least amount of additional time, effort, and outside involvement possible.

PROCEDURES

Tax collector/Tax Clerk

Bi-annual reconciliation procedures

Prior to the tax bills being sent on July 1 (and supplemental on Jan. 1), the assessor and the tax collector should work together to balance the assessor's grand list to the tax collector's current year levy. A written reconciliation will be given to the first selectman to file in the tax reconciliation file. The balancing procedure will assure that the current year levy have printed and are being sent to the taxpayers.

Quarterly delinquent billing procedures

At the end of each quarter, prior to posting transaction for the next quarter, delinquent tax notices for all open bills with be printed, reviewed for completeness, and sent. These responsibilities will be alternated each quarter between the tax collector and the tax clerk. One quarter the tax collector will print the bill and the tax clerk will review the bill for completeness and send the bills. The next quarter the tax clerk will print the bills and the tax collector will review the bills for completeness and send the bills.

Once the procedures are completed, the tax collector and tax clerk will sign off on the tax collector reconciliation verification (see exhibit C).

TOWN OF LISBON
TAX RECONCILIATION PROCEDURES
(Continued)

Quarterly balancing procedures

At the end of each quarter, by the 15th of the next quarter, the tax collector will print a grant rate book balance report for the year to date. This report summarizes the activities of the tax collections by the list year (see a sample of this report as exhibit B). The tax collector will have this report balanced with the verified by other individuals involved in the tax collection process. The report and related verifications will be filed with the first selectman no later than 30 days after the period closes.

Assessor

Bi-annual reconciliation procedures

As noted under tax collector above, prior to the tax bills being sent on July 1 (and supplemental on Jan. 1), the assessor and the tax collector should work together to balance the assessor's grand list to the tax collector's current year levy.

Routine procedure

Lawful corrections include certificates of correction and other changes generated by the assessor. A copy of each of the changes will be numbered and filed in chronological order in the assessor's office.

Quarterly balancing procedures

At the end of each quarter, the assessor will be give the tax collector's grand list book balance report to agree the changes listed as lawful corrections to the file of changes in chronological order. Once agreed, the assessor will file a piece of colored paper on top of the lawful corrections at the cut off date. On this paper, it will list the net amount on increases and decreases for the year to date that have agreed with the tax collector's grand list book balance report (see exhibit B).

If the records do not agree, the tax collector will print an adjustment report from the computer listing all adjustments to the tax collector's computer. This report can be compared to the assessor's file adjustments in chronological order. Once agreed, the grand list book balance report should be printed, if necessary, before proceeding to the next step with the treasurer.

TOWN OF LISBON
TAX RECONCILIATION PROCEDURES
(Continued)

Once the records agree, the assessor will sign off on the tax collector reconciliation verification (see exhibit C).

Treasurer

Routine procedure

The tax collector posts transactions in batches to the computer. The tax collector will print a batch report from the computer to provide to the treasurer with the deposit. The tax collector will deposit these funds in a timely manner.

The treasurer will post the deposit to the Town's general ledger. For later reconciliation, if needed, the batch number will be noted as a memo in the general ledger files.

Quarterly balancing procedures

At the end of each quarter, the treasurer will be given the tax collector's grand rate book balance report to agree the taxes collected to the taxes collected as posted in the treasurer's cash receipts records.

If the records do not agree, the tax collector and treasurer will compare the batches posted to the computer to find the discrepancy. Once agreed, the grand rate book balance report should be reprinted, if necessary, before proceeding to the next step with the first selectman.

Once the records agree, the treasurer will sign off on the tax collector reconciliation verifications (see exhibit C).

First Selectman

Routine procedure

The first selectman will maintain a file called "tax reconciliation file". In this file will be filed the reconciliations of the grand list to the current year levy (prepared by the assessor and tax collector) and the quarterly grand rate book balance report and attached verifications.

TOWN OF LISBON
TAX RECONCILIATION PROCEDURES
(Continued)

Quarterly balancing procedures

The first selectman will verify: (1) the total amount transferred to suspense have been approved by the Board of Finance and will obtain a listing of these transfers to suspense to publish in the Town's annual report (2) the total amount reported as refunded agrees to the refunds recorded on the selectman's records and (3) the opening balances of the report agree to closing balances in the prior year reports.

If the records do not agree, the tax collector and first selectman will compare the postings to the computer to find the discrepancy. Once agreed, the grand rate book balance book should be reprinted, if necessary, before filing.

Once the records agree, the first selectman will sign off on the tax collector reconciliation verifications (see exhibit C). The first selectman should review the form to assure it has been fully completed and both the grand rate book balance report and tax collector reconciliation verifications should be filed in the tax reconciliation file.

TOWN OF LISBON
TAX RECONCILIATION PROCEDURES
(Continued)

Exhibit A

TOWN OF LISBON
DELINQUENT TAX NOTICE

Our records show that you are delinquent on the attached taxes as of _____. If These taxes cannot be paid in full, please call me at 376 – 4188 so that I may work with you to get these taxes paid. Taxes may be paid in person, by mail, or dropped in the mail slot located by the front door of the Town Hall.

Gail Izbicki, Tax Collector

EXHIBIT B

TOWN OF LISBON, CONNECTICUT
 GRAND RATE BOOK BALANCE REPORT
 For The Year Ended June 30, 1997

| Grand List | Taxes Receivable July 1, 1996 | Current Year Levy | Net Corrections | | Net Taxes | Collections During the Year | | | | | Refunds Issued | Suspense Transfers | Taxes Receivable June 30, 1997 |
|------------|-------------------------------|-------------------|-----------------|---------|-------------|-----------------------------|----------|---------|----------------|-------------|----------------|--------------------|--------------------------------|
| | | | Adds | Deducts | | Taxes | Interest | Liens | Suspense Taxes | Total | | | |
| 1995 | \$0 | \$2,412,801 | 0 | 0 | 2,412,703 | \$2,336,392 | \$12,000 | \$48 | \$0 | 2,348,440 | 0 | \$0 | 76,311 |
| 1994 | 82,464 | 0 | 376 | 0 | 82,840 | 45,378 | 10,472 | 1,104 | 0 | 56,954 | 0 | 0 | 37,462 |
| 1993 | 42,721 | 0 | 0 | 10 | 42,711 | 19,474 | 8,032 | 696 | 381 | 28,583 | 0 | 3,284 | 19,953 |
| 1992 | 33,886 | 0 | 0 | 0 | 33,886 | 14,575 | 7,058 | 384 | 873 | 22,890 | 0 | 0 | 19,311 |
| 1991 | 24,879 | 0 | 0 | 0 | 24,879 | 7,735 | 7,116 | 144 | 484 | 15,479 | 0 | 0 | 17,144 |
| 1990 | 14,646 | 0 | 0 | 0 | 14,646 | 6,235 | 4,006 | 144 | 173 | 10,558 | 0 | 0 | 8,411 |
| 1989 | 9,498 | 0 | 0 | 0 | 9,498 | 3,748 | 4,290 | 96 | 569 | 8,703 | 0 | 0 | 5,750 |
| 1988 | 7,151 | 0 | 0 | 0 | 7,151 | 5,887 | 7,317 | 144 | 789 | 14,137 | 0 | 0 | 1,264 |
| 1987 | 642 | 0 | 0 | 0 | 642 | 642 | 295 | 19 | 149 | 1,105 | 0 | 0 | 0 |
| 1986 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 703 | 703 | 0 | 0 | 0 |
| 1985 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 869 | 869 | 0 | 0 | 0 |
| 1984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 7 | 0 | 0 | 0 |
| 1983 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1982 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | \$215,887 | \$2,412,801 | \$376 | \$108 | \$2,628,956 | \$2,440,066 | \$60,586 | \$2,779 | \$4,997 | \$2,508,428 | \$0 | \$3,284 | \$185,606 |
| | #3 | #1 | #1 | #1 | #1 | | | | | #2 | | #3 | |

- #1 Include in assessor's verifications
 #2 Included in treasurer's verifications
 #3 Included in selectman's verifications

This is a sample of a report similar to that which the tax collector will be printing from the tax collector's computer monthly.

EXHIBIT C

**TOWN OF LISBON
TAX COLLECTOR RECONCILIATION
VERIFICATIONS**

For the period ended: _____

QUARTERLY PROCEDURES (Sept. 1, Dec. 1, Mar. 1, Jun. 1)

Tax Collector/Tax Clerk

Delinquent tax bills were printed by me _____ and these were reviewed for completeness and sent by me _____.

By: _____ Date: _____

By: _____ Date: _____

Assessor

I have reviewed the assessor adjustments posted to the tax collector's Grand Rate Book Balance Report and the net amount of adjustments, _____, agrees to my records.

By: _____ Date: _____

Treasurer

I have reviewed the total collections posted to the collector's Grant Rate Book Balance Report and the net amount of adjustments, _____, agrees to my records.

By: _____ Date: _____

First Selectman

The total amounts transferred to suspense, _____, has been approved by the Board of Finance and a copy given to the first selectman for publishing in the Town's annual report.

The total amounts reported as refunded, _____, agrees to the refunds recorded in the Selectman's records.

The opening balance on the report agree to the prior year closing balances.

By: _____ Date: _____

When completed, this should be filed and maintained by the First Selectman.

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b. Financial Plan

Mr. Donaldson reported that he has be advised that the Recreation Committee will be forwarding cost estimates.

c. Policy Manual

1. Tax Reconciliation Procedure

A motion was made by R. Dufort, seconded by T. Wakely, to approve the Tax Reconciliation Procedure.

VOTE: UNANIMOUS MOTION CARRIED

A policy for the cash receipt procedure for the Recreation Committee was distributed for review and action at the October meeting.

10. New Business

a. Selectmen's Requests - None

Mr. Sparkman advised that, due to the number and scope of projects involving engineering, expenses for the Town Engineer's services, will exceed the budgeted amount in that line item.

11. Agenda Planning - No Comments

12. Other Business - None

13. Public Comment - None

14. Adjournment

A motion was made by F. Burzycki, seconded by T. Wakely, to adjourn at 7:32 p.m.


Marlene Lepine, clerk

APPROVED: _____
Wayne Donaldson, Chairman

RECEIVED FOR RECORD AT LISBON
CT ON 09/18/14 AT 11:20am
ATTEST. LAURIE TIROCCHI, TOWN CLERK
