

**VILLAGE OF NEW BERLIN  
SANGAMON COUNTY, ILLINOIS**

**INTERNAL PAYMENT CONTROL POLICY**

*Adopted*

*Wednesday, October 20, 1999*

**MISSION STATEMENT**

The purpose of this policy is to establish a reasonable and workable policy to define the procedures for the processing of all payments for services provided to the Village of New Berlin (municipality). This policy is established so that all funds of the municipality are expensed and accounted for in a consistent and proper manner and that a “dual control” mechanism is in place.

**PURCHASE ORDERS**

All expenditures over \$10.01 will be initiated with a purchase order. Purchase orders are to be numbered and executed by the Mayor or his or her designate. Purchase orders for over \$500.00 must be approved for by the Board of Trustees prior to execution by the Mayor.

In emergency situations only, purchase orders for over \$500.00 and not previously approved for by the Board of Trustees must be executed by the Mayor and either the Village Clerk or one other Trustee. Purchase orders executed for emergency situations will be reported to the Board of Trustees at the next regularly scheduled meeting.

Routine re-curing bills, such as utility bills, need not be supported by a purchase order.

**INVOICE and CHECK PROCESSING**

All purchases presented for payment must be supported by an original invoice. Said invoices will be presented to the Board of Trustees for formal approval prior to payment.

Invoices approved for payment will be entered as an accounts payable by the Village Clerk or his or her designate and a check will be generated for payment within payment terms.

All checks for amounts of \$499.99 and less must be signed by Village Clerk and least one (1) of the following: the Mayor, Treasurer or the designated Board of Trustee.

All checks for amounts of \$500.00 and more must be signed by Village Clerk and least two (2) of the following: the Mayor, Treasurer or the designated Board of Trustee.

## **RECONCILEMENTS**

At least monthly, the Treasurer will reconcile and balance all accounts. All checks or drafts must be accounted for. Any and all discrepancies will be reported immediately to the Mayor and Village Clerk.

## **PETTY CASH FUND**

A Petty Cash Fund of \$50.00 has been established to handle payments for services rendered in amounts of \$10.00 or less.

Submission of payment from the Petty Cash Fund must be supported by an original invoice.

A report of petty cash activity will be reported to the Board of Trustees on a monthly basis.

## **EMPLOYEE PAYROLL PROCESSING**

Individuals employed by the municipality, either on a salaried or hourly basis, must submit a signed time card to the Village Clerk or his or her designate prior to processing and payment.

Payroll time cards will be processed by the Village Clerk or his or her designate and a payroll report will be presented to the Board of Trustees for payment approval at the next regularly scheduled Board of Trustees meeting.

Payroll checks will be processed twice a month on the 15<sup>th</sup> and the 30<sup>th</sup> of each month.

## **WIRE TRANSFERS**

All out going transfers of funds may be initiated by the Mayor or Village Clerk or his or her designate and processed through the customary invoice and check processing procedures noted above.

Wire instructions must be in writing and directed to and conducted through a commercial bank which is a member of either the Federal Reserve Bank of Chicago or the Federal Deposit Insurance Corporation (F.D.I.C.).

These written instructions must include the name of the payee, payee's bank, payee's bank ABA number, payee's account to be credited and invoice number.

All incoming wire transfers will be reported to the Village Clerk or Treasurer or their designates. All incoming funds will be deposited directly to the appropriate account.

Under no circumstances whatsoever will funds wired to the municipality be converted to cash.

Under no circumstances will municipal funds be converted to cash and be wired out of a municipal account.

### **TELEPHONE TRANSFERS**

Telephone transfers of municipal funds will not be permitted.

### **CONTROL OF COLLUSION**

In the event the Treasurer, in the process of performing his or her routine duties, and in conformance of this policy, determines verifiably that the Mayor, Village Clerk, a Board of Trustee or any other employee is or has engaged in an act of collusion; whereby municipal funds have been converted for private and non-public use, he or she will report the act immediately upon becoming aware of the act, in writing, at the next regularly scheduled Board of Trustees meeting.

### **SAFEKEEPING RECEIPTS**

The Treasurer will maintain a safekeeping receipt file in order to track securities pledged by financial institutions for funds on deposit in excess of FDIC or SIPC limits.

Safekeeping limits and receipts will be monitored on a monthly basis.

### **EXCEPTIONS**

Any exception to these procedures will be immediately presented to the Mayor in writing and reported to the Board of Trustees at the next regularly scheduled Village Board of Trustees meeting.

**ADOPTION AND REVIEW OF THE INTERNAL PAYMENT CONTROL  
POLICY**

The Internal Payment Control Policy shall be adopted by the Board of Trustees. The policy shall be reviewed on an annual basis by the Treasurer and any modifications made thereto must be approved by the Board of Trustees.

This policy initially approved and adopted October 20, 1999.

This policy reviewed and re-approved this 20th Day of September, 2000.

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Stephen R. Frank, Mayor

Attest:

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Marsha J. Sweet, Village Clerk