



TOWN POLICY

ADMINISTRATION POLICY:

Finance and Tax Procedure Policy

DEPARTMENT: Financial Administration

POLICY NUMBER: FA-014

APPROVAL:  APPROVED BY CAO
Jeff Shaw

EFFECTIVE DATE: January 10, 2017
SUPERSEDES: Policy #F-30-1
UP FOR REVIEW: December 16, 2021

Policy Statement:

A policy of the Town to govern the miscellaneous Finance and Tax Department transactions.

The purpose of this policy is to:

Provide direction for the miscellaneous Finance and Tax Department transactions throughout the year.

1) Annual/Accumulated Surplus

- (a) Given budget conventions, it is the Town's general practice to spend what has been budgeted in the calendar year. However, in the event that the Town realizes a surplus in any account, the surplus amount will be put into general operations unless otherwise allocated for reserves as per the Reserves Policy at the time.

2) Banking Access and Transfer of Funds.

- (a) At this time the Town contracts out a large portion of its financial duties, therefore, it is necessary to give banking access to the contracted party assigned to those duties. The contracted party will have access to view account and investment information but should not approve any transaction or request the transfer of funds. Upon the cessation of the contracted duties, access to the banking information will be revoked for that contracted party.
- (b) From time to time it is necessary to transfer money from one bank account to another or from an investment account to a general operating account or vice versa. When a transfer is needed, it must be approved by 2 signing authorities of the Town, one of which must be the CAO. Once the details are determined, the request can be completed by:
 - i. Submitting the request in writing to the banking/investment establishment with signatures from the CAO and 1 other person with signing authority, or
 - ii. Submitting two emails to the banking/investment establishment, from both the CAO and 1 other person with signing authority.





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3) Charitable Donation Receipts

- (a) If a person, group or organization makes a donation to the Town that qualifies as a Charitable Donation according to the Canada Revenue Agency (CRA), the Town may issue a Charitable Donation Receipt to the person, group or organization making the donation. This type of donation would include cash, goods or property.
- (b) For reference, the CRA says the following about Issuing Charitable Donation Receipts:
- i. A registered charity cannot issue receipts for the following:
 - For contributions of services provided to the charity (services do not qualify as gifts) on behalf of another organization or charity in a name other than the name of the true donor.
 - ii. A registered charity is not permitted to issue an official donation receipt for a gift of service. At law, a gift is a voluntary transfer of property. Gifts of services (donated time, skills or efforts) provided to a charity are not property, and therefore do not qualify as gifts for the purposes of issuing official donation receipts.

4) Service Charges

The Town only charges a service charge when a cheque or other form of payment is returned with insufficient funds. This includes NSF Tax Installment Pre-Payment (TIPP) payments. The rate of service charge is \$25.00.

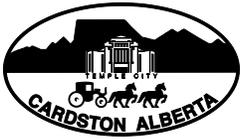
- (a) If a TIPP payment does not go through for a reason other than Insufficient Funds (i.e. Bank Error, Clerk Error), Administration may, at their discretion, waive or reduce the service charge.

5) Cancelling Taxes, Arrears or Penalties

The Town Council, under Section 347 of the Municipal Government Act (MGA), may cancel taxes or portions thereof upon application from the rate payer. For this, the following procedure is applied:

- (a) Following a written request by the ratepayer (owner of the property) to cancel arrears or penalties on taxes, the request is brought before Council.
- (b) Council must pass a resolution if the decision is to cancel any taxes, arrears or penalties.
- i. A payment schedule agreement may be entered into when penalties are waived.
- (c) Administration or a designate will notify the ratepayer of the decision of Council.
- (d) If the taxes, arrears or penalties are to be cancelled, the Taxation Clerk must make an adjustment to the property's tax levy in the receivables system to cancel the amount(s) as per the resolution.





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- i. For penalty adjustments, a copy of the adjustment receipt will be placed in the Tax Cash Posting binder for reference.
- ii. For tax or arrears adjustments, the Taxation Clerk must note the amounts written off with the date and resolution number on the Town copy of the tax notice. The Administrator must then initial the notation of changes.

6) Tax Installment Pre-Payment Plan (TIPP) Interest

It is beneficial to the Town to have steady revenue from the TIPP program throughout the whole year. To provide incentive for property owners to enroll in the TIPP program, the Town will set an interest rate each year that is attractive to the property owners as well as fiscally responsible for the Town. The following procedure should be followed:

- (a) In May/June of each year, the Tax Clerk will collect short-term interest rates from the local banks and also contact the City of Lethbridge to see what their TIPP interest rate has been set at. Upon receipt of this information, the Tax Clerk, in conjunction with the Finance Department, will submit a recommendation for the TIPP interest rate to Council to be approved by resolution.

7) Petty Cash Fund

The Town Office shall maintain a Petty Cash fund of \$500.00 to be kept in a locked cash box. Only the designated office clerks shall disburse petty cash from the cash box. At times of small purchases, this fund should be used.

If money is removed from the cash box to purchase something, the clerk obtaining the money must replace it with a note until the receipt for the purchase can be obtained. The note should include the following:

- (a) The date;
- (b) The name of the person taking the money;
- (c) The amount of the money taken;
- (d) What the money will be used for;
- (e) Initials of the clerk.

A receipt must be submitted immediately after the purchase. The clerk dispensing the petty cash should include the following information on the receipt:

- (a) The correct General Ledger (GL) account number
- (b) A description of the purchase (not needed if the receipt clearly shows what was purchased)





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- (c) Initials by both the dispensing clerk and the receiving employee for the amount being returned/reimbursed
- (d) If penny rounding occurred, indicate the actual amount returned/reimbursed
- (e) If petty cash was given prior to the purchase, the note that was written should be stapled to the receipt with the additional notation made of the change that was returned.

During the summer when the Swimming Pool is open, a float of \$100.00 will be disbursed from the Petty Cash Fund to the Pool, and will be returned at the end of the season.

A designated office clerk will balance and replenish the Petty Cash Fund from time to time as needed. If the Petty Cash is found short of funds of less than \$50 and no receipt can be found after sufficient due diligence, the amount will be written off at the end of the year and the fund will be replenished to equal \$500. If the amount is over \$50, Administration will look into the matter and appropriate action will be taken.

