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Financial Policies

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The purpose of the Financial Policies document is to set forth the requirements and expectations governing the financial and accounting records of Jericho Underhill Park District (JUPD). This will ensure accurate and reliable accounting records, ensure business continuity, and prevent or detect fraud or errors in financial reporting.

Accounts Payable Policy

The purpose of this policy is to ensure the security of JUPD funds and the conduct of business according to the principles of accountability, completeness, timeliness, accuracy and transparency. Guided by these principles, JUPD endeavors to make timely payment to vendors of verified and approved invoices in an efficient manner, and to maintain complete and accurate records of accounts payable.

This policy pertains to payments to vendors only. Accounts payable is a type of short-term debt, typically the amount owed by an organization to its suppliers or vendors for goods and services provided, for which payment is not made in advance. JUPD incurs obligations to suppliers and vendors for the purchase of goods and services used in the ordinary course of business.

The Treasurer is responsible for the auditing and processing of invoice payments for JUPD. The Treasurer performs the following duties associated with this objective:

1. invoice receipt and electronic payments,
2. monitoring vendor credits and previous payments to vendors,
3. handling payment inquiries from vendors,
4. oversight of document matching,
5. ensuring appropriate approvals,
6. processing payments, and
7. archiving documents and payment history.

Accounting Policy

The accounting practices of JUPD will conform to Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB). The treasurer will establish and maintain a system of simplified fund accounting and shall measure financial position and results of operations using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary and fiduciary funds.

Auditing Policy

Every year, JUPD must provide a financial audit report (“annual report” or “annual audit report”) to the voters. Until such time that JUPD is seeking bond approval, the audit will be performed by another member of the Board of Trustees (BoT) designated as the locally elected auditor. JUPD’s locally elected auditor is responsible for reviewing JUPD accounts and creating an audit report.

The Audit report required information is as follows:

- A detailed statement of the financial condition of JUPD for its fiscal year
- Summary of receipts and expenditures classified by budget category
- List of all outstanding payables which are more than 30 days past due
- Report of deficit, if one exists
- The conditions of all funds / reserves, including the receipts and disbursements for the preceding year

Backup of Accounting Files Policy

The Treasurer will ensure that there are timely and complete backup files maintained of the financial system. A copy of the backup must be stored off site.

Bank Accounts Policy

Operating Income and Expenses will be managed through the general operating checking account. The reserve accounts will be managed as a separate account, the money market account. The BoT will be advised of changes in bank accounts as part of the regular monthly meeting.

Budget Policy

Reference JUPD’s current [Budget Policy](#)

Capital Asset Policy

The purpose of this policy is to establish guidelines to ensure that accurate records of assets owned, purchased, replaced, sold and/or traded-in are maintained.

For a municipality, depreciable assets typically include buildings, bridges, equipment, and land improvements (landscaping), computer software.

JUPD Capitalization specifications

- Method - Straight-Line Depreciation will be used as it's a common method where the cost of the asset is evenly allocated over its useful life.
- Capitalization Thresholds have been recommended by General Finance Office Association (GFOA) such that all items which have a unit cost greater than five thousand dollars (\$5,000) and a minimum useful life of at least two years. Items purchased with a value or cost less than Five thousand dollars (\$5,000) will be expensed in the period purchased.

Capital Improvement Planning Policy

The purpose of this policy is to establish a capital improvement plan (CIP) for JUPD. The capital assets of JUPD and their condition are critical to the quality of services provided to the municipality.

- A CIP is a five-year financial plan for the construction or acquisition of capital assets. It provides for the planning of future financial resources and financing of projects (including allocations from current operating budgets, funding of capital reserves, or the use of capital debt).
- A CIP also identifies the future financial resources required to operate and maintain capital assets once they have been acquired.
- Through a CIP, JUPD can plan future operating budget expenditures, debt repayment requirements, and potential reserve fund needs in order to better manage its long-term financial position.

The BoT will adopt a five-year CIP. This plan will include JUPD's plan of capital and major maintenance projects proposed to be undertaken during each of the following five years, the estimated cost of those projects, and the proposed method of financing. The BoT will review and update the CIP annually.

Stewardship projects and/or capital assets will receive a higher priority if they meet some or most of the following criteria:

1. The project or asset meets a policy goal or fulfills a strategic objective of the BoT.
2. The project or asset is required under a state or federal mandate, law, or regulation.
3. The project or asset will mitigate or eliminate a known safety hazard.
4. The project or asset will maintain and improve the delivery of public services to the majority of the population.
5. The project or asset will improve the quality of existing infrastructure.
6. State or federal grant funds are available to assist in funding a for project.

Stewardship projects vs/ Regular maintenance defined

1. Stewardship / Large Maintenance Projects: new / improvements to a structure or property to prolong its life, increase its value, or enhance its capabilities. They can be single or multi-year projects. Projects in this group can include asset upgrades and large-scale maintenance work.

2. Capital program a plan for capital expenditures that extends typically five to ten years beyond the capital budget.
3. Annual maintenance: expenditures to support every day upkeep of the park and its facilities. Funds are allocated from the operating budget within the current fiscal year to support expenses in the following areas: Buildings & Structures, Fields, Grounds, Park & Drive, Pond, and Trails. Each area's line item is less than \$5,000 and typically supports multiple maintenance activities. Larger annual maintenance activity is managed under Stewardship / Large Maintenance Projects.

Cash Receipts Policy

The purpose of this policy is to establish proper management practices over cash, checks, and other receipts in order to instill public confidence in JUPD operations and to provide accurate, reliable, and timely information upon which financial decisions can be made.

All members of the BoT are authorized to receive funds on behalf of JUPD. Internal controls are documented in the Separation of Duties for Financials section of the JUPD Financial Procedures document.

All checks, money orders, and credit card payments, regardless of function, must be made payable to "Jericho Underhill Park District", "JUPD" or "Mills Riverside Park".

No instruments may be made payable to a BoT member.

Safeguarding funds prior to deposit at the bank / with the treasurer is the responsibility of authorized personnel receiving the funds. All coins, currency, checks, credit card information, and money orders must be retained in a secure place until deposited in accordance with the section below.

Funds collected by authorized persons must be deposited at the bank / with the treasurer within 3 business days accompanied by a bank issued deposit slip. Monthly the treasurer will create a list of deposits that have been verified through the bank statement. Any discrepancies shall be reported.

Cash / In-Kind Donations Policy

The purpose of this policy is to ensure the safe and transparent handling of cash given to the JUPD. A multi-party cash-handling policy protects individuals and the organization itself, and ensures transparency to the public. The BoT encourages and requests cash/check donations from Park Visitors to support daily operations, maintenance and capital improvements. Any income from these sources will be considered General Fund Income unless such income comes with restrictions that state otherwise. Any restrictions must be compatible with the mission of JUPD.

Debit Card Policy

The purpose of this policy is to provide security around the use of JUPD's Debit Card. By their nature, debit cards provide the opportunity for unauthorized purchases and fraudulent activity.

The BoT will determine which board members will be authorized to use the debit card. Debit cards issued under this policy can only be used by the authorized user for JUPD business. The authorized user is responsible for the card's protection and custody and shall take immediate action to notify the credit card company and the BoT if a card is lost or stolen.

Debt Management Policy

The BoT and JUPD will make every attempt to avoid the need for short-term debt to meet financial obligations. However, if there is a need for short-term debt due to temporary cash flow shortages, the BoT can approve short-term debt.

Reference JUPD's [Debt Management Policy](#)

Financial Procedures Policy

The purpose of this policy is to ensure accounting records are accurate and reliable in order to safeguard JUPD assets and ensure consistent record keeping with assign responsibilities.

The Treasurer will review procedures annually with the BoT to maintain relevancy. This review can be staggered through the year.

Financial Reporting Policy

The Treasurer will prepare monthly financial reports for the BoT's management purposes. These will consist of:

- Budget Report showing revenues collected and appropriations expended for the previous month with the variance from the budget amounts for each line item;
- Statement of Revenue, Expenditures, and Changes in Fund Balance showing revenues and expenditures and the difference between the two, the beginning fund balance for the period, the ending fund balance; and Balance Sheet showing JUPD's assets less liabilities and the fund balance.

The treasurer will also prepare an annual financial report. This report will include financial statements as documented above, as well as appropriate additional disclosures as necessary for the complete understanding of the financial statements presented. In addition, the report will include a narrative discussion to explain how JUPD's current financial position and results of

financial activities compare with those of the prior year and with budgeted amounts. This report, together with the most recent auditor's report will be available at the annual meeting.

Fraud Prevention Policy

The purpose of this policy is to provide a mechanism to bring to the attention of the BoT any complaints regarding the integrity of JUPD's internal financial controls or the accuracy or completeness of financial or other information used in or related to JUPD's financial statements and reports. BoT shall not be discharged, demoted, suspended, threatened, harassed, or discriminated against in any manner for raising reasonable questions concerning the fair presentation of JUPD financial statements in accordance with this policy.

Reports of irregularity - Anyone who has a complaint regarding the integrity of JUPD's internal financial controls or the accuracy or completeness of financial or other information used in or related to JUPD's financial statements and reports, or who observes any questionable accounting practices, should report such complaint to any 2 members of the BoT.

Investigation - Upon receiving such a report, the BoT shall investigate the issues identified in the report. At the conclusion of the investigation, the BoT shall prepare a written response to the report, which shall be a public document.

Reference JUPD's [Code Of Ethics Policy](#) & [Conflict Of Interest Policy](#).

Purchasing Policy

The Purpose of this policy is to obtain the highest quality goods and services for JUPD at the lowest possible price, to exercise financial control over the purchasing process, to clearly define authority for the purchasing function, to allow fair and equal opportunity among qualified suppliers, and to provide for increased public confidence in the procedures followed in public purchasing.

Reference JUPD [Purchasing Policy](#).

Reserve Funds Policy

The purpose of this policy is to provide for sufficient funds to be maintained by JUPD for unanticipated expenditures and revenue shortfalls during the course of the fiscal year as may be caused by economic downturns, natural disasters, and other unforeseen circumstances and for support of capital expenditures.

In conjunction with JUPD's debt management policy, the BoT shall annually propose funding of reserve funds created in accordance with 24 V.S.A. § 2804 to accumulate resources to pay for any of the capital expenditures included in the CIP. The use of such reserve funds should minimize large fluctuations in town assessment rates and will reduce the need for incurring additional debt. Other capital improvements may be funded by bond issue or through the operating budget.

Reference JUPD's policy on [Reserve funds](#).

Separation Of Duties Policy

The purpose of this policy focuses around separating duties involves assigning responsibilities to employees in a manner that reduces risk of fraud or error occurring or going undetected. When incompatible over-lapping duties are unavoidable, you must rely on controls that compensate for the risks and that include adequate monitoring and managerial oversight. Well-designed controls not only help prevent fraud or theft, but also make it easier to catch mistakes and to hold staff accountable should loss or errors occur.

No one person shall control all key aspects of a transaction. One person shall not receive cash, record the transaction in the accounting records, make bank deposits, prepare and disburse checks and perform the cash reconciliations.

The Treasurer and Chairperson will document and maintain appropriate separation of duties.

Board Of Trustees Approval Statement

Policies are hereby adopted by the Board of Trustees and the Treasurer of the Jericho Underhill Park District, this 21st day of May 2025 and is effective as of this date until amended or repealed.

Donna Pratt

Wendy B. Williams

Paula Ann O'Neil

Mark S.

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