



# Planning and Zoning Cash Receipts Review

**TOWN OF TRUMBULL, CT**

August 2, 2019  
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Mrs. Elaine Hammers, Chairperson  
Town of Trumbull Board of Finance  
5866 Main Street  
Trumbull, CT. 06611

Dear Mrs. Hammers,

I respectfully submit the enclosed report entitled Planning and Zoning - Cash Receipts Review.

The objectives of this audit were to ensure:

- Revenue collection and cash handling processes were documented for each of the Department's revenue streams. These processes were reviewed for efficiency and for the existence and appropriateness of internal controls, to include:
  - adherence to cash handling policy and procedures
  - segregation of duties exists regarding cash handling procedures
  - adequate safety and security of town personnel in possession of cash
- Any prior audit recommendations were reviewed to ensure that they were appropriately and permanently addressed and that the solutions implemented did not create other issues.

I would like to thank Doug Wenz, P&Z Zoning Enforcement Officer and Rob Librandi, Land Use Planner for their assistance, as well as the Finance Department for their assistance in the completion of this report.

Respectfully submitted,

Therese Keegan  
Financial/Accounting Controls Analyst

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## **Overview**

Recent Annual Audit Plans have included cash receipts reviews for 2 – 3 departments each year. We have thus far completed Tashua Knolls, Parks and Recreation, Tax Collector, Building Department and Town Clerk. This month we review Planning & Zoning.

The Economic and Community Development Department is charged with managing the economic and community development process and activities of the Town. The Economic and Community Development Director is appointed by the First Selectman. The Director supervises Planning & Zoning, the Building Department and the Fire Marshall's office.

Planning & Zoning employs a full-time Land Use Planner, a full-time Zoning Enforcement Officer, one full-time Administrative Assistant and one part-time Administrative Assistant (shared with Economic Development).

Planning & Zoning responsibilities include:

- Staff support to the Planning & Zoning Commission and the Zoning Board of Appeals,
- Planning & Zoning acts as the liaison between the land use boards and the public, including developers and land use attorneys,
- Compliance with local and state regulations for handling applications to the Land Use Commissions and providing due notice and summary of public hearings,
- The Director of Planning & Development provides professional insights as to the merits of special permit and variance applications, as requested by the Commissions,
- Under the direction of the Planning & Zoning Commission, the Director undertakes special planning study assignments and regulatory rewrites, occasionally with assistance from a third-party consultant,
- The Zoning Enforcement Officer pursues blight and zoning infractions,
- Both the Director and the Zoning Enforcement Officer review several hundred building permit applications each year through the lens of the local zoning code, for both residential and commercial construction projects.

Trumbull is a member of the Metropolitan Regional Council (METROCOG) established in 1960. It is the regional planning body composed of representatives from the Towns of Bridgeport, Easton, Fairfield, Stratford, Monroe and Trumbull. Trumbull has been part of the METROCOG since the agency's inception.

## **Prior Internal Audit comments**

None located

## **Cash Receipts**

Planning & Zoning income is derived from blight lien satisfactions, and application fees, which are detailed in the Appendix. Historical budget/actual revenue is as follows:

Year	Budget	Actual
2020	56,000	-
2019	56,000	123,858
2018	45,000	55,024
2017	45,000	42,707
2016	45,000	41,065
2015	25,000	50,155

Deposited funds also include amounts required for bonding (Findings #3 and #4), as well as filing, copying and recording fees.

### **Findings & Recommendations**

**Finding #1:** 23 deposits totaling \$129,890 were posted during the year ended 6/30/19.

For the 6 months ended 6/30/19 Planning & Zoning prepared thirteen deposits totaling \$90,251. These deposits for the six months ended 6/30/19 were reviewed for traceability, timeliness and accuracy of posting to Munis:

- 9 of the 13 deposits included \$3,219 of funds that were held longer than the Cash Policy one-week deposit cutoff,
- In 10 instances \$8,225 of funds in excess of \$500 were not deposited within one business day per Policy; one was not deposited for 11 days,
- Deposit detail was not in the file for the two February deposits, in the amounts of \$460 and \$1,260,
- In 8 instances no receipt was filed with the deposit detail,
- In one instance the receipt did not match the check amount; however, the deposit was made correctly,
- In 2 instances no check copy was filed with the deposit detail.

**Recommendation:** The Cash Policy was previously provided to and reviewed with the Department, but will once again be reviewed with Department personnel. The Town’s Cash Receipts Policy is included in the Appendix. The Department should use this Policy as a basis to prepare written procedures, which ensure operational consistency and can also be used for training purposes.

The Department is in the process of hiring a permanent Administrative Assistant. Once on board, the Cash Policy will be reviewed with the new employee.

**Planning & Zoning Response:** Agree; in process of hiring a new P&Z clerk who will manage the finances following Audit recommendations and Cash Policy. Department will monitor activity.

**Finding #2:** On 7/19 auditor conducted a surprise count of cash and checks on hand. \$3.50 in cash was in the drawer. The last deposit, taken to the bank on 7/18/19, was comprised of the following receipts:

Receipt #	Received	Amount
Unnumbered	7/8/19	200.00
Unnumbered	7/10/19	200.00
150823	7/11/19	200.00
Unnumbered	7/12/19	200.00
Unnumbered	7/15/19	200.00
181947	7/17/19	200.00
573728	7/17/19	460.00
573732	7/17/19	200.00
573735	7/17/19	200.00
Unnumbered	7/17/19	200.00
Unnumbered	7/17/19	460.00
		<u>2,720.00</u>

Two receipts totaling \$400 missed the one-week cutoff for deposit requirements. Per the Town’s Cash Handling policy deposits should be taken to the bank:

- Within one business day of receipt when the receipts total more than \$500.
- Receipts of lesser amounts may be held until they equal \$500 but not for more than 7 calendar days.

Three sets of receipts are being used, some pre-numbered, some without numbering. The purpose of numbering is to ensure all funds receipted are deposited. The Department should decide which format of numbered receipts they wish to utilize and discontinue use of the other forms.

**Recommendation:** Department personnel must be vigilant regarding cash on hand and deposit requirements. Funds should be deposited no less frequently than weekly, regardless of amount. Deposit preparation should be routinely monitored by P&Z supervisory personnel.

**Planning & Zoning Response:** Agree; in process of hiring a new P&Z clerk who will manage the finances following Audit recommendations and Cash Policy. Department will monitor activity.

**Finding #3:** Bonding accounts - at times a development is approved but additional work is required. The applicant provides an estimate of the cost to complete, the Town verifies reasonability, and that amount is held by the Town in a separate account until the work is done. Once inspected, the bond amount is returned to the applicant. If the work is not completed, the Town authorizes a vendor to complete, and uses the bond held to pay for the work. Examples are paving, stripes, landscaping, drainage, etc.

Finance reconciles the bonding account on a monthly basis. An aging was performed of the \$144,440 of bonds held by the Town as of June 30, 2019; some of these funds date as far back as March 2000. Each amount should be reviewed to determine status.

Received	Balance
3/20/2000	19,167.42
3/2/2001	4,746.29
8/28/2001	5,902.37
12/28/2001	4,588.38
3/15/2002	23,409.81
9/6/2002	1,164.35
9/6/2002	1,164.35
9/6/2002	1,164.35
8/6/2003	1,028.81
9/22/2003	581.95
3/14/2005	22,662.80
7/26/2005	1,537.55
8/1/2006	6,440.95
8/1/2008	2,518.38
7/26/2010	1,003.83
8/23/2010	1,915.15
2/28/2018	40,041.91
2/7/2019	5,401.61
	<u>144,440.26</u>

**Recommendation:** Finance provides a monthly balance and activity report. This report should be sent to P&Z for review and follow-up. If work was completed by applicant, bond proceeds should be returned to applicant. If work was completed by Town, vendor should be paid and balance should be released.

As a separate issue, neither Finance nor P&Z can provide a definitive answer as to whether excess funds should be released to the Town or to the Applicant. Planning & Zoning should immediately seek written guidance.

**Planning & Zoning Response:** Now that P&Z is aware of these balances we will review all balances. We will seek guidance on release protocol and take the appropriate actions to support the remaining balance. On a monthly basis, we will review the reconciliation prepared by Finance.

**Finding #4:** Special Revenue Accounts – the Department has one special revenue account with a current balance of \$4,938.42. Per Finance, this account is used when the Town has to call the bond and finish the work. The If the balance is determined to be accurate, the balance would represent funds in excess of what was needed to complete the work required.

The last transaction posted to the account was dated 8/22/12. Looking at the bonding account in conjunction with this account, we potentially see some processes and procedures have been ignored.

**Recommendation:** This account should be immediately reconciled. Excess funds should be released. As with Finding #3, Planning & Zoning needs to seek written confirmation as to whether the excess funds should be released to the Town’s general fund or to the applicant.

The Department should work with Finance to document appropriate use of both the bonding account (Finding #3) and the Special Revenue Account. Procedures, Roles & Responsibilities should be agreed upon and documented, and associated employees should be trained to comply.

**Planning & Zoning Response:** Planning & Zoning will work with Finance to reconcile this account. We will seek guidance on release protocol and take the appropriate actions to support the remaining balance. Together with Finance we will determine and document an appropriate process.



# Appendix



PLANNING AND ZONING COMMISSION  
FEE SCHEDULE

SPECIAL PERMIT/SITE PLAN:

NEW CONSTRUCTION .....	560.00*
<b>OTHER.....</b>	<b>360.00*</b>
MULTI-UNIT RESIDENTIAL:	
<b>EACH UNIT.....</b>	<b>160.00*</b>
<b>MINIMUM.....</b>	<b>1,060.00*</b>
IN-LAW/ACCESSORY APARTMENTS.....	260.00*
TELECOMMUNICATIONS.....	1,560.00*
MINOR DEVIATION BY RESOLUTION OF THE COMMISSION.....	160.00
HOLIDAY DECORATIONS (NON-PROFIT ORGANIZATIONS).....	30.00
HOLIDAY DECORATIONS (BUSINESS/COMMERCIAL & INDUSTRIAL) ....	360.00*
PRE APPLICATION/PRELIMINARY REVIEW.....	100.00
<b>EXTENSION OF TIME .....</b>	<b>100.00</b>

ZONE CHANGE:

<b>AMENDMENT.....</b>	<b>460.00*</b>
<b>BOUNDARY.....</b>	<b>460.00*</b>

SUBDIVISION:

MINIMUM (1-5 LOTS) .....	560.00*
MINIMUM (6-10 LOTS) .....	1,060.00*
EACH LOT (OVER 10 LOTS).....	160.00*
<b>LOT LINE REVISIONS.....</b>	<b>180.00</b>
FIRST CUT DIVISIONS OF LAND.....	180.00

INSPECTION FEE-5% OF ESTIMATED IMPROVEMENT COSTS

<b>LIQUOR LOCATION.....</b>	<b>460.00*</b>
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<b>ZONING REGULATIONS.....</b>	<b>30.00</b>
<b>SUBDIVISION REGULATIONS.....</b>	<b>15.00</b>

\*STATE SURCHARGE OF \$60.00 HAS BEEN ADDED  
 Revised: H/01/11

## **Town of Trumbull Cash Receipt Processes**

### **2.1 Receipts Prepared by Department Personnel**

**2.1.1.** Each Department is responsible for completing all steps from collection to recording and review in MUNIS. Steps include completion of the Report of Collections and logging, depositing, coding, approving and reviewing postings of the Department's receipts. (Appendix B)

**2.1.2.** Each Department must maintain a manual or electronic log of receipts. This record of all receipts must be created at the time of receipt. At a minimum, the log is to include the following information:

- Date
- Receipt number
- Department identifier; for example, permit number, if applicable
- Payee
- Amount
- Method of payment; cash, check, credit card
- If check, record number

**2.1.3.** All checks must be immediately restrictively endorsed with a rubber stamp "For Deposit Only" and the collecting department's identification.

**2.1.4.** Department personnel are responsible for preparing a Report of Collections for each deposit. The appropriate general ledger account numbers are to be included on the Report of Collections. The Report of Collections should also include any appropriate descriptions, dates or other identifiers to be input into the MUNIS system.

**2.1.5.** Department Manager shall review log, receipts, Report of Collection and deposit slip, and approve via signature prior to deposit to bank.

**2.1.6.** Departmental personnel are responsible for depositing cash receipts and obtaining a copy of the deposit slip that has been validated by the depositing bank.

**2.1.7.** All receipts shall be deposited as follows:

**2.1.7.1.** Within one business day of receipt when the receipts total more than \$500.

**2.1.7.2.** Receipts of lesser amounts may be held until they equal \$500 but not for more than 7 calendar days.

**2.1.7.3.** Any receipts held by departments overnight must be adequately secured, in a locked, restricted location.

**2.1.8.** A copy of the deposit slip and the associated checks should be maintained by the Department in accordance with record retention guidelines.

**2.1.9.** An additional copy of the validated deposit slip, the Report of Collections and any other relevant documentation must be forwarded to the Finance Department in a timely manner.

**2.1.10.** Each department is expected to review revenue postings to MUNIS and report discrepancies to the Finance Department.

## **2.2. Accounting and Control**

**2.2.1.** At mid-month and at month end the Finance Department compares on-line bank activity (for those accounts with this feature) with validated deposit slips and related documentation. Any discrepancies should be noted and resolved.

**2.2.2.** The Finance Department records deposits as received in an excel worksheet. Entries generated from the worksheet are posted to MUNIS mid-month and again at month end.

**2.2.3.** Finance identifies any returned check that the bank does not provide information for. Checks returned by the bank with information will be forwarded to the originating department for resolution.

## **Report of Collections**

Department personnel are responsible for preparing a Report of Collections for each deposit. The appropriate general ledger account numbers are to be included on the Report of Collections. The Report of Collections should also include any appropriate descriptions, dates or other identifiers to be input into the MUNIS system. (See Section 2.1)