Internal Controls for the Town of Grand Isle
June 29, 2026
Reviewed annually

The Town recognizes the need for good internal controls to ensure that public funds are administered and spent in compliance with applicable statutes; that funds are used for the purposes for which they were authorized and intended; and that financial statements accurately present the operating results of the organization.

There are five elements of internal control:
-Control environment
-Risk assessment
-Control activities
-Information and communication
-Monitoring

The relative strength of the Town's internal control depends in large part on the actions of management and how well individuals understand their responsibilities and how they relate to internal controls. Internal controls need to be communicated, and employees need to be trained and educated for them to be most effective.

Control Environment
Management's attitude, actions and values set the tone of the organization. Internal controls are likely to function well if management believes that those controls are important and communicates that view to employees at all levels. Management shows a positive attitude towards internal controls by such action as complying with their own policies and procedures and discussing internal controls at management and staff meetings. Although it is important to establish and implement policies and procedures, it is equally important to follow them.

Management's philosophy and operating style affect the way the Town is managed. They determine, for example, whether the organization functions informally with verbal instructions or formally with written policies and procedures. They also define whether the Town is conservative or aggressive in its response to risks. To be successful, the Town's internal controls must be aligned with management's philosophy.

Management regards the accounting function as a means of monitoring and exercising control over the Town's various activities and sets the tone that high-quality and transparent financial reporting is expected. A disciplined, objective process, including discussions with staff, boards, and external auditors, is used in selecting accounting principles and developing estimates. Management also uses this process to assess internal controls and correct any known weaknesses in internal controls on a timely basis. Staff meetings and fraud risk assessments are used to regularly educate and communicate to management and employees the importance of internal controls and to raise their level of understanding of existing controls and any changes that have been implemented.

The Town is committed to competence in the requirements of jobs and in translating those requirements into knowledge and skills. Employees of the Town have the competence and training necessary for their assigned level of responsibility. Before hiring new employees, the Town evaluates job descriptions and compares potential employees' knowledge, skills, abilities, and credentials before making hiring decisions, especially for key positions.

Human resource policies and procedures send messages to employees regarding expected levels of integrity, ethical behavior, and competence. The Town has formal procedures for the hiring of employees. Recruiting practices include in-depth employment interviews that provide applicants with information on the history, culture, and operating style of the Town. Reference and background checks are performed and drug testing and physicals for DOT positions. An employee manual educates employees on human resource policies and procedures. These handbooks are updated regularly to provide employees with the most up to date information and are used in conjunction with ongoing training for employees. Employees can request an exit interview upon leaving the Town's employment.

Risk Assessment

Risk assessment is an ongoing process of identifying and analyzing the business risks that could affect management's objectives. For financial reporting, this means preparing reliable financial statements in accordance with generally accepted accounting principles. In assessing risk, the Town considers prior experience, regulatory requirements, staffing, and the significance and complexity of each activity. Based on this assessment, the Town has implemented controls to support continuous risk evaluation.

The Selectboard and management evaluate risk through the planning process, at board meetings, and in day-to-day operations. As part of this process, they consider the potential for fraud in several high-risk areas:

- Revenue recognition
- Management override
- Accounting estimates
- Nonstandard journal entries

When assessing these areas, management considers incentives, pressures, attitudes, rationalizations, and opportunities for fraud, and it implements appropriate control activities to reduce those risks. The Town uses a fraud risk assessment to track identified risk factors. When risks are identified, existing controls are reviewed to confirm that appropriate actions have been taken.

Cross Training/Succession Planning
Management has discussed succession planning in the event of an unplanned employee resignation or emergency. To continue providing services and information necessary for the functioning of the Town, all duties and procedures can be carried out by a backup employee. The exception is the Treasurer's duties as there is no one currently on staff that can create journal entries and other accounting reports.

Information and Communication
The Town identifies, captures, and communicates necessary information in a form and timeframe that enables employees to carry out their responsibilities effectively. Management has established controls and expectations to support this process. All personnel, especially those involved in financial reporting, are expected to take internal control responsibilities seriously and are provided with the information needed to perform their duties.

Information relevant to financial reporting is identified, captured, processed, and distributed in accordance with the Town's control processes to support accurate financial reporting. The chart of accounts is structured to maintain accountability and report key items, including permanently restricted, temporarily restricted, and unrestricted resources, as well as revenues and expenditures by fund. Financial statement data and supporting records are maintained completely, accurately, and on a timely basis. Department heads and the Selectboard receive detailed monthly information to review and analyze financial results.

Monitoring
Monitoring assesses the quality of the internal control system over time. The Town monitors internal controls through supervisory activities and reconciliations. Independent auditors annually recommend improvements and report any deficiencies identified during fieldwork. Management reviews input from employees and external auditors and takes appropriate action to address potential control issues.

This document must be updated annually after completion of the external audit. A meeting must be scheduled each year no later than April 15. At that meeting, the Treasurer, designated Selectboard member(s), and other department heads will complete a fraud risk assessment. After the assessment is complete, the Treasurer and Selectboard will address any internal control issues identified and revise this document as needed. The Selectboard will review the final document, and the Selectboard Chair will sign it.

Control Activities
Control activities are the policies and procedures that ensure necessary actions are taken to mitigate risks. A policy establishes what should be done whereas procedures are action by people to implement stated policies. Management performs a wide range of control activities including but not limited to top level review, authorizing, verifying, reconciling, segregating duties, restricting access to assets and appropriately documenting transactions and information

processing. The following is documentation of procedures used for several of the Town's important operating areas and/or identification of the key controls for each area.

Journal Entries

Journal entries are completed by the Treasurer. All journal entries with backup documentation are forwarded to the qualified designee appointed by the Selectboard. Effective January 8, 2024, the Selectboard designates the qualified designee to be the Selectboard Chair. After review, the Selectboard Chair will sign each entry. A copy is retained, and journal entries with backup documentation are given back to the Treasurer for document retention. This will be presented to the Selectboard chair with warrants.

The Treasurer has the capability to create journal entries necessary to balance the cash accounts, i.e., interest received, ACH credits and debits and service charges. The Selectboard obtains these entries monthly and reviews for accuracy and the Selectboard Chair must sign off on them. If no entries were made in a month, the Treasurer must write a letter stating no entries are needed to be reviewed and the Selectboard Chair must sign off on this letter as well.

Key Controls:

1. All journal entries are accumulated with supporting documentation in monthly folders.
2. All journal entries are reviewed by Selectboard Chair with warrants
3. Only the Treasurer inputs journal entries.

Budget

On an annual basis, management is involved in the financial planning and budgeting process. This is generally a multi-month process involving meetings and input from department heads and board members. When management believes they have an acceptable draft, it is presented in a public meeting for comment by board members and town residents. Once the Selectboard has approved the budget it will be voted on by registered voters of the town. Once the budget is approved by town vote, the Treasurer enters the approved budget into NEMRC at the beginning of the new fiscal year. Monthly budget reports are distributed to department heads. Budget reports are given to Board members monthly. Board members have an opportunity to ask questions. The Town does not revise approved budgets.

Key Controls:

1. The Selectboard approves the budget that is voted on by registered voters of the town.
2. The property tax rate is approved by the Selectboard.
3. Budget revisions are not made.
4. Monthly report reflecting budget to actual are distributed to department managers and board members.

Bank Reconciliations

The Assistant Treasurer and/or Treasurer prepares the monthly bank reconciliations. The Treasurer reviews the reconciliations and records any necessary journal entries. Because both employees have check-signing authority, copies of all reconciliations are provided to the qualified designee appointed by the Selectboard. Effective January 8, 2024, the Selectboard designated the Selectboard Chair as the qualified designee. The Selectboard reviews monthly transactions to confirm that the bank reconciliations agree with the general ledger. The Selectboard Chair reviews and signs the reconciliations each month, and the documents are presented monthly.

Key Controls:

1. The Selectboard verifies and approves that the bank reconciliations and general ledger agree.
2. Bank reconciliations are prepared by the Assistant Treasurer and/or Town Treasurer and journalized by the Treasurer.
3. The Selectboard Chair reviews and signs off on the bank reconciliations monthly.

Cash Disbursements

Department heads are responsible for purchases in their respective departments. Requisitions are required for purchases of more than $3,500.00. The Selectboard reviews and approves requisitions from $3,500 to $7,500.00 and the Selectboard approves requisitions over $7,500.00 as a major purchase - as outlined in Town of Grand Isle Purchasing and Procurement Policy. Once the requisitions are approved and after receiving the merchandise or service, the department head assigns the general ledger account number, approves the invoice signs off on the invoice and forwards it to the Assistant Treasurer or Treasurer for processing. Only the Treasurer and Assistant Treasurer can set up new vendors in the Accounts Payable module. This eliminates other employees setting up potential false vendors or payments.

The Treasurer or Assistant Treasurer review all invoices to ensure that purchasing guidelines have been followed and forwards invoices to the Selectboard. The Selectboard signs off on all invoices. AP checks are prepared semimonthly and presented via warrants to the Selectboard. The Assistant Treasurer or Treasurer sign all checks. The Selectboard Chair reviews and signs off on the AP check warrant semimonthly. The entire Selectboard approves via motion the AP check warrant semimonthly by approving the warrants and approving the Chair to sign the warrants. The Treasurer reconciles AP aging to the general ledger monthly.

Key Controls:

1. Invoices are signed off by department heads and required to have Selectboard prior approval for purchase if the amount exceeds $3,500.00.

2. All purchases over $7,500.00 require approval by the Selectboard as a major purchase - as outlined in the Town of Grand Isle Purchasing and Procurement Policy.
3. The Treasurer reviews general ledger account codes.
4. The Selectboard and Department Head sign off on all invoices.
5. Only the Treasurer and Assistant Treasurer can set up new vendors in AP module
6. AP checks have preprinted numbers and signatures are required.
7. After the checks are cut the Selectboard compares the invoices paid to the check warrant to ensure only approved invoices are paid.
8. The entire Selectboard reviews and approves the AP check warrant as well as the Selectboard Chair reviewing and signing the AP check warrant semi-monthly.
9. The Treasurer reconciles the AP aging to the general ledger.

Accounts Payable, Receivable, Revenues and Investments for Library Board and Cemetery Commission

The Library Board and the Cemetery Commission will operate under their own governing laws, regulations, internal rules, and management authority for matters such as sales, revenue rates, perpetual care, expenses and board procedures. Policies and procedures approved or updated by the board must be sent to the Selectboard and the Town Treasurer for official record and public posting. The Selectboard remains responsible for oversight of taxpayer funds allocated to each board or commission. Effective July 1st, 2026, the following controls have been implemented to address deficiencies identified during the independent audit.

Accounts Receivable / Sales

Neither board is required to follow the Town's internal controls for accounts receivable or cash payments. Instead, each board is responsible for establishing its own policies and procedures for these transactions. Policies and procedures approved or updated by the board must be sent to the Selectboard and the Town Treasurer for official record and public posting. Each board must submit any received revenues to the Town Treasurer or Assistant Treasurer to deposit into the appropriate fund account. At least monthly, sales must be provided to the Treasurer or Assistant Treasurer with details showing how the revenue should be allocated among accounts. If a board has no additional revenue during a month, it must submit a letter stating that no sales occurred. The Town Treasurer or Assistant Treasurer will provide receipt from NEMRC accounting software to the applicable board Treasurer or Assistant Treasurer verifying the total deposit against the revenue report and signing the report. The Town Treasurer or Assistant Treasurer will retain the original signed sales report, organized by date, along with a printout of the NEMRC entry.

Accounts Payable

Neither board is required to follow the Town of Grand Isle Purchasing and Procurement Policy or obtain prior Town approval for expenses. Instead, each board must approve expenses under its own rules and authority. Policies and procedures approved or updated by the board must be sent to the Selectboard and the Town Treasurer for official record and public posting. Only the designated board member or Treasurer or Assistant Treasurer may authorize expenses from board funds. After receiving an invoice, the designated board member must approve it for payment and assign the appropriate expense code. The invoice is then sent to the Town Treasurer or Assistant Treasurer for processing. The Town Treasurer or Assistant Treasurer will submit the invoice to the Selectboard through the warrant process. Payments may be issued before Selectboard approval if authorized by the applicable board Treasurer or Assistant Treasurer.

Reporting and Fund Oversight

After checks are issued or investments are completed, the Town Treasurer or Assistant Treasurer will prepare a paid warrant report and send it to the designated board member and the board Treasurer or Assistant Treasurer. Each month, the Town Treasurer or Assistant Treasurer will also provide a year-to-date financial report comparing actual income and expenses to budget for the applicable board or commission. Any year-end surplus will remain in the appropriate board fund. The Library Board and Cemetery Commission retain sole authority to invest or spend those reserve fund balances under their own policies and procedures.

All revenues and expenses must be reported to the Town Treasurer and Assistant Treasurer each month. The Treasurer must reconcile all related bank statements to the applicable fund balance sheet. Although each board has authority to make financial decisions for its funds, only the Town Treasurer and Assistant Treasurer may distribute or transfer funds. They must also be listed as signers on every account and credit card. No new account may be opened without the Treasurer's authorization and approval.

Key Controls:

1. The Library Board and Cemetery Commission create and maintain their own policies and procedures.
2. The Selectboard is responsible for oversight of all taxpayers' dollars and maintains this oversight via the Treasurer or Assistant Treasurer producing payments and presenting invoices via warrants as well as depositing revenue.
3. The Treasurer or Assistant Treasurer are the signers on every bank account, credit card and investment account for the applicable board. The Town Treasurer and Assistant Treasurer cannot make financial decisions for the board, only distribute as approved by the applicable board.
4. The board Treasurer or Assistant Treasurer must sign off on all payments to be issued by the Town Treasurer or Assistant Treasurer.
5. All revenue collected by the applicable board will be deposited by the Town Treasurer or Assistant Treasurer. All deposits will be accompanied by a sales report that must be signed off on by both the applicable board member and the Town Treasurer or Assistant Treasurer.

6. Monthly reporting and biweekly paid warrants produced by the Town Treasurer or Assistant Treasurer to the boards.

Accounts Receivable and Transfer Station

Effective October 1, 2024, the transfer station will no longer accept cash payments. Payments may be made only by credit card, debit card, or check. The transfer station attendant will record all sales in the Square system, which documents the item sold and the amount charged. For transactions that do not include a minimum trash charge, fees will be based on the applicable item weight. At the end of each shift, the attendant will prepare a Square sales report showing total sales, total credit card sales, and total check sales. The attendant will total the checks on hand, confirm that the amount agrees with the report, and sign the report. The checks and sales report will be delivered to the Treasurer or Assistant Treasurer on the next business day.

The Treasurer or Assistant Treasurer verifies the total checks on the attendant's sales report and signs the report. The Treasurer then retrieves the Square report for the applicable date, including total sales, credit card sales, check sales, and Square fees, and compares it to the transfer station report. The Treasurer or Assistant Treasurer records checks, credit card sales, and Square fees in the NEMRC cash receipts module. Credit card deposits from Square are verified through the Town Treasurer's bank reconciliation. The Town Treasurer retains, by date, the original signed attendant report, the Square report, and a printout of the NEMRC entry.

Each quarter, the Treasurer will generate a Square report showing total sales by item and weight for the preceding quarter. Transfer station employees and the Road Foreman will review the Town's trash disposal invoices. A quarterly report will then be prepared summarizing sales by item, the related disposal costs, and any recommended rate changes for Selectboard review.

For all saleable items, including glass, metal, aluminum, plastics, and cardboard, the Treasurer or Assistant Treasurer will compare the weight slips to the corresponding check stubs to verify accurate payment and sign the documentation to indicate review. Documentation for items sold will be included in the monthly financial reports.

For all items disposed of for a fee, including trash and tires, the Treasurer or Assistant Treasurer will compare the weight slips to the invoices detailing the charges to verify accurate billing and sign the documentation to indicate review. This documentation will be provided to the Selectboard with the monthly financial reports. Trash payment details from Square will be reconciled with Casella invoices when loads are disposed of.

Key Controls:

1. The transfer station effective 10/1/2024 no longer accepts cash. All payments are made via credit card or check.

2. Signs are posted throughout the transfer station stating NO CASH PAYMENTS.
3. Credit card payments are directly deposited into the Town checking account and verified by the Town Treasurer and Selectboard via bank reconciliation.
4. Sales reports from Square are verified for accuracy by both the Transfer Station employee and Treasurer or Assistant Treasurer and retained for audit purposes.
5. Weight slips for items sold (cardboard, glass, aluminum, plastics etc.) and corresponding checks (from Canusa and others) will be included in monthly financial reports for the Selectboard are verified for accuracy by the Treasurer or Assistant Treasurer.
6. Trash weight slips and corresponding fees paid to Casella will be included in monthly financial reports for the Selectboard. are verified for accuracy by the Treasurer or Assistant Treasurer.
7. A quarterly review of sales by the employees, road foreman and selectboard ensures rates are keeping pace with expenses as well as verifies the accuracy of the weight charges being collected by the Transfer Station employees.

Recreation

The recreation committee provides youth and adult programming that occasionally require registration fees. Furthermore, the recreation committee receives program donations as well as hosting fundraising events. Effective 1/1/2025 cash will no longer be accepted.

Every effort will be made to direct funds through the Cheddarup registration program. Funds gathered through this system are reconciled and deposited into the town checking account and credited to the proper recreation committee account. Processing fees are paid by the registrant. The program does allow for registration only and payment to be made via check. These registrations will be included in the Cheddarup reconciliation report. Payments received via check will be delivered with the reconciliation report and provided to the Treasurer or Assistant Treasurer with the appropriate program expense revenue category noted.

Program donations outside of Cheddarup will be collected via check made payable to the Town of Grand Isle. Any checks received will be delivered to the Assistant Treasurer or Treasurer via the Committee Chair with the appropriate revenue category noted.

Key Controls

1. The recreation committee no longer accepts cash effective 1/1/2025.
2. Program registrations will be completed through Cheddarup software.
3. Cheddarup reconciliation reports and checks received will be delivered to the Treasurer or Assistant Treasurer.
4. Registration receipts received through the Cheddarup software will be directly deposited to the Town checking account.
5. Program donations collected via check will be made payable to the Town of Grand Isle and delivered to the Assistant Treasurer or Treasurer.

Cash Receipts

The Assistant Clerk or Clerk accepts cash or checks from customers and enters the cash receipts module in NEMRC. The Clerk or Assistant Clerk assigns a code that identifies the type of revenue transaction. The amount is entered, and a receipt is printed for the Town's records and for the customer. Customers paying with cash always receive a receipt. The Treasurer or Assistant Treasurer prepares a bank deposit for cash received. The cash amount is verified and tied to the cash receipts journal.

The Clerk or Assistant Clerk adds up checks and ties out to the cash receipts journal then gives the checks with a tape to the Treasurer. The Clerk or Assistant Clerk prepares a bank deposit for checks received and the check amount is verified and tied to the check receipts journal by Treasurer or Assistant Treasurer. The Treasurer reconciles the total checks to the cash receipts journal.

Receipts for taxes and utility bills are bundled and retained in a file. Receipts for licenses, fees, etc. are copied and retained with the daily cash receipts journal. Cash receipts are transferred into the corresponding NEMRC modules by the Assistant Treasurer or Treasurer daily.

At least weekly, bank deposits are prepared for all payment types received. Checks are tallied and deposited by remote check capture into the town checking account. Cash is deposited to the bank. Credit/debit cards, direct debit and electronic payments are deposited automatically into the Town checking account. All bank deposit tickets, bank receipts, cash receipt reports are kept for documentation and auditing purposes.

Fees received for dog licenses are paid to the State of Vermont three times a year. A license report is printed from the Dog module and reconciled to the cash receipts detail and the general ledger liability account by the Treasurer.

Fees received for marriage licenses are paid to the state four times a year. A license report is printed from the Marriage module and reconciled to the cash receipts detail and the general ledger liability account by the Treasurer.

Key Controls:

1. A receipt is always provided when cash is received.
2. Receipts are sent to other modules weekly. At least weekly bank deposits are prepared.
3. The Clerk or Assistance Clerk enters cash receipt payments into NEMRC and the Treasurer or assistant Treasurer verifies the amounts and prepares deposits.

Grand List/Tax Administration

The Listers receive copies of building permits from the Zoning Administrator and current use information from the State of Vermont. The Listers evaluate property values in the Grand List module according to State Statute. Once the working Grand List is final, the tax rate has been approved by the Selectboard, tax bills are generated and transferred into Tax Administration by the Treasurer. The Treasurer reconciles the tax revenues to the budget. The State makes annual payments to qualifying taxpayer accounts that are downloaded by the Assistant Treasurer, Treasurer or the Listers. The file is uploaded, and payments are credited to the taxpayer's account. The Treasurer performs a reconciliation to ensure accurate posting of the payments.

After each installment due date interest of 1% per month is added to unpaid principal amounts. After the final installment due date, an 8% penalty is added to all delinquent accounts. Effective 7/1/2026, the Town voted to reduce the 8% penalty to 6%. The Treasurer performs a monthly reconciliation of all tax receivables and overpayment of taxes (prepaid taxes) between the Tax Administration module and the General Ledger.

Key Controls:

1. Reconciliations are performed by the Treasurer between the Grand list module and Tax Administration.
2. The Treasurer performs reconciliations between Tax Administration and the General Ledger.
3. The Town Treasurer performs a reconciliation between tax revenues bills generated and the budget to ensure accuracy.
4. The Listers compare property transfers to the information in the Grand List for accuracy and to ensure a bill exists.
5. The Listers evaluate and update property values, and the Treasurer creates property tax bills.
6. The Treasurer proposes the municipal tax rate based on approved budget items that is approved by the Selectboard.

Payroll

Effective 7/1/2025: Payroll is paid on a bi-weekly basis by the Assistant Treasurer or Treasurer for all town employees. Timesheets must be submitted by the designated approver - see below. Timesheets must be approved by designated approvers physical signature or electronic signature. Salary Employees are NOT required to submit a timesheet unless PTO time is being used. Payroll will NOT be processed for timesheets not submitted and approved in this manor:

Designated Approval by who / for who:

Road Foreman will sign off for highway department and transfer station employees.

Designated Cemetery Commissioner will sign off for Cemetery Commissioners/Caretaker

Selectboard Chair (with warrants) will sign off for Road Commissioner

Selectboard Chair (with warrants) will sign off for Buildings and Facilities Manager

Designated Library Trustee will sign off for Librarians

Designated DRB will sign off for DRB clerk.

Designated Lister will sign for Lister Clerk.

Historical Society Executive Member will sign off for Tour Guides

Recreation Committee Chair will sign off for Park Ranger

Assistant Clerk or Clerk will sign off for Zoning Administrator

Clerk / Treasurer will sign off for Assistant Clerk / Treasurer

Payroll is processed for hours worked Monday to Sunday biweekly. Overtime hours are paid for hours worked over 40 hours between Monday and Sunday. Completed and approved timesheets must be given to the Assistant Treasurer or Treasurer in person or *electronic via email to* **M.Boutin@grandislevt.gov** no later than 10am the Monday following the close of the pay period. Direct deposits or physical paychecks will be dated and completed no later than Friday after the end of the pay period.

Stipend employees are paid monthly - the first pay period of the month for services rendered the prior month. This includes the DRB, Selectboard, Town Constable, Road Commissioner, Fire Warden, Health Officer, and Animal Control. If a position is not a flat rate stipend for the year, timecards must be submitted to the Assistant Treasurer or Treasurer for payroll processing no later than the last day of the month for all services completed that month. If the position is a yearly stipend amount, the Assistant Treasurer or Treasurer will divide the yearly stipend by 12 and automatically process payment for services rendered the previous month on the first payroll of the following month.

All payroll and timesheets will be presented for review and approval to the Selectboard no later than 4pm the Monday following the end of the pay cycle by the Treasurer or Assistant Treasurer. Selectboard will review and approve via warrants at regularly scheduled Selectboard meetings. If a meeting is not scheduled for that day, the Selectboard will appoint a representative to review and approve the timesheets and payroll. Effective 7/1/2025, designated approval in lieu of Selectboard meeting is Ellen Howrigan.

Key Controls:

1. All hourly employees' timesheets are signed by the department head.
2. Payroll registers and reports are reviewed biweekly by the Treasurer for accuracy.
3. Checks are signed by the Assistant Treasurer or the Treasurer.

4. The Selectboard reviews timesheets and payroll warrants prior to distribution of payroll checks or direct deposits

Financial Reporting

At least weekly the Treasurer transfers transactions into the General Ledger. The Treasurer reviews the Balance Sheet, Revenues, Expenditures and makes any necessary journal entries throughout the month. At month end, the Treasurer produces reports from all modules and reconciles accounts payable, accounts receivable, as well as current and delinquent tax receivables administration. These accounts are reconciled to the balance sheet. The Treasurer closes all the modules, including the General Ledger, within a few days of the last business day of the month.

The Assistant Treasurer forwards completed bank reconciliations to the Town Treasurer for review. The Town Treasurer ensures the reconciled statements agree with the general ledger. The Town Treasurer makes any necessary adjusting journal entries and prepares budget to actual reports. The reports include prorated revenues and transfers and are tied back to the NEMRC print outs.

The financial reports are emailed to the Selectboard no later than the 25th of the month every month. Department Heads also receive financial reports monthly.

An independent audit is performed annually by external auditors. The Treasurer manages this process and provides the auditors with the necessary financial information along with the Selectboard.

Key Controls:

1. Balance sheet reconciliations are performed monthly.
2. Department heads receive financial reporting monthly to ensure accurate revenues and expenses and assist with budget management.
3. Monthly budgets and actual reports are reviewed and distributed to management on a timely basis.
4. Independent external auditors audit financial data.

Capital Assets

Capital assets are monitored throughout the year and a schedule prepared at year end for the auditors. The Town has a capitalization policy with the capitalization threshold at $5,000 or useful life of 5 years or more per item. The Treasurer reviews the new equipment and repairs and maintenance or line items in the various funds to determine if any capital assets were purchased. If there have been purchases in the governmental funds, copies of the invoices are given to the auditors.

The Treasurer maintains a fixed asset/depreciation spreadsheet and reconciles this to the general ledger. Any new items are added to the spreadsheet.

Construction projects that are in progress are noted as such and once the project is complete the project will be classified into the proper category and depreciated. The fixed asset spreadsheet is given to the external auditors.

Key Controls:

1. A capitalization policy is in place.
2. The Treasurer maintains and reconciles the fixed asset/depreciation spreadsheet to the general ledger.
3. Copies of invoices supporting the purchases are retained by the Treasurer and given to the external auditors as well.
4. The external auditors review and confirm the useful lives for reasonableness and confirm the reconciliation to the general ledger.

The foregoing Policy is hereby adopted by the Selectboard of the Town of Grand Isle, 29th day of June 2026 and is effective as of this date until amended or repealed.

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Selectboard Chairperson

Selectboard Members:

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Ellen Howrigan
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