



FINANCIAL POLICY and GRANTS MANAGEMENT

Town of Irvington, Virginia

Adopted April 10, 2025

Revisions proposed May 5, 2026

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A. General

1. The Town Council formulates financial policies and delegates administration of the financial policies to the Budget and Finance Committee, and the Town ~~Office Manager, or Town Clerk~~ Staff, as identified by the Town Council at the beginning of the fiscal year.
2. The Budget and Finance Committee has management responsibilities including financial management and oversight.
 - 2.1. ~~Each member of the Budget & Finance Committee will sign a Confidentiality Agreement upon their appointment to the committee and every July.~~
3. The Town staff maintain a system of separated financial responsibilities:
 - 3.1. The Treasurer (third-party) serves as the financial records preparer and accounting manager, maintaining the official accounting system ("the books") and producing financial reports.
 - 3.2. The Clerk serves as the custodian of banking records and transaction-level documentation, with direct access to the Town's bank accounts and responsibility for maintaining those records.
- 3.4. At the beginning of every fiscal year, the Budget and Finance Committee along with Town Staff will determine who has primary and back-up responsibilities.
- 4.5. Authorized signers
 - 4.1-5.1. Authorized signers on the town's general operating checking account include the Mayor, Vice Mayor, ~~chair of Budget & Finance Committee~~, and at least one Town Staff ~~person~~ the Town Clerk.
 - 4.2-5.2. Authorized signers on the town's general savings account include the Mayor, Vice Mayor, ~~chair of Budget & Finance Committee~~, and at least one Town Staff ~~person~~ the Town Clerk.
 - 4.3-5.3. Authorized signers on the town's certificate of deposit (CD) accounts include the Mayor, Vice Mayor, ~~chair of Budget & Finance Committee~~, and at least one Town Staff ~~person~~ the Town Clerk.
- 5-6. Financial duties and responsibilities must be separated so that no employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, etc. (see A.3)
- 6-7. Once a year, employees will do their back-up duties.
- 7-8. A blanket employee dishonesty policy with coverage in the amount of \$25,000 shall be maintained.
9. Professional financial service providers will be designated annually during the budget process to include, but not limited to, insurance, banking, bookkeeping or other Town Treasurer duties, and auditing.

Commented [1]: It's been recommended that we add a bullet that states that the Town Clerk is the Custodian of Record. I'd actually word it to say that the role is a split control situation. Then, I would also go back and update all references to "Town Staff" to actually clarify that certain tasks (when related to maintaining records) are specifically attached to the role the Clerk.

Commented [2]: Revisions were made to simplify language.

Commented [3]: This item needs to be scheduled for each July, if its going to be a formal task.

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Commented [4]: The agreement has been reviewed by the Town Attorney.

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Commented [5]: Needs to be scheduled for each July.

Commented [6]: No change needed to this document but add to the calendar for Budget and Finance Committee.

Commented [7]: Reflects changes adopted by Town Council in 2026.

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Commented [8]: Specify the Clerk?

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Commented [10]: Clerk?

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~~8-9.1.~~ The Chair of the Budget and Finance Committee may communicate directly with the Town Treasurer or Bookkeeper, while copying the Town Clerk, without additional permission.

Commented [11]: Proposed to simplify communication and burden on Town Clerk.

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9-10. This financial policy will be reviewed annually by the Budget and Finance Committee, with any material changes to be approved by the Town Council.

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B. Mail and E-Mail

1. The Town Staff, as assigned, opens any postal mail address to the “Town of Irvington” and e-mails sent to info@irvingtonva.gov and forwards or shares the pertinent correspondence appropriately. ~~(The Zoning Administrator serves as back up.)~~

Commented [12]: Removed references to Zoning Administrator as this is not a position required in the current Charter.

C. Cash Receipts (including checks)

1. The Town ~~Staff, as assigned, Clerk~~ will record receipt of checks or cash in the local spreadsheet and forward the spreadsheet and a copy of the deposit slip to the Town Treasurer for entry into the accounting system. [Note: This may change with a shift to online Quick Books.]
2. The Town ~~Staff, as assigned, Clerk~~ will save the local spreadsheet of income and expenses on the shared drive used by the Budget and Finance Committee.
3. The Town Staff, as assigned, will endorse all checks by rubber stamp to read:

Commented [13]: I think these items, about records specifically, should specify they are attached to the Clerk.

PAY TO THE ORDER OF
Chesapeake Bank
FOR DEPOSIT ONLY
Town of Irvington, Virginia

4. The Town Staff, as assigned, will complete a deposit slip in duplicate.
5. The Town Staff, as assigned, will deposit the funds in person on a weekly basis, or as needed.
6. Documentation for all receipts, e.g., letter, bank deposit record, duplicate deposit slip, will be attached to the deposit record and filed chronologically by the Town ~~Staff, as assigned, Clerk~~ [Note: This may change with a shift to online Quick Books.]
7. The Town ~~Staff, as assigned, Clerk~~ will record each ~~cash~~ payment (cash or check) received in ~~a numbered receipt book with a duplicate for the payer~~ an “income spreadsheet”. Cash shall be locked in a secure location until taken to the bank.

Commented [14]: This process will be needed, even if moving to QB online, I think.

Commented [15]: This traditionally has been done on the income spreadsheet - that records both incoming cash and checks. It's not been its own thing. So, we'd need to change the process I've been doing to be what this says, or just reword this bullet.

Commented [16]: See suggested changes.

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D. Authorization of Cash Disbursements

1. All invoices will be immediately forwarded to the Town Staff, as assigned, who will review all invoices for mathematical accuracy, validity, conformity to the budget, and, where applicable, the ~~Zoning Administrator~~, Mayor, or Town Council Member responsible for the invoice, ~~who~~ will also review for compliance with bid requirements.
 - 1.1. By approving an invoice, the approver indicates that it has been reviewed, conditions and specifications satisfactorily fulfilled and is ready for payment.
2. All non-general operating expenses will be forwarded ~~ed~~ to the Town Council at their next regularly scheduled meeting, if funds were not previously appropriated.
 - 2.1. By appropriating funds for an invoice, the Town Council indicates that it has been reviewed by them and authorizes payment.
3. The Town Staff, as assigned, will verify the availability of sufficient funds in the general operating checking account prior to releasing any payments to the Town Treasurer.
4. The Town Treasurer will enter all approved invoices into the accounting system.
5. The Town Treasurer will prepare ~~submitted~~ check payments for approved invoices on a weekly basis, or as required.
- 5-6. The Town must ensure all payroll checks are signed in accordance with federal and state law, including the Virginia Wage Payment Act.

E. Checks

1. The Town Staff, as assigned, will be responsible for inventory of all checks.
2. All checks will be signed by two of the authorized signatories.
3. All checks will be sequential numbered.
4. ~~No check may be signed by the recipient of the check. Employees may not sign their own payroll check.~~
5. Voided checks will have "VOID" written boldly in ink on the face and have the signature portion of the check torn out. Voided checks will be kept on file.
6. In no event will:
 - 6.1. Invoices be paid unless approved by an authorized approver, as outlined in Section A. 4.1.1-4.1.2.
 - 6.2. Blank checks be signed in advance.
 - 6.3. Checks be made out to "cash," "bearer," etc. Exception: Checks may be made out to "Town of Irvington" for less than \$500.
 - 6.4. A check be made out to a contractor without a completed W-9 on file with the town office (unless a C- or S-Corp).

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Commented [17]: I believe this item could benefit from some rewording to improve clarity and ensure it fully addresses the issue. As currently written, it indicates that employees may not sign their own payroll checks, but does not address reimbursement checks. It really should cover employees not signing any checks addressed to themselves, I would think. Then, regarding payroll - While the transition to direct deposit should largely resolve this issue, it needs to be the baseline understanding of the Town Council that the Town is responsible for meeting payroll timelines in accordance with federal and state law. So, in practice, it is the Town's role - not that of individual staff - to ensure that employees are not placed in a position where the only way they can get their wages is to break the town policy and sign their own checks. When employees have signed their own payroll checks in the past (and more than one clerk has had to do this!!) it was due to the circumstances shaped by process limitations, and staff were acting within their rights to receive their duly owed wages. Any audit that flags these instances is going to note it as a deficiency for the town and not the employee. So, I personally think this policy would also benefit from a statement that notes the town bears responsibility to ensure staff are paid per the requirements of the Virginia Wage Payment Act.

Commented [18]: See addition above.

7. If it is necessary to issue a duplicate check in an amount over \$100, a stop payment will be ordered at the bank prior to the reissue.

F. Bank Reconciliations

1. Bank statements will be filed by the Town ~~Staff, as assigned, Clerk.~~
2. The Town Treasurer will reconcile the bank statement monthly.
3. The Budget and Finance Committee will report to the Town Council on the status of the budget, including a discussion of expenses highlighting over- and under-expenditures and a discussion of revenue and the state of the budget on a quarterly basis, ~~that is at the October, January, April, and July Town Council meetings.~~

Commented [19]: Needs to be scheduled.

Commented [20]: Specified meetings and will be added to the Budget & Finance calendar

G. Purchases

1. The Town Staff and committee chairs are responsible for knowing if an item ordered or service performed is within the budget and guidelines.
2. All expenditures over \$500 not previously appropriated by Town Council must be authorized or appropriated by the Town Council prior to payment.

2.1. ~~Town Staff will consult with the Budget and Finance Chair regarding any expenditure in the Operating Budget that is not clearly included or may exceed what Town Council adopted. The Budget and Finance Chair will determine whether the expense needs to come to the Budget and Finance Committee or the full Town Council.~~

Commented [21]: Proposed to simplify process of expenditures for Town Staff.

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2. Bid requests, when issued, will contain clear specifications and will not contain features which unduly restrict competition.
4. The Town ~~Staff, as assigned, Administrator~~ will be responsible to ensure that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.

Commented [22]: This one, I think, should be specifically assigned to the Administrator role.

5. ~~The Town will follow the Virginia Public Procurement Act regarding requesting bids for projects or tasks. Staff, as assigned, or Committee Chair will request multiple bids wherever practical, written or oral, unless prior approval by the Town Council has been obtained. The bids, if oral, will be documented by the requestor.~~

Commented [23]: This item should mirror or reference the Virginia Public Procurement Act. Less than or equal to \$10,000 can have just one quote. \$10,000 to \$100,000 needs to have 3 quotes. Over \$100,000 requires an RFP and Public Advert, etc. These thresholds are also based on total project cost and not just individual parts.

6. Purchases over \$500 will not be fragmented or reduced to components of less than \$500 to avoid the bid process.

- 6-7. ~~Town Staff may set up auto payments for utilities and other recurring standard expenses to facilitate timely payments.~~

Commented [24]: Revised.

Commented [25]: Proposed to facilitate bill payment. Currently RFC does not access bank accounts thus it needs to be an individual with authority to set up auto payments.

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H. Payroll

1. Payroll

- 1.1 Employees will be paid ~~monthly~~ in accordance with the requirements of the Virginia Wage Payment Act and the Fair Labor Standards Act. Deductions should be itemized on each paycheck.
- 1.2 The Town Treasurer will enter payroll, print payroll checks, make direct deposit transfers, print payroll reports, and send reports to the ~~Town Administrator, Office Manager, or~~ Town Clerk.
- 1.3 The ~~Town Administrator, Office Manager, or~~ Town Clerk will distribute the payroll checks to the employees. Checks will not be released to any person other than the employee without written authorization from the employee.
- 1.4 All terminations will be paid on the regular pay date.
- 1.5 New employees will complete an I-9s, W-4, and VA-4 form prior to the first day of work

Commented [26]: Simplified to reference the position that is required in our current Charter.

Commented [27]: Referencing I-9 is ok here - but it is about Homeland Security and establishing eligibility to work in the US. I've added W-4 and VA-4 as they are the forms actually related to payroll processing.

2. Payroll Taxes

- 2.1 The Town Treasurer will prepare and transmit the payroll tax reports, W-2 forms, and 941 forms to meet all federal and state requirements and timelines, and send copies to the Town Clerk.
- 2.2 The Town ~~Clerk maintains copies of Staff, as assigned, will verify~~ payroll tax preparation and payment ~~on a quarterly basis.~~

Commented [28]: The Treasurer does 941 forms monthly and sends copies automatically, so there really is no need to "verify" they did them. Maybe this could be reworded to say the Clerk maintains the copies in the town records?

Commented [29]: Revised

I. Reimbursement of Travel and Expenses

1. Reimbursement will be based upon current GSA travel reimbursement policies.
2. Expense reports will be submitted for payment within 30 days of expenses incurred and will include details, a total, and be signed by the submitter. The expense report will be authorized for payment by the Mayor or Chair of the Human Resources or Town Operations Committee, Town Staff, as assigned.
3. Receipts must be attached to the expense report for lodging, common carrier transportation, and meals, where required.

Commented [30]: I would maybe say the Mayor should approve them so staff aren't authorizing their own reimbursements.

Commented [31]: Revised.

J. Consultants ~~and Vendors~~

1. Consideration will be made of internal resources to accomplish services before contracting a consultant ~~or vendor.~~
2. The qualifications ~~of the consultant~~ and reasonableness of fees will be considered in hiring consultants and vendors.

Commented [32]: Proposed changes to reflect the types of vendors the Town utilizes.

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3. If estimates for services exceed \$600 in a fiscal year, the consultant or vendor, if not working for a C- or S-Corp, will complete a W-9 and provide copies of insurance, if necessary. A contract may be required.
4. Consultant services will be paid for as work is performed or as delineated in the contract.
5. The Town Treasurer will prepare 1099 returns for consultants at year-end.

K. Property

1. Fixed Assets

- 1.1. Fixed assets shall be defined as all items (purchased or donated) with a unit cost of \$5,000 or more and a useful life of more than one year.
- 1.2. The Town Staff, as assigned, will maintain an inventory log, which shall list a description of the item, date of purchase or acquisition, price or fair value, and its location.
- 1.3. The Town Treasurer will record all fixed assets in an agreed upon —system, such as a dedicated spreadsheet or dummy fund
- 1.4. An entry must be made whenever property is disposed of or acquired.

Commented [33]: Just noting that the only known asset of value is the Commons.

2. Leases

- 2.1 The Town Council will review proposed leases prior to submission to the Town Attorney for review.
- 2.2 All leases, clearly delineating terms and conditions will be approved by the Town Council and signed by the Mayor.
- 2.3 The Town ~~Staff, as assigned,~~ Clerk will keep a copy of each lease on file.

L. Insurance

1. Reasonable, adequate coverage will be maintained to safeguard the assets of the town. Such coverage will include property and liability, worker's compensation, employee dishonesty, and other insurance deemed necessary.
2. The Town Staff, ~~as assigned,~~ and Mayor will review insurance ~~policies~~ policies before renewal.
3. The Town ~~Staff, as assigned,~~ Clerk will maintain insurance ~~policies~~ policies in town files.
4. Insurance policies will correspond to the fiscal year whenever possible.

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M. Books of Original Entry

1. Adequate documentation will be maintained and filed appropriately to support all entries.
2. Budget & Finance Committee will inform the Town Treasurer of reports and details to be provided monthly in the first month of each fiscal year. At a minimum, the Town Treasurer will provide a Statement of Net ~~Assets~~Assests and Statement of Activities for all general ledger accounts.
3. In the last month of the fiscal year, the Budget & Finance Committee will discuss with the Town Treasurer the basis for the accounting records, should it not be dictated by state policy.

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N. Contracts

1. Town Staff will share any contractual agreement with the Mayor and Budget and Finance Committee prior to entering into any contract, even if the Town Council approved the service and appropriated funding. Together, they will make a determination of whether the contract needs to be reviewed by the Town Attorney or full Town Council. The only exception to this rule would be in instances where the securing of a contract was officially delegated to the discretion of the Mayor or staff.
2. All contracts clearly delineating terms and conditions will be approved by the Town Council and signed by the Mayor.
3. The Mayor will not sign any contract if the Town Staff, as assigned, has not received (a) proof of insurance for the time period of the contract, (b) appropriate IRS forms, including a fully executed W-9, and (c) a copy of licensure, if appropriate.
4. The Town ~~Staff, as assigned,~~Clerk will maintain the originals of all contracts in town files.
5. The Town ~~Staff, as assigned~~Clerk, will prepare and maintain on a current basis a summary form documenting each contract awarded by the Town.
 - 5.1. This form shall include the name, address, contact person, and phone number for the contracted firm; all significant covenants (such as required licenses, bonding, and certificates of insurance), and restrictions on expenditures; record of appropriated funds, including date of appropriation; all required payment due dates; and, date and amount of payments.
6. Payments for projects for which the Town serves as fiscal agent shall be paid out upon receipt of invoice and processing by the Town Treasurer.
7. The Budget and Finance Committee will review each contract in the first quarter of the Fiscal Year as part of the preparation of the budget for the upcoming Fiscal Year.

Commented [34]: Needs to happen in the 1st quarter of each year.

Commented [35]: Added

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O. Budgets

1. The Town Staff, as assigned, and the Town Treasurer will work with the Budget and Finance Committee to prepare the financial budget and submit it to the Town Council.
 - 1.1. Two budgets will be prepared: (1) an operating budget and (2) a financial plan for a capital budget. The budgets, and their presentation, must match state requirements.
2. The Town Council will approve the balanced operating budget prior to the end of the prior fiscal year.
3. The Town ~~Staff, as assigned,~~Clerk will ensure that budgets are on file at the town office and posted on the town website.

P. Debt

1. The Town Council must approve all debt and follow any ordinances or charter processes related to debt.

Q. Collection of Tax Revenue

1. The process will adhere to the laws of the Commonwealth and meet confidentiality requirements set under Virginia Code 58.1-3.
- ~~1.2. The Town Council will name the tax official and appoint individuals with approved access to tax-related data and collection information as outlined in Irvington Resolutions 2025-16, 2025-17, and 2025-18. described in applicable ordinances or charter shall be followed.~~

Commented [36]: This process is really State regulated and not just regulated by town ordinance or Charter. So, I would add something here that references adherence to laws of the Commonwealth and also notes confidentiality requirements under VA code 58.1-3. I would also state that the town has officially named tax officials, and has appointed individuals with approved access to tax-related data and collection information, as outlined by Irvington Resolutions 2025-16, 2025-17, and 2025-18.

R. Audits

1. The Town Council shall sign a contract with an independent auditing firm for a full audit of the books, as required by state law, grant requirements, or decided upon by Town Council.

S. Other

1. Donations, whether cash or in-kind, will be documented by the Town Treasurer as appropriate.
2. Prior to applying for or receiving grant funds, staff and the Budget and Finance Committee need to review the reporting and financial requirements, making a recommendation to the Town Council.
 - 2.1. At a minimum, the grant will be a dedicated line item in the budget and

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reappropriated as appropriate, given the period of performance for the grant.

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Document History

1. Discussed in November and December 2024 Budget and Finance Committee meetings.
2. Shared with Town Council and Town Residents, via website, January 2025.
3. Updated in Suggestions/Track Changes to address comments from Town Treasurer and Town Attorney. Prepared a PDF for sharing with the Town Council and Town Residents in advance of the March 3, 2025, Budget & Finance Meeting.
4. Reviewed in the March 3, 2025, Budget & Finance Committee Meeting. Will be presented to the Town at the March 13, 2025, Town Council Meeting and be acted upon at the April 10, 2025, Town Council Meeting.
5. Adopted on April 10, 2025, at the Town Council Meeting.
6. Revisions offered on April 2, 2026, for discussion at the April 2026 Budget & Finance Committee Meeting.
- 5-7. Revisions offered on May 5, 2026, for presentation and discussion at the June 2025 Town Council meeting.

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