

TOWN OF CANANDAIGUA

YEAR END CLOSING POLICY AND PROCEDURES

Adopted: December 21, 2020 by Resolution No. 2020-304

PURPOSE

The Town Board of the Town of Canandaigua is adopting year end closing policy and procedures in order to provide direction to all Town Departments in terms of the expectations of the Town Board in preparation for the fiscal year ending December 31st in order to proactively minimize errors or omissions.

POLICY STATEMENT

The Town Board of the Town of Canandaigua is ultimately responsible for demonstrating that the Town has demonstrated responsible fiduciary practices to ensure the most efficient use of taxpayer dollars from the citizenry. Proper classification and cut-off for transactions are required in order to prepare external financial statements in accordance with generally accepted accounting principles (GAAP) on a timely basis.

Goods or services received in the calendar year (prior to December 31st) should be recorded as current year fiscal expenditures; while goods and services received after December 31st should be recorded in the ensuing fiscal year. In addition to ongoing review of transactions and balances in applicable cost centers at yearend, departments should pay particular attention to appropriate cut-off for transactions in December and January.

PROCEDURES

Town of Canandaigua Department heads are responsible to ensure expenditures for goods or services are billed to the correct year corresponding to the date the good or service was received. Additionally, department heads should note the key deadline dates for submitting various documents, e.g., travel claims, invoices, or other expenditures, to ensure expenses are recorded in the appropriate fiscal year.

Payments for items such as subscriptions, dues, maintenance agreements and other services covering a period of time generally should be made in the fiscal year in which service begins. If the period of service begins in December; however, may be made in the prior fiscal year.

Department heads shall contact vendors to receive invoices by January 30th of each year, for goods or services which occurred in the preceding year. Any invoice received after January 30th relating to goods or services from the preceding year must be authorized by the Bookkeeper and/or Finance Committee prior to payment.