



TAILINGS

PURPOSE

To minimize the liability posed by uncashed checks and its negative impact on cash position certainty, this policy sets guidelines for the timely resolution of tailings.

A tailing refers to a disbursed but uncashed check, which represents a debit liability on the Town's books. It can arise from any treasury check issued to pay an employee or vendor, refund a municipal tax or charge, or pay any other municipal obligation. Tailings constitute unclaimed property under M.G.L. c. 200A. The Town follows the provisions of M.G.L. c. 200A § 9A, expediting the tailing resolution process and preventing the eventual escheatment of the funds to the State Treasurer, as otherwise required. This policy sets forth the steps that must be taken to properly manage tailings under § 9A.

APPLICABILITY

This policy applies to the Treasurer/Collector, Town Accountant, and all department heads.

POLICY

In accordance with § 9A and the Town's Disbursements policy, every check issued by the Treasurer/Collector will have imprinted on its face: "Void if not cashed within one year of issuance." On a quarterly basis, the Treasurer/Collector will identify all uncashed checks older than 60 days and attempt to resolve them using the procedures outlined below. Furthermore, at the start of each calendar year, the Treasurer/Collector and Town Accountant will work together to resolve accumulated tailings, either by prompting the actual pay out or through escheatment to the Town.

PROCEDURES

A. Quarterly Review

As part of the bank reconciliation, the Treasurer/Collector will identify all the uncashed checks in the bank statements and enter them into an Excel spreadsheet log of outstanding checks. The Treasurer/Collector will then determine which checks in the cumulative log are outstanding 60 days or more after issuance. The Treasurer/Collector will email the Department Head associated with each such check to follow up with the employee or vendor payee. The department head will attempt to contact the payee by phone to determine why the check has not been cashed. For all checks still outstanding two (2) weeks after notifying the departments, the Treasurer/Collector will send an uncashed check notice to each payee at his or her last known address.

The Treasurer/Collector will identify all checks that are uncashed more than one year after issuance and notify the bank to stop payment on them. After this point, the checks may still be claimed by the

payees but will require reissuance. The Treasurer/Collector will provide a report of the stop-paid checks to the Town Accountant, who will then record the funds as abandoned property liability in the general ledger.

B. Yearly Review

In the month of January each year, the Treasurer/Collector will review the accumulated inventory of stop-paid tailings and do the following:

List the unclaimed checks on the Town's website for a minimum of 60 days under the heading: "Notice of names of persons appearing to be owners of funds held by the Town and deemed abandoned." Along with payee names, this notice will detail the process to claim funds and set a deadline for making a claim not less than 60 days after the initial posting date of the notice on the website.

For all checks still unclaimed after the website deadline, publish a notice of the checks in the Carlisle Mosquito. This notice will be in the same form as the website posting and state a new claim deadline not less than 60 days after the publication date.

After 60 days lapse from the newspaper publication, send a notice of all unclaimed funds under \$100 to the Town Accountant. For those \$100 or greater, publish a second (2nd) notice in the Carlisle Mosquito with the same language as the previous except that it provides a deadline for claiming the funds at least one (1) year after the new publication date.

Schedule a calendar prompt one (1) year after the second (2nd) publication date to review the checks and notify the Town Accountant of all those that are still unclaimed at that time.

C. Escheatment

Upon receipt of either notice from the Treasurer/Collector described in Section B above, the Town Accountant will escheat the listed funds. This involves reversing the abandoned property liability and recognizing the funds as revenue.

D. Check Claiming

At any point prior to escheatment, if a payee contacts the Treasurer/Collector to claim a check, the Treasurer/Collector will review the claim for validity and timeliness. If deemed appropriate, the Treasurer/Collector shall submit the claimed amount to the Town Accountant for inclusion on the next disbursement warrant.

E. Audit

All activity related to tailings is subject to audit by the Town Accountant and independent auditor.

EFFECTIVE DATE

This policy was adopted in June 2024