



Date: November 21, 2018

To: Supervisors  
cc: Clerk

From: Gary Goldsmith  
Deputy Treasurer

Re: Project escrow account – Jacobs Ridge

It is my recommendation that proactive steps be taken to review open development project escrow accounts. I know that this review has been undertaken in the past, but to clean up open escrow accounts, I propose an ongoing review over the next year or two so that the Board can be fully advised regarding open escrow accounts and may take steps to resolve the issue of obsolete accounts.

To accomplish this review plan to consult first with the clerk and treasurer regarding their knowledge of these funds and what has been done previously. I will also consult with others as needed.

In the case of the Jacobs Ridge account, which I am using as a starting point, the facts do not justify any further significant use of officers' time. This is because only a small amount of money is involved and it is a shortage rather than an overage, meaning that the Town is not holding someone else's money, but is owed money from someone else.

The Jacobs Ridge account has a negative balance of \$11.25. A review of the CTAS accounting system shows that this balance was entered as a starting cash balance in 2011 when the system was first implemented. This means that the amount came from the manual bookkeeping system that was in place prior to CTAS.

To clear this account, the Treasurer and Deputy Treasurer recommend that the Town write off the \$11.25 negative balance. From an accounting standpoint, this means transferring \$11.25 from the road and bridge fund to the Jacobs Ridge fund, resulting in a zero balance in the Jacobs Ridge fund and a cost to taxpayers of \$11.25.

In almost every other fund, there is a positive cash balance, so the approach will be somewhat different because we will need to assess the possibility of finding the fund owner to return the money.

Recommended resolution: That the Town absorb the \$11.25 shortage in the Jacobs Ridge escrow account and that the treasurer is directed to make accounting entries required to charge the shortage to the Road and Bridge fund.