

# Town of Greenfield

## Golf Course Collections

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NOVEMBER 2021

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OFFICE OF THE NEW YORK STATE COMPTROLLER  
Thomas P. DiNapoli, State Comptroller

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# Report Highlights

## Audit Objective

Determine whether Town of Greenfield (Town) golf course collections were properly recorded, remitted to the bookkeeper and deposited timely.

## Key Findings

Golf course collections were not properly recorded in the form collected, remitted to the bookkeeper in a timely manner or deposited timely. While the total of collections recorded in the central point-of-sale (POS) system were accounted for, we found:

- Collections for 27 of the 50 days tested totaling \$74,038 were not remitted and deposited in a timely manner.
- The head golf professional (golf pro) did not reconcile daily cash, checks and credit card collections to the POS detail to ensure sales were properly recorded and remitted in a timely manner.
- The Board did not perform the required annual golf course collections audit.

## Key Recommendations

- Remit and deposit collections in a timely manner.
- Review entries in the POS system and reconcile cash, check and credit card collections to the sales detail.
- Audit the golf pro's and bookkeeper's records and reports annually.

Town officials generally agreed with our recommendations and have initiated, or indicated they planned to initiate corrective action.

## Background

The Town, located in Saratoga County, is governed by an elected five-member Town Board (Board), composed of four Board members and the Town Supervisor (Supervisor). The Board is responsible for the general oversight of the Town's operations and finances.

The Town operates a golf course where the golf pro oversees the operations and is responsible for collecting greens fees and preparing daily sale reports for remittance to the bookkeeper for recording and deposit. The Supervisor, as chief fiscal officer, is responsible for the Town's day-to-day management.

The Supervisor appointed a bookkeeper who is responsible for ensuring golf course collections are accurately recorded and deposited timely.

### Quick Facts

Golf Course Revenues	
2019	\$330,383
2020	\$456,902

## Audit Period

January 1, 2019 – November 30, 2020

# Golf Course Collections

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The Town operates a golf course that includes cart rentals, tournaments, a pro-shop and a driving range. The cashiers at the golf course process collections for course fees and pro-shop sales through a point-of-sale (POS) system. Greens fee rates are pre-coded into the POS system, while pro-shop sales (shirts, shoes, gloves and balls) are manually entered by the cashiers based on the price tag. Pro-shop merchandise is the property of the golf pro, and available for sale to the public under an agreement with the Town. All collections from these sales belong to the golf pro.

## How Should Officials Safeguard Golf Course Collections?

Golf course employees should record all collections and keep on file supporting documentation for the collections (e.g., golf course membership forms, tournament forms, group sales and gift certificates). Daily sales reports generated from the POS system should capture all activity from each day and provide details for all collections. The daily collections should be remitted timely (best practices would be daily remittances) in the same form as received to the bookkeeper for deposit. The golf pro should review the daily sales reports for accuracy and reconcile them to the collections prior to remitting them to the bookkeeper for deposit to ensure all collections are recorded in the proper amount and form. Any recording errors and correcting adjustments should be documented. The golf pro should also maintain inventory records of gift certificates and perform periodic reconciliations. Gift certificates should be pre-numbered and retained when redeemed.

Also, because all pro-shop sales are recorded in the POS system and commingled with course fee sales, the golf pro is entitled to reimbursement for pro-shop sales from the daily collections. As a best practice to maintain accountability of all collections and the form in which they are received, the golf pro should remit all daily collections, including the pro-shop sales to the bookkeeper. The golf pro should then periodically submit a voucher for reimbursement of the pro-shop sales to the Town, less any credit card or other processing fees. The voucher should be supported by inventory and/or detailed sales records.

The bookkeeper is responsible for receiving, recording and depositing all golf course collections remitted on behalf of the Supervisor. This requires maintaining complete and accurate accounting records and ensuring that money received is properly safeguarded and promptly deposited. All money collected should be deposited intact (in the same form and amount as remitted) and as soon as possible to reduce the risk of theft or misplacement. Collections received by the Supervisor are required to be deposited within 10 days of receipt, although daily deposits are recommended to limit the possibility of theft or misplacement of money on hand. The bookkeeper should issue a duplicate receipt to the golf

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pro for the collections remitted when no other adequate evidence of receipt is available. Duplicate receipts should be press-numbered and indicate payment date, payee name, amount, purpose, form of payment (i.e., cash, check or credit card) and recipient name. Proper receipts serve as evidence of individual collections and help ensure accounting records are complete and accurate.

The bookkeeper is also responsible for disbursing funds at the Supervisor's direction for Town-related expenditures, which should only be made by check after the Board audits the claims. Additionally, when an employee or Town official has a legitimate claim for reimbursement, the employee or official should submit a voucher so they may be reimbursed following the normal process for paying claims.

A board is responsible for providing adequate oversight of a town's financial affairs and to audit, or cause to be audited, the records and reports on an annual basis of any town officer or employee who received or disbursed money on the town's behalf in the preceding year. This annual audit provides assurance that public money is handled properly (i.e., deposited timely, accurately recorded and accounted for), identifies conditions needing improvement and provides oversight of a town's financial operations.

### **Golf Course Collections Were Not Properly Recorded, Remitted Intact or Timely or Deposited Timely**

We reviewed golf course collections for 50 days, which included 3,067 sales totaling \$160,290 entered in the POS system during our audit period. While golfers appeared to be properly charged for course and membership fees, we found collections were not recorded in the same form received (i.e., cash, check or credit card), deposits were not made timely, Town officials did not monitor the golf pro's reimbursements for the pro-shop sales and sale and use of gift certificates was not properly controlled.

Collections – At the end of each day, the golf pro compares the daily total collections to the total collections recorded in the POS system. If he discovers a surplus in collections received to those recorded in the POS system (i.e., unrecorded collection or other recording errors), he attempts to determine the reason for the surplus. However, rather than remitting the surplus with that day's collection and documenting the reason for the surplus on the daily cash report, he will record the surplus in the POS system as a collection in a subsequent day's remittance.

Further, our review of the collection detail for these 50 days found that while the total collections remitted for the day agreed to the POS system after adjusting for any cash withheld by the golf pro (See Pro-Shop Sales section), the composition of the remittance did not. Specifically, we could not trace 407 credit

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...[C]ollections were not recorded in the same form received (i.e., cash, check or credit card), deposits were not made timely,

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card payments totaling \$17,052 to a specific transaction recorded in the POS system for that day. Credit card payments are not supported by specific recorded transactions due to several deficiencies in the golf course's practices including:

- Group sale payments received in a combination of cash and credit card recorded as a single transaction received all in either cash or as credit instead of broken into separate amounts paid by cash and credit card.
- Credit card collections recorded at a later time in the day and not always in the proper form (credit card versus cash) when the pro-shop is busy.

Although the golf pro and bookkeeper review and reconcile the daily total collections recorded in POS system to the daily collections remitted, they do not review and reconcile collections to the POS transaction detail to make sure all entries are proper. Instead, they assume the reason for any differences in the composition of cash, check and credit card receipts remitted to those recorded in the POS system are due to recording errors. However, by not investigating these differences in a timely manner, it becomes difficult to determine the specific reasons and if any corrective action or adjustment maybe necessary.

Deposits – We reviewed all deposits made by the bookkeeper for the collections remitted by the golf pro for the 50 days reviewed and found that except for the \$4,814 withheld by the golf pro for merchandise sales, the total collections recorded in the POS system were remitted and deposited. We found that collections for 27 of the 50 days reviewed totaling \$74,038, were deposited between six and 30 days after collection. In addition, the bookkeeper does not issue a duplicate receipt to the golf pro documenting the amounts received, which makes it difficult to determine when the golf pro made remittances and how long it took after the remittance that the bookkeeper deposited the collections.

The golf pro and bookkeeper told us that several days to a week or more may pass between remittances of collections from the golf pro. According to the golf pro, he gets busy and does not always have time to make daily remittances.

Because collections were not remitted and deposited in a timely manner, Town officials did not have the assurance that errors were detected timely, and that collections were properly deposited.

Pro-Shop Sales – Prior to remitting the daily collections, the golf pro withholds cash from the daily collection for pro-shop merchandise sales recorded in the POS, regardless if the sale is made by cash, credit card or check, and reports the amount withheld on the summary daily cash report remitted to the bookkeeper.

During our audit period, \$10,508 (\$4,763 in 2019 and \$5,745 in 2020) in pro-shop sales were recorded in the POS system; the \$10,508 amount equates to 1.3 percent of total golf course collections recorded in the POS during our audit period. However, no other details besides the amount of the pro-shop sales

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...[T]he golf pro and bookkeeper... do not review and reconcile collections to the POS transaction detail to make sure all entries are proper.

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are recorded in the POS, such as the name of the item and number sold (e.g., shirt, shoes or balls). The golf pro does not prepare a voucher to the Town for reimbursement of pro-shop sales. Instead, the golf pro withholds the money for the pro-shop sales from the collections to the bookkeeper. In addition, Town officials did not verify the amounts retained by the golf pro for pro-shop sales were properly supported. Subsequent to the end of fieldwork, the Town changed this practice and is currently requiring the golf pro to remit all daily collections and then submit a voucher to get paid back for pro-shop sales.

The Town incurs a credit card processing fee of approximately 2 percent for purchases made using a credit card. However, as the result of an oversight by Town officials and the golf pro, the golf pro does not reimburse the Town for credit card fees incurred on pro-shop sales. For the 50 days reviewed, \$4,642 of the \$4,814 in pro-shop sales were received by credit card. As a result, the Town incurred \$93 in credit cards fees, not reimbursed by the golf pro.

Gift Certificates – During our audit period, 28 gift certificate sales totaling \$2,187 were recorded in the POS system. The Town Clerk provides the golf pro with blank gift certificates with the Town’s seal as needed for sale at the pro-shop. However, the gift certificates are not pre-numbered or properly accounted for as there are no records maintained indicating the number of certificates printed and when they were redeemed. The only records maintained are the sale of gift certificates recorded in the POS system. As a result, officials are unable to perform a reconciliation of certificates printed to those sold and on hand to ensure all gift certificates are accounted for and properly recorded in the POS system.

### **The Board Did Not Perform an Annual Audit of the Golf Course Collection Records**

The Board did not annually audit the golf course records and reports maintained by the golf pro or hire a public accountant for that purpose. The Supervisor told us that neither he nor the Board have audited the golf course records and reports. In addition, the Board did not audit the Supervisor’s records and reports related to golf course collections that were maintained by the bookkeeper. The Board was unaware of the annual audit requirement.

Because the Board did not perform annual audits, its ability to effectively monitor financial operations was diminished. Had the Board performed the required annual audits, it may have recognized the deficiencies in the golf course’s records and procedures and brought them to the golf pro’s attention to implement corrective action.

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The golf pro does not prepare a voucher to the Town for reimbursement of pro-shop sales.

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## What Do We Recommend?

The Board should:

1. Require the golf pro to remit all collections received at the golf course in a timely manner and to prepare a voucher with support for reimbursement of pro-shop sales.
2. Annually audit, or hire a public accountant to audit, the records and reports of the golf course maintained by both the golf pro and bookkeeper.

The golf pro should:

3. Review the POS system daily sales reports for accuracy and reconcile them to the cash, check and credit card collections, documenting any recording errors or adjustments, prior to remitting them to the bookkeeper for deposit.
4. Ensure gift certificates are numbered and perform periodic reconciliations between issued, redeemed and on hand gift certificates.
5. Remit collections to the bookkeeper for deposit in a timely manner.
6. Provide sales detail in the POS on merchandise sales and submit all collections received in their original form including pro-shop sales.
7. Submit a voucher, with supporting detail, to the Town for reimbursement of pro-shop sales.

The bookkeeper should:

8. Issue a duplicate receipt to the golf pro when golf course collections are remitted.
9. Ensure collections are brought to her in a timely manner for deposit and reconciled to the daily collection detail.
10. Ensure that the golf pro is paid by check for all pro-shop sales after a voucher is submitted to and approved by the Board.



# Appendix A: Response From Town Officials

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## Town of Greenfield

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Town of Greenfield  
Golf Course Collections  
2021M-133

### I. Acceptance of Audit

The Town of Greenfield accepts the findings and recommendations of the OSC audit. This audit will provide our town with the opportunity to take the corrective actions recommended by upgrading our technology, implementing new office management procedures and financial accounting procedures in time for the new 2022 golf season.

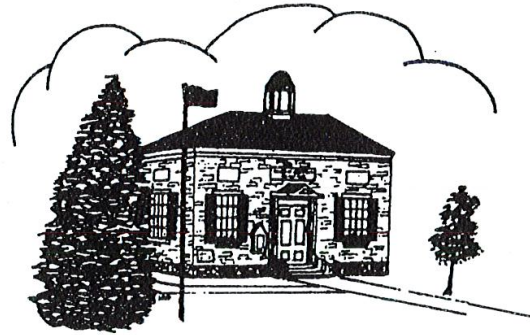
### II. Correction Action Plan

For each recommendation included in the audit report, the following is our corrective action plan.

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## The Board should:

1. Require the golf pro to remit all collections received at the golf course in a timely manner and to prepare a voucher with support for reimbursement of pro-shop sales.

The Town Board will pass a resolution that requires our golf course manager (GCM) to remit all collections from our golf course a minimum of three days a week to the town's Principal Account Clerk (PAC) at a time acceptable to both parties. Implementation date 12/12/2021.

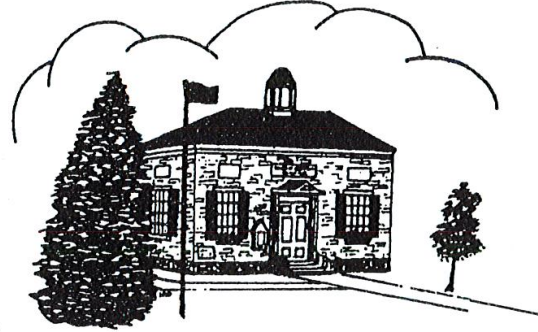
2. Annually audit, or hire a public accountant to audit, the records and reports of the golf course maintained by both the golf pro and bookkeeper.

The Town Board will pass a resolution that requires the board to complete an annual audit of record's and reports of the golf course maintained by both the GCM and PAC by the end of January. Implementation date 12/12/2021.

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## The golf pro (GCM) should:

3. Review the POS system daily sales reports for accuracy and reconcile them to the cash, check and credit card collections, documenting any recording errors or adjustments, prior to remitting them to the bookkeeper for deposit.

The GCM will review daily sales for accuracy and reconcile them to cash, check and credit card collection, documenting any errors or adjustments before submitting to the PAC. Golf course pro shop staff will be assigned log – in numbers that will enable the GCM to review data in greater detail.

4. Ensure gift certificates are numbered and perform periodic reconciliations between issued, redeemed and on hand gift certificates.

Gift certificates will be numbered. The GCM will ensure checks between issued, redeemed and on hand certificates are done monthly.

5. Remit collections to the bookkeeper for deposit in a timely manner.

The GCM will be required to remit Pro Shop collections to the Town's PAC's office a minimum of three days per week in the 2022 season

6. Provide sales detail in the POS on merchandise sales and submit all collections received in their original form including pro-shop sales.

The Pro shop point of sale system will be integrated starting January 2022. It will provide a more accurate cash and credit card sales report. Gift cards will be trackable in the point of sale system and the payments will correspond to the Tee Sheet. Pro Shop inventory will be maintained in the point of sale system and report sales in their original form.

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7. Submit a voucher, with supporting detail, to the Town for reimbursement of pro-shop sales.

The GCM will submit a voucher with supporting detail to the town for all pro shop sales. This procedural change was implemented throughout the current 2021 golf season.

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## The PAC should:

8. Issue a duplicate receipt to the golf pro when golf course collections are remitted.

When golf course collections are remitted a duplicate and numbered receipt will be issued to the GCM by the PAC. This procedure has been implemented as of 10/27/2021.

9. Ensure collections are brought to the PAC in a timely manner for deposit and reconciled to the daily collection detail.

The Town Board will require the GCM to submit golf course collections a minimum of three times per week at a time convenient to the PAC and GCM.

10. Ensure that the golf pro is paid by check for all pro-shop sales after a voucher is submitted to and approved by the Board.

The GCM will be paid by check for all Pro Shop sales after a voucher is submitted to and approved by the Town Board. This practice has been in place since the beginning of the 2021 season.

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Daniel Perrick  
Town of Greenfield Supervisor

November 16, 2021



## Appendix B: Audit Methodology and Standards

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We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed Town officials and employees to gain an understanding of the golf course collection process.
- We reviewed the Board meeting minutes and interviewed Town officials to determine if an annual audit was performed of the golf course records.
- We interviewed Town officials and employees to determine if oversight of the collection of money process at the golf course was adequate.
- We judgmentally selected 50 days between January 1, 2019 and November 30, 2020 to test collections. We tested the collections made on these days to determine if the correct rates were charged and if collections were remitted timely and intact and were properly recorded.
- We traced a judgmental sample of memberships from the application to the cash receipt to determine the validity of the membership. We also traced a judgmental sample of memberships from receipts to the membership applications to ensure the membership was recorded.

We conducted this performance audit in accordance with GAGAS, generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Town Clerk's office.

## Appendix C: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf](http://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf)

### **Cost-Saving Ideas** – Resources, advice and assistance on cost-saving ideas

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

### **Fiscal Stress Monitoring** – Resources for local government officials experiencing fiscal problems

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

### **Local Government Management Guides** – Series of publications that include technical information and suggested practices for local government management

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

### **Planning and Budgeting Guides** – Resources for developing multiyear financial, capital, strategic and other plans

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

### **Protecting Sensitive Data and Other Local Government Assets** – A non-technical cybersecurity guide for local government leaders

[www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf](http://www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf)

### **Required Reporting** – Information and resources for reports and forms that are filed with the Office of the State Comptroller

[www.osc.state.ny.us/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

### **Research Reports/Publications** – Reports on major policy issues facing local governments and State policy-makers

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

### **Training** – Resources for local government officials on in-person and online training opportunities on a wide range of topics

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

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[www.osc.state.ny.us/local-government](http://www.osc.state.ny.us/local-government)

Local Government and School Accountability Help Line: (866) 321-8503

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