

**BARRE CITY, VERMONT
REFUND AND SMALL CREDIT BALANCE POLICY**

I. Policy Objectives

The primary objective of the Barre City refund and small credit balance policy is to ensure the timely refund of overpayments, the application of small credits to current year and past year balances due to the City, and the proper documentation and handling of unclaimed property.

II. Definitions

1. **"Payee"** shall mean the person/organization/business that is due funds from the City. Reasons for payment may include, but are not limited to invoices, statements, payroll and refunds for overpayment.
2. **"Payer"** shall mean the person/organization/business that has remitted funds to the City. Such funds may fall under this policy if the amount remitted is larger than that due to the City.
3. **"Refund"** shall mean returning credit balances of \$5.00 (Five Dollars) or more on an account to the payer.
4. **"Small balance"** shall mean any credit balance of at least 1 penny, but less than \$5.00 (Five Dollars) on an account.
5. **"Unclaimed property"** shall mean any uncollected balance (un-cashed check) drawn on a Barre City checking account (administrative or payroll), or any small balance credit balance on an account. Unclaimed property shall be turned over the Vermont State Treasurer's Unclaimed Property division as provided for by statute.

III. Procedures for Overpayments

1. For property taxes, any overpayment received on the first 3 quarterly payments shall be applied first to the outstanding balance for the current tax year. Should there be a credit balance on the account after paying the current tax year in full (zero (0) balance), funds shall be applied to any outstanding balance due on delinquent property taxes and/or delinquent water/sewer charges. Any overpayment received for the fourth quarterly property tax installment shall be applied to any outstanding balance due on delinquent property taxes and/or delinquent water/sewer charges.
2. After each property tax installment due date, the City Clerk/Treasurer shall print an available credits report.
3. After applying overpayments as allowed for in #1, the City Clerk/Treasurer shall make the necessary adjustments to refund account credits of \$5.00 (Five Dollars) or more to the payer. A refund check for each of the overpayments identified shall be generated.
4. Any account credit of less than \$5.00 (Five Dollars) shall be documented on a spreadsheet to be maintained by the Clerk/Treasurer, and the funds shall be transferred into the Unclaimed Property Credit account as established in the chart of accounts.
5. For water/sewer charges, any overpayment received shall be applied first to any outstanding balance due on delinquent water/sewer charges or delinquent property taxes.
6. Should an account credit remain after applying overages to delinquent accounts, the Water and Sewer Department shall refund credits of \$5.00 (Five Dollars) or more to the payer. Account

credits of less than \$5.00 (Five Dollars) shall be transferred to the Unclaimed Property Credit Account with a list provided to the Clerk/Treasurer.

7. For other fund sources in Barre City, including, but not limited to ambulance billing, Miscellaneous Accounts Receivables (MARs), Recreation Department fees, and Cemetery Department charges, overpayments shall be applied to any outstanding balance due on delinquent taxes or delinquent water/sewer charges.
8. Should an account balance remain after applying overages to delinquent accounts, the Clerk/Treasurer shall refund account credits of \$5.00 (Five Dollars) or more to the payer. A refund check for each overpayment identified shall be generated.
9. Any account credit of less than \$5.00 (Five Dollars) shall be documented on a spreadsheet to be maintained by the Clerk/Treasurer, and the funds shall be transferred into the Unclaimed Property Credit account as established in the chart of accounts.
10. Duplicate payments-payments received for invoices, tax installments and/or water & sewer bills that have already been paid - shall be returned to the payer. If the duplicate payment is in the form of a single check, the check will be mailed back to the payer. If the duplicate payment is \$5.00 (Five Dollars) or more and is part of a larger bulk payment, it will be refunded to the payer by City check. If the duplicate payment is less than \$5.00 (Five Dollars), the funds will be turned over to the Vermont Unclaimed Property Division during the annual reporting period.
11. Property tax payments received for accounts that are enrolled in the Direct Debit program shall be returned to the payer.

IV. Procedures for Un-Cashed/Uncollected Checks

1. Annually, the Finance Department shall generate a list of un-cashed checks drawn on the Administrative and Payroll Accounts. Such list shall include all un-cashed checks that are outstanding for at least 90 days. Due Diligence letters shall be sent to all holders of checks on the list that are in an amount of \$5.00 (Five Dollars) or more. Upon receipt of a reply to the Due Diligence letter indicating that the payee requests a new check, a stop payment order shall be placed on the un-cashed check, and then a new check shall be issued.
2. Payees who have not responded to the Due Diligence letters shall have their funds turned over to the Vermont Treasurer's Unclaimed Property Division during the annual reporting period in accordance with state statute.
3. Un-cashed/uncollected checks in amounts of less than \$5.00 (Five Dollars) shall be turned over to the Vermont Treasurer's Unclaimed Property Division during the annual reporting period in accordance with state statute.

V. Procedures for Turning Funds over to VT Treasurer's Unclaimed Property Division

1. Annually, on the timeline as established by the VT Treasurer's Unclaimed Property Division, Barre City shall compile a list of the following:
 - a. Funds generated from property tax sales that are held in escrow for the owner(s) of record at the time of the sale, where Barre City cannot locate/contact the owner(s) of record.
 - b. Un-cashed checks of \$5.00 (Five Dollars) or more where the payee has not responded to the Due Diligence letter.
 - c. Un-cashed checks under \$5.00 (Five Dollars).

- d. Property tax overpayments under \$5.00 (Five Dollars).
 - e. Water/sewer overpayments under \$5.00 (Five Dollars).
 - f. All other miscellaneous overpayments under \$5.00 (Five Dollars).
2. Using the list compiled above, the City Clerk/Treasurer shall complete all necessary reporting documentation, and file the annual report, along with the funds as listed above, with the VT Treasurer's Unclaimed Property Division by the annual deadline.

VI. Inconsistent Policies Repealed

This Policy shall amend and replace any provisions of any Policy of the City of Barre in effect at the time of enactment of this Policy governing any activity included in this Policy.

VII. Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Policy, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Policy or any part thereof.

The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional or ineffective.

VIII. Effect

This policy is effective as of the date of adoption by the Barre City Council. No section of this Policy shall be construed to supersede or replace any Vermont Statute.

Adopted by the Barre City Council on November 12, 2013.

Thomas J. Lauzon, Mayor /S/
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