



**Report on the
Town of Cicero's Tax Receiver's Office**
By Onondaga County Comptroller Robert E. Antonacci II, CPA, Esq.

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SECTION I

BACKGROUND AND EXECUTIVE SUMMARY

Background

The Town of Cicero's Tax Receiver Sharon Edick requested Comptroller Antonacci to review the operations of the Tax Receiver's Office (the "Office"). The overall objective of the review was to ensure the established internal controls are operating effectively and in accordance with applicable New York State Laws.

The Tax Receiver is an elected position serving a four year term. The receiver reports to the Town of Cicero's five member board. The Town Board is the legislative and administrative body for the Town of Cicero, which is comprised of the Town Supervisor and four Town Councilors. The Town Board has the authority to adopt local laws, establish Town policies, authorize expenditures, and approve the Town Budget. Each Town Councilor serves a four-year terms and the Town Supervisor a two-year term.

Town, County, Village of North Syracuse and school property tax payments are received and processed in the Office. Town/County property collections are conducted from January to March; Village of North Syracuse (within Town of Cicero) are collected from June to October; and the four school districts, North Syracuse, Central Square, East-Syracuse-Minoa, and Chittenango (within the Town), are collected September and October.

The payment schedule as posted on the town's web site, is as follows:

- **Town/County tax bills** are mailed the end of December. Town/County taxes are payable by the last day of January with no penalty. Payments received in February and March have penalties which are shown on all tax bills. On April 1st the collection goes to the Onondaga County Chief Fiscal Officer.
- **Village tax bills** are mailed the end of May. Village taxes are due the last day of June with no penalty and can be paid through October 30th with a penalty per the schedule.
- **School tax bills** are mailed the end of August. School taxes are due by the last day of September with no penalty. The penalty for October is on the schedule. Both the Village and the School records go to the County on November 1st. Taxes payable to the County have a penalty which appears on the bills.

Tax payments may be made in person using cash or check at the Tax office. Mailed payments are requested to send in their entire bill to the Office with their check and the top portion will be returned with the proper date stamp as a receipt.

The Town also offers a partial payment option unless taxes are delinquent. The first partial payment may be any amount, but MUST be paid in the penalty-free period and subsequent payments will reflect the penalty percent for that date. Taxpayers can make up to 4 payments for the Town, County and Village taxes, and 3 payments for school taxes. Paying online is also an option.

Escrowed taxes are paid by the home owner's bank or mortgage company and most likely will be received by the tax office by the end of the penalty fee month in which they are due. These

payments are proofed and stamped receipts are mailed to the homeowner of record by the 15th of the next month.

Presented below is a five year history of Onondaga County’s property taxes collected by the Town of Cicero’s Tax receiver’s Office. It does not reflect property tax payments made after March 31st, as these are collected and processed in Onondaga County’s Finance Department’s Office of Real Property Tax Services. The “Percentage of Returned Taxes” from the chart below equals the “Property Tax Warrant” divided by the “Uncollected Property Taxes Returned to Onondaga County”.

Town of Cicero Five Year Collection History of Onondaga County's Property Taxes 2013 - 2017					
Year	Property Tax Warrant	Property Taxes Collected & Paid to Onondaga County	Uncollected Property Taxes Returned to Onondaga County	Percentage of Collection	Percentage of Returned Taxes
2013	\$18,486,716.91	\$15,944,988.89	\$2,541,728.02	86.25%	13.75%
2014	\$18,841,999.07	\$16,202,053.96	\$2,639,945.11	85.99%	14.01%
2015	\$18,883,910.69	\$16,504,677.57	\$2,379,233.12	87.40%	12.60%
2016	\$18,748,594.07	\$16,417,082.58	\$2,331,511.49	87.56%	12.44%
2017	\$18,891,361.48	\$16,578,324.89	\$2,313,036.59	87.76%	12.24%

Uncollected Property taxes as of April 1st must be paid at the Onondaga County's Finance Department. The Town Tax Receiver by law can no longer collect or process property taxes after March 31st.

Actual payments by Town property owners after April 1st was beyond the scope of this engagement.

Please see page 5 for our full scope and methodology for this review.

Overview

The Tax Receivers Office employs two full time employees year round. There are two part time employees only employed during the tax collection months (but not to exceed 600 hours per year).

The Office utilizes the Integrated tax collection system, which is a state-wide computer system to post tax payments.

The Office utilizes a software system to perform their bank reconciliations.

Funds are initially deposited into a primary interest bearing checking account and deposited funds are then transferred to bank accounts of the taxing entity or to an interest bearing account at such time as legally required to transfer funds to the respective taxing entities.

Executive Summary of Findings and Recommendations

During our review of the Tax Receivers Office's collection procedures we found the following:

1. Documentation of cash transferred between employees and the courier needs to be improved.
2. Untimely wires of property taxes to the County.

Our high level recommendations to the Town of Cicero Tax Receiver are:

3. Expanding the current log sheet to document the recounting of cash or requesting the Town to purchase additional lockable bank bags.
4. Implementing procedures to ensure electronic wire transfers are processed to comply with applicable Town Tax Laws.



SECTION II

SCOPE AND METHODOLOGY

SCOPE AND OBJECTIVES

The purpose of this report is to provide information and recommendations to the Town of Cicero's Tax Receiver and Town Board on internal controls, processes and procedures relating to the processing of tax payments.

Our scope was limited to the property tax payments processed by the office during the months of January through March of 2017.

Our objectives were to review:

- Policies and procedures related to the above areas in the Tax Receiver's Office.
- Specific practices with in the Office.
- Provide the Town of Cicero's Tax Receiver and town board with information and recommendations related to their processes and procedures to improve internal controls, effectiveness and efficiency.

METHODOLOGY

In order to complete our objectives we:

- Reviewed relevant required policies (Town Law §35 & §37) and procedures to determine the expectations for the Receiver's Office.
- Interviewed the Tax Receiver's Office personnel to determine specific practices.
- Analyzed and compared expected, required and best practices to current Town of Cicero's Tax Receiver practices and developed draft recommendations.
- Discussed draft recommendations with the Town of Cicero's Tax Receiver for input and practicality evaluation.
- Finalized recommendations and included them in this report.

SECTION III

FINDINGS AND RECOMMENDATIONS

- A. We observed other Town of Cicero Departments bringing in their un-lockable cash bags to the Receiver's Office and being placed in a lockable drawer by the Receiver. These individuals signed a log sheet indicating custody of their bags had been transferred to the Tax Receiver's Office. However, we noticed the cash in these bags was not counted in the presence of the Receiver upon the exchange. This same practice takes place when the Town's contracted common courier picks up the unlocked bags for the bank deposit. This practice has the potential of placing employees in a difficult situation. If the cash that was included in the bank bag does not balance to the detailed records maintained in these other departments, the Receiver of Taxes can be held liable.

Recommendation

1. *We recommend when cash is exchanged in the manner described above, the cash is recounted in the presence of the individual accepting the cash. The amount of cash counted and a respective sign off should be detailed on the log sheet. The Town should consider investing in additional lockable bank bags.*

- B. Per Town Law §35, which states, "after the payment to the [town] supervisor in full of all moneys payable to him pursuant to any warrant for the collection of taxes, the residue, if any, shall be paid to the county treasurer not later than the fifteenth day of each month following receipt thereof". We reviewed Onondaga County's records of deposit dates of property tax payments from the Cicero Tax Receiver for the five year period of 2013 through 2017. It appears tax collections are being satisfactory made to the County as only two instances out of 16 came to our attention where it appears the electronic wire payment to the County was past the required date as county deposit dates were 3/22/13 and 3/26/15.

Recommendation

2. *We recommend the Tax Receiver's Receiver implement procedures to ensure wire transfers are made to fully comply with Town Law §35.*
- C. We reached out to the Onondaga County Director of Real Property Tax Services to inquire about any taxpayer ever complaining about receiving a notice of unpaid tax bill when in fact their taxes were paid. The Director could not recall any instances where a taxpayer had any issues in this manner. No recommendation needed.