

CASH HANDLING

Strong internal controls for cash collection are necessary to prevent mishandling of funds and are designed to safeguard and protect employees from inappropriate charges of mishandling funds by defining their responsibilities in the cash handling process. The cash handling policy requires that areas receiving cash be approved by the Finance Office and be designated as cash collection points. A cash collection point is defined as a department or other entity that handles cash on a regular basis. "Cash" is defined as coin, currency, checks, and credit card transactions.

Required procedures for cash collection points include the following:

- Accounting for cash as is it received.
- Adequate separation of duties, which includes cash collecting, depositing and reconciling.
- Proper pre-numbered receipts given for any cash received.
- ✓▪ Approval of any voided cash receipts by area supervisor.
- ✓▪ Deposit of cash promptly at the Finance Cashier's Office into an authorized account within twenty-four (24) hours or next business day after receipts unless authorized by the Finance Director.
- ✓▪ Reconciliation of validated deposit forms to supporting documentation and to the account statement.
- ✓▪ Approval by the Finance Office of any changes in cash handling procedures.
- ✓▪ Proper safeguarding of cash.
 - Notify the employee's supervisor and the Finance Director of any loss or theft of City money immediately upon discovery. Written notice shall be given to them no later than twenty-four (24) hours after discovery
- Failure to comply with City policy and procedures is subject to disciplinary action up to and including termination.

The Controller's Office will conduct periodic reviews of cash handling procedures. Departments not complying with approved procedures may lose the privilege to serve as a cash collection point.

WHO SHOULD KNOW ABOUT THIS POLICY

Any official or administrator with responsibilities for managing cash receipts and those employees who are entrusted with the receipt, deposit and reconciliation of cash.

PROCEDURE

Establishing Cash Collection Points

The Finance Office must authorize all cash collection points. Before collection begins, departments requesting status as a cash collection point must submit a request to the Finance Office that includes:

- Reason(s) why cash collection point is needed.

- A list of those positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained.
- Whether there is a need for a change advance.
- A description of the reconciliation process, including frequency of reconciliation.
- A description of the process for safeguarding cash until it is deposited.
- A schedule of how often cash deposits will be made.

The request will be reviewed, and if appropriate, approved by the Finance Office.

Procedures for Cash Collection Points

The following list of procedures is required for the operation of cash collection points:

- All cash received must be recorded through a cash register when one is available, or the customer must be presented a pre-numbered receipt form with a duplicate record being retained by the receiving department. All numbered receipts must be accounted for, including voided receipts. Approved pre-numbered receipts are available at the Finance Office. Redi-form receipts are not acceptable.
- The cash collection point must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing and reconciling.
- The funds received must be reconciled to the cash register or to the pre-numbered receipts at the end of the day or at the end of each shift. Cash must be reconciled separately from checks/credit cards by comparing actual cash received to the cash total from the cash register tape or to the sum of the cash sales from the manual receipts.
- All checks, cash, and credit card receipts must be protected by using a cash register, safe or other secure place until they are deposited. A secure area for processing and safeguarding funds received is to be provided and restricted to authorized personnel.
- Checks must be made payable to City of White Settlement (COWS) and must be endorsed promptly with a restrictive endorsement stamp payable to City of White Settlement. The endorsement stamps should be ordered through the Finance Office.
- Checks or credit card transactions will not be cashed or written for more than the amount of purchase.
- Collections must be deposited to the Finance Cashier's Office within 24 hours. All funds must be deposited intact, and not intermingled or substituted with other funds.
- Refunds or expenditures must be paid through the appropriate budget with a City generated check.
- The Cashier's office will issue a receipt of deposit to be used for reconciliation of the supporting documentation to the deposit and to the monthly statements of account.

INSTRUCTIONS

Cash received in person

- A receipt must be issued for each payment received. At a minimum, manual pre-numbered receipts must include the date, mode of payment (cash, check, or credit card), and the identification of the department and the person issuing the receipt. Machine generated receipts must contain similar information.
- All checks must be endorsed immediately stamp payable to The City of White Settlement.
- All voided transactions are to be approved and initialed by area supervisor.
- Only one cashier is allowed access to a cash register or cash drawer during a single shift.
- Cash must be kept in a safe or a secure place until it is deposited.

Cash received Through the Mail

- The mail must be opened with two people present and all checks must be endorsed with a restrictive endorsement stamp. Two people must verify all receipts of coin or currency.
- If the cash is not credited directly into the appropriate account or receipted through a cash register, a list of the checks, credit card transactions and or cash should be prepared in duplicate. The list should include the customer's name, amount received, and check's number. One copy should be kept in the area and the other should accompany the deposit to the Cashier's Office.
- Cash must be stored in a safe or other secure place until they are deposited. This includes a locked room with restricted access.
- Unidentified receipts must be deposited to account #?????. All reasonable attempts should be made to identify the correct account.

Balancing of Cash Receipts

- All funds collected must be balanced daily, by mode of payment, by comparing the total of the cash, checks and credit cards to the cash register totals, to the pre-numbered receipts totals and to the totals of the money received by mail.
- Over/short amounts must be separately recorded, and investigated and resolved to the extent possible.

Preparation of Deposits

- Checks must be made payable to City of White Settlement. A calculator tape of the checks should be included with the checks bundled together.
- Cash must be recorded on the deposit slip in the appropriate space.
- Attach a copy of the Transmittal Batch showing transaction totals for credit card receipts and record the total on the deposit slip.
- The appropriate account number(s) and sub-code(s) must be included on the deposit slip.

- Someone not involved with collecting the cash, opening the mail or reconciling the deposit must prepare the deposit.
- The deposit must be delivered to the Cashier's office or dropped in the Night Drop Box.
- Locking deposit bags are available at the Cashier's Office for use when depositing in the Night Drop Box.

Reconciliation of Cash Collected

- Compare the receipt issued by the Cashier's Office to the supporting documentation (copy of deposit slip, cash register tapes) and resolve any discrepancies.
- Compare the receipts to the monthly account statements.

PRE-NUMBERED RECEIPTS

Pre-numbered receipts will be issued by the Cashier's Office and a log will be maintained that will include the number(s) of the receipts, and the date and name of the person receiving the receipts. The issuing unit should retain one copy of all voided receipts and send one copy to the Cashier's Office.

CASHIER RESPONSIBILITY

Each cashier is responsible for:

- Any transactions made under his or her name.
- All cash, checks, and credit card charges until a transfer of these funds is made.
- Providing each customer with a register receipt.

Submitting to a supervisor all sales documentation intact that was recorded during his or her shift.

EXCEPTIONS

The Finance Office must approve exceptions to these procedures. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard funds must be established and approved by the Finance Office. Requests for exceptions to these procedures must be submitted to the Finance Office in writing.

RECORD RETENTION

All cash receipts and related documents must be maintained in accordance with Record Retention schedules. Cash register tapes, deposit slips, credit card receipts, copies of manual cash receipts, etc. should be kept for three years.