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| <b>Procedure:</b><br>Cash Handling Procedure | <b>Last Update:</b><br>December 2019 |
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**References:** County Policy Manual- Cash Handling Policy

**Purpose:** To establish the county's cash handling procedures.

A. Definitions

All references to Cash include Cash and Cash Equivalents as defined in the Cash Handling Policy.

B. Segregation of Duties

1. There shall be segregation of duties to prevent error and fraud. More than one person shall conduct the following tasks:
  - a. Receiving and depositing cash.
  - b. Receiving and recording cash payments to receivable records.
  - c. Receiving and billing for goods and services.
  - d. Billing and collecting of returned checks.
2. The number of people who handle cash prior to deposit should be minimized.

C. Cash Accountability

1. Immediately upon receipt, cash collected by a County employee, either through a deposit, transfer, or otherwise, must be recorded through the use of pre-numbered cash receipt book, hand written log, cash registers, computer system data entry terminal, or other device.
2. Receipts should be given to each customer involved in a given transaction.
3. All cash deposits must be verified by a second person.
4. The identity of the individual receiving the cash must also be included.
5. Cash collected must be kept in a secure location out of public view during business hours. The degree of security provided by the storage facility should be commensurate with the amounts being stored.
6. Each cashier is to be given a separate drawer. Records of the cash received should be stored in a location separate from the storage of the cash.
7. Written procedures for cash handling should be provided to all employees with cash handling responsibilities.

#### D. Refunds and Voids

1. Cash register voids and currency refunds made out of cash receipts should be reviewed and approved by someone other than the employee creating the transaction.
2. Refunds should also be supported by the name and signature of the person receiving the refund.

#### E. Cash Depositing

1. Cash receipts should be deposited no less than once every two weeks, and where the total amount is greater than \$1,000 then no less than weekly. A waiver from this requirement may be obtained from the Finance Director with appropriate justification.
2. Appropriate cautions should be taken when transporting cash. For large amounts an armored car service or a Sheriff Deputy should be used unless it is not practical or cost effective.
3. Other than transporting small amounts in locked bags, mail services should not be used. Anyone who uses mail services, must inform the person who will receive the cash of the amount and time it is expected to arrive.
4. Cash receipts must be deposited intact. Depositing intact means that the deposit must consist of the same checks and/or money orders and the same amount of currency and coins as indicated in the receipts for the deposit.
5. Cash receipts should never be used to replenish petty cash funds or change drawers.

#### F. Review and Reconciliations

1. Reconciliation of cash collected to cash receipt records must be completed by someone other than the employee who collected the cash. Any significant differences should be investigated and reported when appropriate.
2. Reconciliations should be dated and signed.
3. Cash receipts should be counted and balanced daily.
4. Periodic surprise cash counts should be performed.

#### G. Safeguarding Cash

1. Proper background checks are to be conducted on persons responsible for cash handling.
2. Persons responsible for cash should be instructed to maintain confidentiality of safe combinations and locations of keys.

3. Access to cash should be restricted to as few people as possible.
4. Cash must be kept in a locked and secure location during non-business hours. The amount of cash held overnight should be minimized. During business hours, cash should be counted in a non-public area not easily visible to others.
5. Keys should be restricted to the minimum possible number of employees. A written record of office keys should be maintained and it is the responsibility of a terminated or transferred employee's supervisor to ensure that keys are returned by terminated or transferred employees. If combination locks are used, the combination should be changed annually or whenever an employee who has knowledge of the combination terminates County employment or transfers to another division.

#### H. Misappropriation or Theft

1. The Department Head and Finance Director should be notified immediately if misappropriation of cash by an employee is suspected.
2. The proper law enforcement authorities should be notified as appropriate if theft is suspected.