

H. CASH HANDLING

PURPOSE

The purpose of this policy is to establish internal controls over the handling of cash; and proper procedures to ensure that monetary instruments are properly safeguarded, reconciled, and deposited.

POLICY

It is the duty of the Finance Director to require reports of the receipts and disbursements from each receiving and expending agency of the city government to be made daily or at such intervals as he or she may require per Municipal Code No. 2.08.020

PROCEDURE

Custodial Responsibility

Any employee who handles the City's monetary instruments has custodial responsibility, and shall be considered a *cash handler*. Cash handlers are responsible for safeguarding monetary instruments until they are received by a Revenue Division employee or deposited into the City's bank account.

All departments who have custody of monetary instruments payable to the City in any capacity will deposit those monetary instruments with the Revenue Division within twenty-four (24) hours of receipt. If this deadline cannot be met, arrangements must be made with the Management Services / Finance Director.

All cash handlers shall be knowledgeable of and in compliance with these procedures.

Acceptable Monetary Instruments

In the absence of money scanners, cash handlers are instructed to review the guidelines of the Secret Service "Know Your Money", which can be found at www.secretservice.gov.

- United States Currency
 - No foreign currency is accepted
 - Mutilated currency and/or coin must have matching serial numbers and have no less than 3 corners intact.
- Checks/Money Orders
 - Must be payable to the City of Redlands
 - Should have a preprinted the name and address or phone number in the upper left hand corner of the check. If not, please have the customer write their name, address and phone number in the upper left hand corner.
 - No two-party checks
 - Checks drawn on foreign currency shall only be accepted if specifically stated on the check that the amount is "United States funds equivalent".
 - Verify the written amount to be paid and the numerical digits match on all checks. If they do not match, the customer must change the discrepancy and initial. Only a signer

on the checking account can make this change. If the customer is not a signer on the account, you must return the check and cancel the transaction until a properly completed check is received.

Safekeeping / Security

- The cashiering area of the department shall remain locked at all times.
- Unauthorized persons are not allowed in the cashiering area of the department.
- Monetary instruments and other confidential items shall not be left on your workstation.
- Cash drawers must be locked when stepping away from your workstation.
- Excessive cash balances in your cash drawer are not allowed. Excess currency and/or coin shall be placed in a deposit bag and moved to the safe for proper safekeeping. If no safe is available, the money should be brought to the safe in the Revenue Division as soon as possible. An excessive amount is considered anything over three times the cash drawer's fixed starting amount.
- Balancing of the cash drawer must be done away from and out of the view of customers.

Cash Drawers Requirements

- Each cash drawer will have a fixed starting amount to be divided between currency and coin as well as denominations. The cash handler will place a calculator tape in the drawer verifying the starting amount. The amount will be determined by the Management Services / Finance Department and the Revenue Manager.
- Currency and coin will go from left to right, high to low in order of denomination with currency facing in the same direction, face up.
- Cash drawer shall never remain unattended or unlocked.
- Always count currency and coin twice or until you have reached the same total twice.
- Counterfeit pens must be used on twenty (\$20) dollar bills and higher.
- Rolled coin must have the customer's name, account number and phone number on the outside of the roll(s).
- Money received shall be kept in view of the customer until transaction is complete.
- Verify money received against the billing or invoice presented. Some payments require you to enter the amount paid into the computer to verify the correct amount. Ask the customer if this is the amount they desire to pay.
- When giving change verify when taking money from the cash drawer before handing to customer. You must count the customer's change from the bill amount to the money received.
- Upon transaction completion, count money received again and place it in the cash drawer.
- No cash back shall be given for any transactions.
- For credit card transactions, two credit card receipts must be printed. On both paper credit card receipts stamped them "**PAID**" and note the cashier system receipt number. The customer must sign and date one of the paper receipts; this signed receipt is kept in your cash drawer. The other paper receipt is given to the customer.

Refunds/Voids

Voids occur when a cash handler enters the incorrect tender type, account number, or wrong dollar amount. Cash handlers must have the original receipt (duplicate is sufficient), the voided receipt, and a copy of the new receipt showing the correct transaction. Cash handlers must state the reason for the void, have a supervisor sign for approval, and place all receipts in the cash drawer.

Refunds are the result of information received about a transaction(s) after a customer has left or after the day was closed. Refunds need to be processed on a Disbursement Voucher with backup documentation attached and forwarded to Finance for payment.

Cash Drawer Closing / Balancing

Revenue and Customer Service Divisions:

- 1) Cash handler will run a transaction report for the day from the cashing system.
- 2) Gather the day's work, cash drawer, drawer items, and transaction report. Proceed to a safe balancing area out of customer's view and cashing area. **(Never leave money unattended.)**
- 3) Daily transactions are totaled and must equal the total on the transaction report.
- 4) Cash Drawer Balancing:
 - a. Bring cash drawer back to fixed starting amount.
 - b. Organize all monetary instruments by type.
 - c. Complete the Cash Drawer Count Form:
 - i. Enter monetary instruments received.
 - ii. Checks must have a calculator tape attached with the check amount, total, and item count.
 - iii. Credit cards, ACH, and Lockbox transactions will need a calculator tape attached to the front of the report page.
 - d. Balance the Cash Drawer Count Form amounts to the transaction report.
 - i. If in balance, place monetary instruments and form in deposit bag and lock in the safe.
 - ii. If out of balance, use various methods of locating cash differences and redo once found. If you are unable to locate the difference(s), an Over/Short form needs to be completed and processed (see below).

Other Departments:

- 1) Cash handler will run a transaction report for the day from their cashier system or total the hand receipts.
- 2) Gather the day's work, cash drawer, drawer items, and transaction report. Proceed to a safe balancing area out of customer's view and cashing area. **(Never leave money unattended.)**
- 3) Daily transactions are totaled and must equal the total on the transaction report or total hand receipts.
- 4) Cash Drawer Balancing:

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- a. Bring cash drawer back to fixed starting amount.
- b. Organize all monetary instruments by type.
- c. Complete the Deposit Transmittal Form:
 - i. Enter monetary instruments received by type.
 - ii. Checks must have a calculator tape attached with the check amount, total, and item count.
 - iii. Credit cards must have a calculator tape attached with the amount, total, and item count.
 - iv. Input appropriate accounting codes.
 - v. Confirm both total deposit amounts match.
- d. Balance the Deposit Transmittal Form amounts to the transaction report or total hand receipts.
 - i. If in balance, sign the Deposit Transmittal Form, put money and form in deposit bag and bring to the Revenue Division.
 - ii. If out of balance, use various methods of locating cash differences and redo once found. If you are unable to locate the difference(s), an Over/Short form needs to be completed and processed (see below).

Shortages / Overages / Losses

A shortage is an unintentional error such as an error when making change.

An overage occurs when a cash handler has collected too much money and cannot immediately return the excess to a specific customer.

A loss occurs when a cash handler has obtained physical custody of money and then, due to reasons like negligence or an unlawful action, cannot locate that money to deposit with the Revenue Division.

Over/Short Form

- must include the discrepancy amount, an explanation for the discrepancy (if known), and a supervisor's signature approval
- the discrepancy must be entered into the cashiering system
- a new transaction report is run
- Cash Drawer Count Form or Deposit Transmittal Form updated
- Over/Short Form is submitted with the deposit bag.