

CASH CONTROLS & HANDLING POLICY

1 Statement of Policy

- 1.1 The Town of Windsor's central cashing function is performed by the Town's Administrative Services Department. Other departmental divisions receive cash, checks and credit card charges for services and charges, and authorized employees share the stewardship of financial assets for the Town of Windsor across departmental divisions.
- 1.2 In recognition of the need to safeguard public funds, a series of cash controls and handling policies have been established for uniform application in all departments. These policies recognize the decentralized nature of the receipting process while providing for standardized training and an annual review of the revenue structure.

2 General Cash Controls

- 2.1 The number of employees with access to cash funds shall be limited to assure internal control. The Department Director shall grant access authority.
- 2.2 To the extent staffing levels permit, the physical separation of duties from the function of custodian of cash balances and the accounting and record keeping of the same shall be maintained.
- 2.3 Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision shall exist. Authorized personnel not assigned the custodial responsibility shall periodically examine, count or perform other reviews of cash funds.
- 2.4 Physical protection of funds through the use of bank facilities and locked cash boxes or drawers shall be practiced at all times.
- 2.5 Cash on the premises will be held to an absolute minimum to insure safety and maximize return on investments.

3 Cash Receipting

- 3.1 Because the Administrative Services Department performs the central cashing function, all evidence of direct deposits, i.e. deposit slips and department revenue summaries shall be forwarded to the Administrative Services Department as soon as possible to assure timely and proper credit in the receipting process.
- 3.2 All departments with cash operations shall have a permanent collection record, such as a cash register tape, that has the record of transactions including voids, refunds or cancellations. All revenues collected in cash shall have a receipt issued at the point of sale or collection whether handwritten or electronically generated.
- 3.3 All handwritten receipts shall be pre-numbered to account for lapsed sequence.
- 3.4 Departments receiving checks as payments shall require the maker of the check to make it payable to "Town of Windsor." Under no circumstances shall a check for the Town be made payable to an individual or left blank.
- 3.5 All checks shall be restrictively endorsed (stamped) immediately upon receipt.
- 3.6 Each check shall be inspected to ensure the following:

- 3.6.1 Current date (post or stale dated checks shall not be accepted).
- 3.6.2 Proper signature.
- 3.6.3 No alterations.
- 3.6.4 Bank name and routing number printed on check.
- 3.6.5 If temporary check, payer's name and address written on check.
- 3.6.6 Written amount matches numeric amount.

3.7 No checks shall be cashed from cash receipts.

3.8 All steps of each counter transaction must be completed, including steps to enter the transaction in the accounting system and to place the receipts in a secured location before a new transaction is started.

4 Overages and Shortages

4.1 It is the responsibility of the cash account holder to ensure cash on hand and cash deposited equal actual receipts at all times.

4.2 Significant shortages and overages shall be reported to the Administrative Services Department immediately.

4.3 Cash overages and shortages, as well as any known circumstances surrounding the overage/shortage, shall be recorded and kept on file.

5 Deposits

5.1 The general operating standard for deposits of cash and checks, to the bank shall be within twenty-four hours of receipts of those funds. Departments shall weigh reasonableness and practicality versus security in determining the timing for the deposit of small amounts. All deposits not made daily shall be held in a secured location such as a safe.

5.2 All security and bid deposits received in negotiable form and escrow funds or other funds requiring specialized handling shall be held in the Administrative Services Department's office until final disposition is made.

5.3 All deposits shall be made intact; departmental receipts shall never be used to replenish petty cash or other funds.

6 Petty Cash

6.1 Petty cash funds shall be established by the issuance of a check from the Town's Accounts Payable Technician restricted to a level appropriate to conduct Town business in an efficient but responsible manner.

6.2 Petty cash transactions shall be subject to the same authorized expenditure controls as any other invoice presented for payment through accounts payable.

6.3 Once established, petty cash funds shall be maintained on an impress basis, that is, the amount of the fund will remain constant with the custodian of the fund requesting a reimbursement check from the Town's Accounts Payable Technician for amounts disbursed. A check will be issued only upon the presentation and surrender of satisfactory evidence of such disbursements. The amount of the reimbursement will always be the exact amount of the aggregated disbursements made from the fund.

6.4 Reimbursements will be made only as frequently as the fund requires replenishment.

6.5 No check shall be cashed from petty cash funds.

6.6 Authorized personnel can make unannounced counts of petty cash or any other working fund, e.g. postage fund, at any time.

7 Change or Other Working Funds

7.1 Change funds shall be established and controlled in the same manner as petty cash funds; however, change funds are strictly revolving funds and require no replenishment.

7.2 There shall be no commingling of petty cash or cash receipts with change or other working funds.

7.3 When change funds are no longer needed to conduct the business for which they were established, the funds shall be deposited with the Administrative Services Department's office as soon as practical.

7.4 Working funds established for postage shall be used only for legal Town correspondence and not for personal use even if reimbursed.

7.5 No checks shall be cashed from change or other working funds.

8 Check Cashing Policy

8.1 No personal checks shall be cashed.

9 Returned Checks

9.1 Occasionally a deposited check may not clear the bank for one or several reasons; such as non-sufficient funds, account closed, stop payment, funds held, stolen checks, forgery, endorsement, or signature. The Administrative Services Department assumes responsibility for collections with cooperation from the receipting department.

10 Foreign and Mutilated Coins

10.1 Foreign coin and currency, including Canadian coin, shall not be accepted. Only coins and currency issued by the United States Federal Reserve Board are legal tender. Traveler's checks must state "U.S. Dollars".

10.2 No bent or mutilated coin shall be accepted.

11 Banking Services and Account Opening Policy

11.1 The Administrative Services Department is responsible for the Town's banking relationships.

11.2 Approval for establishing new or closing bank accounts shall be coordinated through the Administrative Services Department.

11.3 Use of the Town's federal employer identification number to open bank accounts for other than legal, authorized Town business is prohibited.

12 Written Procedures

12.1 It is strongly recommended that written procedures be developed and maintained by each department associated with the Town that manages cash.

- 12.2 Written procedures shall minimally include, authorization of person(s) to collect cash; off-site cash collection procedures; maintenance of cash receipt logs; security and reconciliation of cash; preparation, approval, and transmittal of cash to the Administrative Services Department; over/short procedures; and a procedure to notify the appropriate Town authority in event of loss.

13 Training

- 13.1 All staff that handles cash shall be familiar with these cash control and cash handling policies.
- 13.2 All staff that handles cash shall be trained on cash handling procedures by the department.

14 Annual Review

- 14.1 The Administrative Services Department shall perform an annual review of all Town cash handling policies, procedures, functions and processes. The Administrative Services Department will make recommendations, as needed.
- 14.2 The Town's independent auditors shall review the Town's cash management controls as needed.