



Policy Number: 283.0
Policy: Cash Account and Deposit
Effective Date: 3/2013
Revision Date: 3/2013
Approved by: Business Services Director

PROCEDURE:

I. Cash Handling Procedures for Change Funds and Collections:

A. Segregation of Duties:

1. Segregate duties to the extent possible, given the size of your department. Inadequate segregation of duties may create opportunities for fraud, misuse or errors.
2. No one individual should control all the key aspects of a transaction.
3. Duties for receiving cash, depositing, posting transactions and performing monthly reconciliations should be separated.
4. Small departments might not have sufficient staff for ideal segregation of duties. In such a case, management will need to be more actively involved with reconciliations, periodic counts, and ensuring that disbursements and transactions are adequately processed.

B. Departmental Requirements:

1. Will have the Procedure Number and Title at left in the top (header), and Collections and change funds may not be co-mingled. Each fund must be physically segregated so that the accountability of each can be immediately ascertained.
2. You may not increase or decrease a change fund by moving funds from one change fund to another. Contact Business Services if the increase or decrease of a fund becomes necessary.
3. Change funds may only be used for making change. Making purchases with money from a change fund is not allowed.
4. It is mandatory that change funds be reconciled to the authorized amount each day they are in use.
5. There should be a clear indication of which employee handled each transaction.
6. The department should have written operating procedures describing use of the account.
- 7.

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- b. Secure the fund when the area is closed or left unattended. Use a good quality locking cash box inside a locked drawer or safe and lock the door to the area.
 - c. Department should keep a record of which employees have access to the cash including those with keys to cash boxes or bags, or who know the combination to the safe.
 - d. Develop procedures for departing employees such as returning cash box keys and changing the safe combination. Consider changing the location of the cash box (or bag) if one is in use.
 - e. Secure items with cash value such as tickets or stamps.
10. Have a clear initial record of cash receipt:
- a. Use a cash register in high-volume areas
 - b. Issue receipts for transactions not recorded on a cash register
 - c. Use a bound sequentially pre-numbered, multipart receipt book.
 - d. No receipts should be missing or unaccounted for to provide an accurate and complete reconciliation.
 - e. All copies of unused receipts should be clearly marked "VOID" and retained in the receipt book.
 - f. If the majority of cash receipts your department collects include very small dollar (or less than dollar amounts), a cash register or receipt book might not be necessary. At a

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2. The funds must be reconcilable to the authorized amount at all times. Contact Business Services if you are not sure of the authorized amount.