

Cash Handling Policy

Purpose: Provide direction for the collection, custody and reporting of cash and cash equivalents, and outline specific cash handling procedures for department use. To incorporate strong internal controls for cash handling that are designed to safeguard and protect our employees and the county.

Cash and cash equivalents apply to currency, coin, checks, charge and debit card payments, other electronic payment media and negotiable instruments payable in money to the county.

Person/Areas Affected: All persons and departments receiving cash and cash equivalent payments.

Policy: The County Treasurer is authorized to establish rules and procedures for the receipt, handling and deposits of county funds by any elected official, board member or employee (regular full and regular part time). The Treasurer's Office will conduct periodic reviews of cash handling procedures. The County Treasurer has the authority to authorize or rescind authorization of cash handlers, to inspect departmental cash records including overages and shortages; and to inspect departmental practices and procedures. The County Treasurer shall enforce these through onsite inspections; by rescinding authorization of any officer or employee who fails to comply with the established rules and policies, and, in the event of non-compliance by a department or office, requiring that all payments to that department or office be done by treasury personnel. This cash handling policy also requires that areas receiving cash be approved by the Treasurer's Office as a cash collection point unless they are established by statute.

Collection: All incoming cash and cash equivalents must -

- Be accounted for as received and a receipt made
- Be removed from the counter and workspace after each transaction and before the cash handler leaves the work station
- Never be left unattended or accessible to unauthorized persons
- Be in a secure cash box, register or safe and locked when not in use
- Be kept to a minimum at all times. Excess funds should be removed and stored in a secure place or deposited with the Treasurer's Office
- Never be used for making change, petty cash purposes, expenditures, refunds, etc.
- Be counted and handled out of sight of the general public when reconciling
- Be reconciled to the total receipts for that day
- Be deposited with the Treasurer's Office within one business day after collection, or other agreed upon schedule

Custody: Cash handling and responsibilities for departments -

- Department Head is responsible for the care and liability of all cash and cash equivalents until deposited with the Treasurers Office
- Provide for the safekeeping and timely, accurate deposit of the cash and cash equivalents
- Assign the receiving of cash and cash equivalents to those persons authorized by the Department Head

Cash handling and responsibilities for departments – (cont)

- Adequate separation of duties and checks and balances, which includes cash collecting, depositing, reconciling and reporting
- Notify the County Treasurer and County Finance Director of any theft immediately upon discovery, and within 24 hours have a written notice of discovery to both entities
- Allow for onsite inspections and observations of cash handling procedures by the Treasurer or his/her designee
- Protect employees from risk by following the established policies and procedures

Cash handling and responsibilities for cash handlers -

- Be authorized by the Department Head or Treasurer's Office for cash handling
- Responsible for the integrity of the cash and cash equivalents in his/her possession
- Keep cash and cash equivalents in a consistent manner and to a minimum at all times
- Balance and deposit the cash and cash equivalents daily, or agreed upon schedule if cash is minimal and does not warrant daily deposits
- Report any over/shortage immediately to your supervisor
- Under no circumstance should an individual keep or deposit county cash and cash equivalents with their own personal funds or take county funds home for safekeeping
- Comply with cash handling operations according to established policy or procedures

Reporting: All cash receipts and related documents must be maintained in accordance with the State of Michigan Record Retention schedule. Cash drawer reconciliation sheets, computerized reports, bank deposit slips, credit card receipts, manual cash receipts, etc. must be retained for the current year + seven years by the Treasurer's Office.

Specifics: 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. Approval by the Treasurer's Office is required of any changes in the cash handling procedures.

- Authorization of Cash Handlers: Only those persons who have been approved by their Department Head shall be allowed to receive and handle county cash and cash equivalents. Any elected official, board member or employee (regular full and regular part time) that would need to handle county funds in the scope and course of their employment; may request instruction by the County Treasurers Office
- Establishing Cash Collection Points: The Treasurers Office must authorize all cash collections points before collection begins. A cash collection point is defined as a department that handles cash on a regular basis. Although departments with casual cash collections are not recognized as cash collection points, they must follow the same cash handling policies and procedures that apply to the cash collection points.

Establishing Cash Collection Points – (cont)

Departments requesting status as a cash collections point must submit a request to the Treasurer's Office that includes the following:

- Reason(s) why cash collection point is needed
- A list of the positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained
- If there is a need for a cash drawer
- A description of the reconciliation process and the process for safeguarding cash until it is deposited
- A schedule of how often deposits will be made

The request will be reviewed by the Treasurer's Office for consideration.

Procedures: Daily Cash Handling, Preparation of Transmittals, and Cash Over/Short Procedures are described on additional pages.

Summary: Cash handling is an important role and carries great responsibility. The Treasurer's Office has established this policy and the cash handling procedures to provide direction for county employees.