



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 6, 2024

SUBJECT: Update to County Finance Policy No. F-7 Bank Accounts and Cash Handling Policy

RECOMMENDED MOTION:

Move approval of County Administrator signature of revised County Administrative Policy No. F-7, Bank Accounts and Cash Handling Policy, and further authorize that policies F-8, F-9 and F-11 be rescinded.

BACKGROUND AND POLICY IMPLICATIONS:

Staff have reviewed the bank account and cash handling policies and recommend combining the four individual policies into one policy since the topics are related and cover duplicative topics:

- F-7 - Opening Bank Accounts
- F-8 - Petty Cash Policy
- F-9 - Cash Over-Short Reporting Policy
- F-11 - Cash Handling Practices Policy

Attached is the revised Bank Accounts and Cash Handling Policy document, a clean draft and a red-lined version. In addition to modernizing and combing the four individual policies into one, other updates are summarized as follows:

- **Authorization of New Bank Accounts** – Reassigns the authorization of new bank accounts from the Board to the County Administrator. The proposed administrative process will require review by the County Treasurer, Chief Financial Officer and the County Administrator prior to authorization of a new account, maintain an appropriate level of internal controls.
- **Cash Handling Standards and Practices** - The updated policy transfers the administrative procedures previously contained within the policy to a new separate procedure guide, "*Cash Handling Standards and Practices*". The Finance Department, in collaboration with Office of County Internal Audit, developed the newly updated guide to provide requirements and instructions to departments for the design, implementation, and monitoring of cash handling practices. The document will be posted online and easily updated as required by changing technology or procedures.

- **Cash Funds** - The policy clearly differentiates between two types of cash funds, change funds and petty cash. The policy increases definitions and policy requirements for change funds. Change funds are used to make change as part of revenue transactions when customers pay in cash. The County currently has change funds in various departments and locations.
- **Petty Cash** - Reduces policy language around petty cash funds. The County only has two departments with petty cash funds. These funds are used for County expenditures although departments are encouraged to use procurement cards (P-cards) instead of petty cash. Many departments have adopted P-cards and closed their petty cash funds resulting in very low petty cash transactions.
 - The decreased definitions and policy language are from Policy F-8 "Petty Cash" (items 3, 4, and 5). These items describe how a petty cash fund operates. Comparable information has instead been included in the Finance Department "*Cash Handling Standards and Practices*" document.

The *Cash Handling Standards and Practices* document is attached for reference. This document is referenced in the policy but will be posted on the Finance page as an administrative resource.

BUDGET IMPACTS:

None

ATTENDANCE:

Robert Tintle, Chief Financial Officer
Daniel Kieffer, Accountant