

City of Gladstone Cash Handling Policy

Purpose: Provide direction for 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 city.

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

Persons/Areas Affected: All persons and departments receiving cash and cash equivalents payments.

Policy: The City Treasurer has the authorized to establish rules and procedures for the receipting, handling, and depositing of city funds. The Treasurer has the authority to conduct periodic reviews/audits of cash handling procedures. The City Treasurer has the authority to authorize or rescind authorization of cash handlers; inspect departmental cash records including overages and shortages; to inspect departmental practices and procedures. The City 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.
- In the event of noncompliance by a department or office, requiring that all payments to that department or office be done by the Treasurer or designee.

The cash handling policy also requires that areas receiving cash be approved by the Treasurer 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 workstation.
- 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. Excess funds should be removed and stored in a secure place or deposited with the Treasurer or designee.
- Should never be used for refunds or cashing of personal checks.
- Be counted and handled out of sight of the public when reconciling.
- Be reconciled to the total receipts for that day.
- Be deposited with the Treasurer's office or designee the next business day.

Custody: Cash handling and responsibilities for departments-

- The Department Head is responsible for the care and liability of all cash and cash equivalents until deposited with the treasurer's office or designee.
- 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 Treasurer's or Manager's office.
- Adequate separation of duties and checks and balances, which includes cash collecting, reconciling, and reporting.
- Notify the City Treasurer and Manager of any loss or 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 designee.
- Protect employees from risk by following the established policies and procedures.

Cash handling and responsibilities for cash handlers-

- Authorization by the Treasurer's office for cash handling.
- Responsible for the integrity of the cash and cash equivalents in his/her possession.
- Always keep cash and cash equivalents in a consistent manner and to a minimum.
- Balance the cash and cash equivalents daily.
- Report any over/shortage immediately to their supervisor.
- Under no circumstance should an individual keep or deposit city cash and cash equivalents with their own personal funds or take city 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 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 authorized by the City Treasurer or Manager shall be allowed to receive and handle city cash and cash equivalents.
- **Establishing Cash Collection Points:** The Treasurer's office must authorize all cash collection 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.

I have received and reviewed a copy of the City of Gladstone's Cash Handling Procedures.

Department Head

Date

Adopted: