

VILLAGE OF POPLAR GROVE

DAILY CASH DRAWER POLICY (Front Cash Drawer)

1. Purpose

The purpose of this policy is to establish standardized procedures for balancing, securing, documenting, and reconciling the Front Cash Drawer to ensure financial accountability, internal control compliance, and protection of Village funds.

2. Scope

This policy applies to all Village personnel who handle payments received at the front counter.

3. Cash Drawer Assignment

1. The Front Cash Drawer shall be assigned to a designated employee for each business day.
2. The assigned employee is responsible for all funds received and processed during the business day.

4. Starting Cash Balance

1. The cash drawer shall begin each business day with a standardized starting balance (float) of \$200.00.
2. The starting balance shall be verified and documented at the beginning of each business day.
3. Any discrepancies must be reported immediately to the Village Collector or Village Treasurer and shall include documentation identifying the date and account number associated with the discrepancy.

5. Payment Processing Procedures

1. All payments must be entered into the Village's financial software system at the time of receipt.
2. A receipt must be issued for every transaction.
3. Checks shall be immediately endorsed with a restrictive endorsement stamp: "For Deposit Only – Village of Poplar Grove."

4. No personal checks may be cashed from the drawer.
5. No personal funds shall be commingled with Village funds.

6. End-of-Day Balancing Procedures

At the end of each business day:

1. The assigned employee shall complete the Daily Reconciliation Form.
2. The total cash, checks, and receipts must match the system report.
3. Two signatures are required by two staff members on the Balance Cash Drawer Report.
4. The verifying official shall independently review the count and supporting documentation prior to signing the reconciliation form.
5. Overages or shortages must be documented immediately on the reconciliation form and reported pursuant to Section 7 of this policy.

7. Overages and Shortages

1. Any discrepancy must be reported immediately to the Village Collector and Village Treasurer.
2. A written explanation must be completed.
3. Discrepancies of \$5.00 or more shall be reviewed by the Village President.
4. Repeated discrepancies may result in disciplinary action.

8. Deposit Preparation

1. At the end of each business day, cash and checks shall be placed in a sealed bank deposit bag and a deposit slip shall be prepared.
2. The deposit slip shall be attached to the reconciliation documentation.
3. Deposits shall be placed in the secured safe until transported to the bank.
4. Deposits shall be made no later than the next business day.

9. Drawer Security

1. The drawer shall remain locked at all times when unattended.
2. The drawer shall be stored in a secured location overnight.
3. Keys or access codes shall not be shared.

4. The drawer key shall be kept in the safe when not in use.

10. Independent Review

1. The Village Collector or designee shall periodically verify drawer balances and review reconciliation forms.

2. Random spot checks may be conducted.

3. Documentation shall be retained in accordance with the Village's records retention schedule.

11. Documentation & Record Retention

The following documents shall be retained: daily reconciliation forms, deposit slips, system transaction reports, over/short documentation forms, and any other back up documents. Records shall be retained in compliance with the Illinois Local Records Act.

12. Policy Review

This policy shall be reviewed periodically and updated as necessary to ensure compliance with internal control standards and municipal best practices.

Adopted by the Village Board of the Village of Poplar Grove

Resolution/Ordinance No. _____

Dated: _____

Village President: _____

Village Collector: _____

Village Treasurer: _____