

April 12, 2016

CASH HANDLING

PURPOSE:

The purpose of this Administrative Regulation is to document the County's policy as to the proper acceptance, processing, depositing, and accounting of payments received at various locations throughout the County.

Departments are expected to provide secure surroundings for employees who handle cash and to keep employees informed of all County receipt policies and procedures. All employees involved in the handling of funds are expected to be accurate and efficient when processing customer payments, making change, or accepting checks. They are also expected to safeguard County funds against loss, and to establish and maintain good customer relations.

PROCEDURE:

1. All receipts arising from the collection of licenses, fees, fines, penalties, forfeitures or from any other source whatsoever by any County employee must be processed in accordance with this Administrative Regulation.
2. Every Department/Office/Division shall ensure that all receipts stored on site are secured at all times.
3. Every Department/Office/Division shall ensure that adequate internal controls regarding segregation of duties are in place. An employee other than the employee performing the functions of cashier or the person who issues receipts should prepare the deposits.
4. Receipts from all sources shall be deposited into a depository account designated and approved by the Financial Services Department within the Clerk's office.
5. All monies received must be counted and reconciled by payment source and be deposited in the form in which they were received at the end of each business day.
6. Checks and credit cards shall not be accepted for payment of an amount in excess of the required payment.
7. A proof of payment receipt from software or a manual control numbered receipt shall be provided when payments are received in person.

8. Every Department/Office/Division accepting credit cards shall comply with Payment Card Industry Data Security Standard (PCI DSS) surrounding the protection of cardholder data.
9. Every Department/Office/Division shall have a policy that addresses how it will respond to employees experiencing overages/shortages. Employees shall not under any circumstances be required to pay for a shortage from their personal funds.

If the shortage is due to theft the County Administrator/designee, Department Director, and Risk Management shall be notified as soon as the discrepancy is noticed. A Police report shall be filed for all suspected thefts as soon as a theft is discovered.

10. Department/Office/Division shall review their cash handling processes and procedures at least annually to ensure compliance with this AR.
11. Employees shall not commingle private monies with County funds. Therefore, County funds shall not be used to cash payroll checks or other personal checks. Employees shall not borrow money or issue personal IOU's in exchange for County funds of any kind. Furthermore, employee personal funds shall not be used to reimburse shortages in cash funds nor shall overages be retained to "make up" future shortages or for non-County purposes.
12. During working hours, cash must be kept in a cash drawer, cash box or cash register that is not accessible to unauthorized persons. Cash drawers or cash boxes must be closed and locked when not in use. Whenever possible, each employee receiving cash should be assigned a separate cash drawer or cash register till. In rare instances where a separate drawer is not available, the cash drawer must be balanced and audited prior to transferring use to another cashier.
13. Segregation of duties acts as a deterrent to fraud or concealment as collusion with another individual is required to complete a fraudulent act. Responsibilities should be assigned to individuals in a manner that encourage checks and balances.

CHANGE FUNDS

PURPOSE:

County Departments which accept cash payments from the public must have a change fund in order to provide change for customers. The purpose of this Administrative Regulation is to document the policy ensuring proper handling of a change fund.

POLICY:

The change fund is the cash issued to a Department/Office/Division for the purpose of making change for customers conducting cash transactions. A separate discrete change fund is issued for each location where the Department/Office/Division conducts business. The Department/Office/Division may allocate the change fund into specific amounts for each cashier station within a location.

A Change Fund Custodian is responsible for allocating the change fund(s) into specific amounts for every cashier station, ensuring the change fund is counted and reconciled every day the fund is accessed, and ensuring the change fund is secured at all times.

PROCEDURE:

1. Change funds shall only be used to provide change for customers transacting business on County premises.
2. The balance of the change fund shall remain the same at all times, and shall be equal to the amount authorized by the County Administrator/designee.
3. Every change fund shall be reconciled at the end of each shift, end of business day, or when cash drawers/registers are cleared at any point to make a deposit. This applies to all cashier stations including those at satellite offices.
4. The change fund shall be secured at all times.
5. Every Department/Office/Division shall have a policy that addresses how it will respond to employees experiencing overages/shortages. Employees shall not under any circumstances be required to pay for a shortage from their personal funds.

If the shortage is due to theft the County Administrator/designee, Department Director, and Risk Management shall be notified as soon as the discrepancy is noticed. A Police report shall be filed for all suspected thefts as soon as a theft is discovered.

6. Departments/Offices/Divisions maintaining both a petty cash fund and a change fund shall physically separate the funds and account for each fund separately.
7. Under no circumstances shall a change fund be used to:
 - a. purchase materials, supplies, or services or be used in any way as a petty cash fund;
 - b. cash checks;
 - c. purchase personal items for employees;
 - d. extend cash advances to employees;
 - e. issue refunds; and/or
 - f. fund a shortage from a cashier station.

8. To establish a change fund the Department/Office/Division shall designate a Change Fund Custodian, complete the Cash Drawer/Petty Cash Fund Acknowledgement Form, and submit the form to the Management and Budget Director for approval by the County Administrator/designee, and a description of the physical security for the change fund shall be attached. If approved, the Change Fund Administrator shall obtain the cash from the bank and arrange delivery.
 - a. When a change fund is necessary for multiple locations a Department/Office/Division Change Fund Custodian shall be designated and a Change Fund Custodian for each location shall be assigned.
 - b. The Change Fund Custodian designation shall remain in effect until a new form is received by the Financial Services Department within the Clerk's office. To designate or change a Change Fund Custodian a new form shall be submitted; when a new form is received the previous form shall become invalid.
9. To increase a change fund, the Change Fund Custodian shall submit a letter of explanation along with a Check Request. If approved, a county warrant will be provided to the Change Fund Custodian to obtain the cash from the bank.
10. To decrease/close a change fund, the Department/Office/Division shall submit a letter of explanation to the County Administrator/designee. The Change Fund Custodian and the Financial Services Department within the Clerk's office shall arrange the transfer of the cash.
11. Supervisory personnel who oversee cashiering staff and the Change Fund Custodian shall ensure that random independent counts and reconciliations of each change fund are performed at least once each quarter. Results of these surprise counts shall be documented and retained by the agency.
12. Department/Office/Division shall review their change fund procedures annually to ensure that they are in compliance with this Administrative Regulation.
13. Change funds shall be audited by the Financial Services Department within the Clerk's office on a sample basis at least once each year. The audit shall include a surprise count of the change fund.
14. The balance of the change fund should remain the same at all time, and should be equal to the amount authorized by the County Administrator/designee.

PETTY CASH

PURPOSE:

1. A petty cash fund can be established to allow cash payment for small, incidental expenses of nominal amounts.
2. Petty cash purchases will not be used if other purchasing procedures apply.

POLICY:

Department/Office/Division Director may authorize the use of petty cash funds for purchases that are necessary, infrequent in nature, or cannot be purchased with a County purchasing card or purchase order.

PROCEDURE:

1. All requests to create a petty cash fund must be submitted to the Department of Management & Budget and be approved by the County Administrator. Each request shall include the fund custodian's name, the amount of the fund and examples of the types of expenditures to be paid from the fund.
2. Petty cash funds shall only be used for payment of incidental expenses or refunds of a nominal amount.
3. Petty cash shall be recorded on and then reconciled to the Financial System as of the last business day of every month. At all times, the total of cash-on-hand plus the amount of authorized receipts and paid invoices will equal the total amount of the petty cash fund.
4. Cash must be kept in a secure location at all times with access to the funds restricted.
5. The employee who receives the purchased item or service will sign the receipt or paid invoice.
6. Individual exceptions to the nominal amount may be made by the County Administrator/designee.
7. Petty cash shall not be advanced in anticipation of an approved purchase.
8. Purchases are tax exempt and the payment of sales tax will not be reimbursed. A tax exemption certificate should be presented to the vendor at the time of the purchase.
9. Every Department/Office/Division shall have a policy that addresses how it will respond to employees experiencing overages/shortages. Employees shall not under any circumstances be required to pay for a shortage from their personal funds.

If the shortage is due to theft the County Administrator/designee, Department Director, and Risk Management shall be notified as soon as the discrepancy is noticed. A Police report shall be filed for all suspected thefts as soon as a theft is discovered.

10. All petty cash funds will be audited periodically, but at a minimum annually by the Financial Services Department within the Clerk's office.
11. Petty cash will not be used for unauthorized transactions including (but not limited to):
 - a. Cashing personal or third part checks;
 - b. Loans and cash advances;
 - c. Purchasing items or services for personal use;
 - d. Purchasing items or services not permitted by the purchasing policy; and
 - e. Payment of employee appreciation gifts, such as cash or gift cards, or non-employee 1099 compensation payments (VCB exception listed below).
12. Replenishment of funds shall be made by Financial Services Department within the Clerk's office's Check Request only. Each check request will list the accounts the reimbursement is to be charged to and the amount to be charged to each account. The original copy of all receipts and invoices being reimbursed must be attached to the check request. Each receipt and invoice must clearly indicate that the amount has been paid. The fund custodian will ensure that a clear description of the item or service that was purchased appears on each receipt or invoice.
13. Supervisory personnel should ensure that random independent reconciliations of the petty cash are performed during the year. Results of these surprise counts should be documented.
14. Employees shall not commingle private monies with County funds. Therefore, County funds shall not be used to cash payroll checks or other personal checks. Employees shall not borrow money or issue personal IOU's in exchange for County funds of any kind. Furthermore, employee personal funds shall not be used to reimburse shortages in cash funds nor shall overages be retained to "make up" future shortages or for non-County purposes.
15. When a petty cash is reduced or abolished, funds shall be deposited and notice given to the County Administrator, Management & Budget and the Financial Services Department within the Clerk's office.
16. Department/Office/Division heads shall periodically, but at a minimum annually review their petty cash accounts to ensure that they are in compliance with this Administrative Regulation.

17. The Visitors and Convention Bureau may tip 15% (rounded up to the nearest dollar) of the value of services for comped services related to Fam Tours. (The VCB must report any person receiving more than \$600.00 in a calendar year by submitting a complete W-9 and the amount paid to the Financial Services Department).

All existing policies and procedures must be followed in the Citrus County Cash Handling Manual located on the intranet and all other County policies/procedures in place that are not specifically addressed in the manual.

FOOTNOTES & REFERENCES TO RELATED AR's: Supersedes/Replaces AR 9.01.0-4 dated March 10, 2015.