

ADMINISTRATIVE PROCEDURES



Procedure Number: 22-5

Effective Date: 07/26/1983

Revision Date: 08/16/2004

C. Dulbany
County Administrator

SUBJECT: **CASH RECEIPTS**

DEPARTMENT RESPONSIBLE: **All County Departments**

I. STATEMENT

The following outlines the minimum guidelines to be adhered to by County departments in the collection, recording and control of cash receipts. These guidelines apply only to the areas designed to accept cash receipts - not to the areas that inadvertently receive a payment.

II. PROCEDURE

- A. The Presiding Judge, Elected Official, or Department Director will authorize certain individuals within a department to receive cash. Cash refers to cash or checks received over-the-counter, from a Department or by mail for payment of a service or a bill.
- B. Cash receipt duties should be periodically rotated among employees.
- C. Each cashier should be provided with a separate cash drawer and the drawer should be locked during the cashier's absence. Every cashier should use a separate coding key or user identification code (something that identifies him/her from others who may perform a similar function). All cash drawers will be subject to periodic and unannounced audits performed either by the supervisor or manager.
- D. Cash register instructions, in addition to other procedures relating to the collection, recording and control of cash receipts, are to be developed and formalized by the applicable County department.
- E. In areas where payments are received over-the-counter, notices should be posted which read "Warning. A bad check could cost you a minimum of \$50.00 or more. Under Arizona Law (A.R.S. 12-671), for writing an insufficient fund check you may be civilly liable to the holder of such check for

twice the amount of the check or \$50.00 (whichever is more) plus court costs and attorney fees as allowed by the Court."

- F. When an over-the-counter payment is made by personal check, two forms of identification are required from the payee: a valid driver's license, a major credit card and/or a bank guarantee card. For the Solid Waste Division (tipping fees), a vehicle license number is sufficient. Write the required identification numbers on the front of the check. Personal checks received over-the-counter must have the payor's full name and street address preprinted on the check. No countersigned checks will be accepted. If payment is received by a certified, cashiers, or travelers check, the name of the financial institution must appear on the check.
- G. Checks are to be endorsed "FOR DEPOSIT ONLY" immediately upon receipt, usually by means of a deposit stamp.
- H. Cash received is to be recorded the same day of receipt by an employee who is not responsible for entering cash receipts information into the accounting system using prenumbered receipts or a cash register. Original receipts are to be issued to the payor. Receipts or register tapes are to identify the cashier handling each transaction. Data that is recorded should, at a minimum, include payor, date payment is received, purpose of payment, form of payment (cash, check, etc.) and amount received.
- I. At the end of the day, register tapes or duplicates of receipts issued are to be reconciled to the cash received. Cashiers should count the cash in the cash drawer, register or lock box, (this should include cash received in the mail) and record the amount in the summary section of the Cashier's daily report. The amount of the change fund (the cash kept in the drawer for operating purposes) should be deducted to arrive at the total cash collections for the day. This amount should be compared to the cash receipts. Fees collected should not be adjusted for overages and shortages. Overages and shortages are to be recorded as a separate line item on a daily balancing report or deposit permit. The Cashier's daily reports are to be reviewed, approved and signed by a supervisor.
- J. The numerical sequence of receipts, permits, etc. issued are to be verified daily.
- K. Cash overages and shortages are to be promptly documented, investigated and resolved. The supervisor should review these records in order to identify overage and shortage trends.
- L. Segregation of duties is to be established among cash receipts, recording and depositing functions. This is to ensure that an individual does not control a complete phase of an activity.

- M. Access to cash and permanent records should be limited to as few employees as possible. All non-permanent employees responsible for handling cash should be bonded. A permanent County employee is exempt from the bonding requirement.
- N. Cash receipts are to be deposited in the format received (cash payments should be deposited as cash, check payments as checks, etc.) and on a timely basis (i.e., within 48 hours) with the County Treasurer or in an authorized County bank account. Cash and checks are to be kept in a locked cash drawer or vault pending deposit. When receipts are deposited, a deposit slip should be obtained and filed with the cashier's daily reports.
- If cash is received infrequently or in small amounts (less than \$1), then the cash may be collected for several days before a deposit needs to be made. The funds collected should be secured in a lock box, cash drawer or vault pending deposit.
- O. Departmental records (including receipt duplicates, cash register tapes, reconciliation worksheets, cash receipt journals, deposit permit copies, and payor's record of cash receipts deposited with the County Treasurer) are to be reconciled monthly by the department and retained for three years.
- P. Supporting documentation should be filed in an orderly manner and be readily available.

III. EXCEPTIONS

Per Administrative Order No. 97-62, the Supreme Court of Arizona adopted Minimum Accounting Standards for Arizona Courts. This Administrative Order defines the accounting practices that are to be followed by Arizona Courts. County Courts are exempt from Administrative Procedure 22-5.