

# ADMINISTRATIVE PROCEDURES



Procedure Number: 22-5

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*C. Deibel*  
County Administrator

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SUBJECT: **CASH HANDLING PROCEDURES**

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DEPARTMENT RESPONSIBLE: **All County Departments**

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## 1. **STATEMENT**

The following outlines procedures and minimum requirements that County departments shall follow for collecting, recording and controlling cash. These requirements apply only to the areas designed to regularly accept cash - not to the areas that inadvertently receive a payment. Additionally, this Procedure addresses recording of cash receipts in Advantage Financial.

## 2. **DEFINITIONS**

Cash Receipt (CR) – this document allows you to record all monies collected, except when a CRA is appropriate.

Cash Receipt Advance (CRA) – this document provides a means to book an advance when monies are received prior to sending an invoice.

## 3. **PROCEDURE**

- 3.1. The Elected Official or Department Director will authorize certain individuals within a department to receive cash. Cash refers to cash, checks or credit card payments. Cash could be received over-the-counter; from a Department; or by mail for payment of goods or services provided by the County.
- 3.2. Cash receipt duties should be periodically rotated among departmental employees.
- 3.3. 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; user identification code; or other method to identify each cashier from others who may perform a similar function.
- 3.4. All cash drawers will be subject to periodic and unannounced audits performed either by the department's supervisor or manager.

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- 3.5. Procedures relating to the collection, recording and control of cash receipts are to be developed and formalized by the applicable County department. These procedures should include cash register instructions.
  - 3.6. In areas where payments are received over-the-counter, the following notice should be posted:

“Warning. A bad check could cost you \$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 greater) plus court costs and reasonable attorney fees as allowed by the Court.”
  - 3.7. 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 of the Environmental Quality Department, a vehicle license number is sufficient for tipping fees. Write the drivers' license information on the front of the check. Personal checks received over-the-counter must have the payer's full name and street address preprinted on the check. No countersigned checks will be accepted. If payment is received by a certified, cashier's, or traveler's check, the name of the financial institution must appear on the check.
  - 3.8. Checks are to be endorsed “FOR DEPOSIT ONLY” immediately upon receipt. This usually done by means of an endorsement deposit stamp.
  - 3.9. Cash received is to be recorded the same day of receipt into Advantage Financial or the department's software, which interfaces with Advantage Financial. Pre-numbered receipt forms or a cash register are to be used. Original receipts are to be issued to the payer. Receipts or register tapes are to identify the cashier handling each transaction. Data that is recorded should, at a minimum, include payer name (except when not feasible for high volume cash operations, such as the Parking Garages), the date payment is received; the purpose of payment; the form of payment (cash, check, credit card, etc.); and the amount received.
  - 3.10. 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 Advantage cash receipt document. The Cashier's daily reports are to be reviewed, approved and signed by a supervisor.
  - 3.11. The numerical sequence of receipts, permits, etc. issued are to be verified daily.

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- 3.12. 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. If misappropriation of funds is suspected, the supervisor must notify upper management, who will be responsible for determining if Internal Audit involvement should be requested.
- 3.13. Segregation of duties is to be established among cash receiving, recording and depositing functions. This is to ensure that an individual does not control a complete phase of an activity.
- 3.14. Access to cash and permanent records should be limited to as few employees as possible. All non-County employees responsible for handling cash should be bonded. A permanent County employee is exempt from the bonding requirement.
- 3.15. Cash receipts are to be deposited in the format received (cash payments should be deposited as cash, check payments as checks, etc.). Deposits shall be made on a timely basis (i.e., within 48 hours) with the County Treasurer or with an authorized County bank account. Cash and checks are to be kept in a locked cash drawer, lockbox or vault pending deposit. If a cash drawer is used, it must be kept in a secure location. When receipts are deposited, a deposit slip or other deposit confirmation notice should be obtained and filed with the cashier's daily reports. Deposits made at the Treasurer's Office must include a copy of the Advantage Cash Receipt form. If a deposit is made directly at the county's servicing bank the department must provide the Treasurer a Cash Receipt along with a copy of the deposit slip
- If cash is received infrequently or in small amounts (less than \$10), then the cash may be collected for several days before a deposit needs to be made. The funds collected should be secured in a locked cash drawer, lockbox or vault pending deposit.
- 3.16. Departmental cash receipt records are to be reconciled monthly; reviewed and approved by a supervisor; and retained for three years. Supporting documentation for the cash receipt records include, but are not limited to, receipt duplicates, cash register tapes, reconciliation worksheets, cash receipt journals, Advantage cash receipt documents, check copies, and deposit slips.
- 3.17. Supporting documentation should be filed in an orderly manner and be readily available.

#### **4. EXCEPTIONS**

Per Arizona Code of Judicial Administration, Part 1 Chapter 4 Section 1-401, the Supreme Court of Arizona adopted Minimum Accounting Standards (MAS) for Arizona Courts. The MAS defines the accounting practices that are to be followed by Arizona Courts. County Courts are exempt from Administrative Procedure 22-5.