Template

As of October 2018

Cash Receipting and Deposit Policy

Purpose

Establish a uniform control design for all departments of [entity name] that receive cash. This policy has been developed by the [Treasurer] with input received from the [Auditor], external auditors and approved by the [Governing body] who ultimately is responsible for the overall design and implementation of organizational controls. Over time it is expected this policy will be adjusted for changes in systems and organizational structure at which time the [Treasurer] will propose changes to the [governing body] for review and approval.

Cash Receipts at Separate Individual Locations

1. All funds received are entered into the accounting system at the time of the transaction or if the transaction occurs at a location without access to the accounting system the funds will be logged into a pre-numbered receipt book with enough detail to determine where/who the funds came from, the purpose for receiving the funds, the method of payment; cash, check, credit card etc., and designate the appropriate account. Manual receipts should have three copies; Customer copy, a Treasurer copy and a location copy.

2. At the end of each day the person responsible for receiving cash will close out their cash drawer, reconcile the system generated report to the cash in the drawer, place cash, checks and credit card receipts received along with the report in a deposit bag and either deliver it to the Treasurer's office or place it in a secure (locked) place for deposit on the next business day.

3. Void/adjusted transactions. If a transaction needs to be voided or adjusted it should be done by someone who does not receive cash. If an office doesn't have enough employees to have adjustments made by a supervisor that doesn't receive cash, two employees will sign off on the adjustment or voided transaction explaining the circumstances causing the adjustment. If the location is using a manual receipt book all copies of the receipt should be present for any voided receipt. The system should be designed to generate a report of all adjusted/voided transactions to facilitate monitoring of this process.

4. Every effort should be made to ensure large quantities of cash are not on hand at any location overnight. If a location has a large transaction or series of transactions leaving cash on hand over [Treasurer/Governing body to set amount/$1,000] the deposit should be made in the same day.

5. When deposits are made with the Treasurer's office the employee making the deposit will turn over the funds and watch as it is counted, receive a receipt detailing the amount, date of receipt and the signature of the Treasurer's office

employee who took custody of the funds. This receipt will be returned to the location and kept with the receipt records. Any discrepancy in the funds being deposited and the supporting documentation should occur when custody of the funds changes.

6. The Treasurer's office enters the deposit into the accounting system, and takes funds to the bank.

7. [Entity name] will install and maintain surveillance systems in offices receiving funds. Surveillance evidence will be maintained for [enter number of days/60] days.

8. Mail will be opened in the presence of two or more employees and any correspondence containing payments will be removed and processed prior to distributing mail to individual persons or departments.

Deposits with Treasurer

1. Treasurer's office employee will receive [department/location] funds, count the funds, compare the amount received to the supporting documentation provided and give a receipt to the employee who turned over the funds with the amount received, date and that employees name and signature.

2. An employee from the Treasurer's office enters the information from the deposit into the Accounting system.

3. At the end of each day, the Treasurer will compile all cash and checks received, match the total to the total receipts in the accounting system, and create a deposit slip (deposit information should be sufficiently detailed to allow a reviewer to trace individual transactions from satellite locations into the deposit and verify that the funds were received by the bank.

4. Copies of deposit slips are maintained and used to reconcile bank statements to the accounting records.

5. Department heads for departments that collect cash should review the revenue recorded into the accounting system with their copy of the deposits to ensure correct recording of cash. Where practicable the system should be designed to only allow receipts for cash receipts to be recorded to accounts that pertain to that office or department.

Adaptation to individual organizations

The policies and procedures mentioned above are basic and will need to be adapted to the individual needs of entities in varying sizes and locations. What follows are a series of individual considerations that may require adaptation to the policy or processes.

1. Small organizations - If there are not enough employees to segregate duties compensating controls should be considered such as: having a member of the [governing body] review transactions and trace them back to the source documents.

2. Entities may choose to modify deposit procedures to allow a department to make their own deposit into a bank account. In such cases the Treasurer should have access to the account and monitor the activity to ensure proper recording of transactions including adjustments, credits and withdrawals from the account.