

City of Yuma, Arizona
ADMINISTRATIVE REGULATION

Issued by: **Greg Wilkinson**
Authority: City Administrator

SUBJECT:
CASH MANAGEMENT POLICY

Issued: 6/18/18

- 1.0 PURPOSE:** To provide for strong internal controls for cash collection and handling in order to reduce opportunities for the mistreatment of city funds.
- 2.0 APPLICABILITY:** This policy applies to all employees.
- 3.0 DEFINITIONS:**
- 3.1 Cash:** coins, currency, checks, money orders, credit card transactions and any other monetary instrument.
- 3.2 Control:** the manner in which cash funds are handled and secured.
- 3.3 Sole Control:** only one employee has access to the cash and the same employee verifies, processes and assumes responsibility of the cash alone. The following is an example of Sole Control:
- (a) Daily management of cash vault
 - (b) Individual teller cash drawers
- 3.4 Dual Control:** two employees assume responsibility for the cash and verifies, processes, and assumes responsibility for the cash. The following is an example of Dual Control:
- (a) Transfer of monies from one employee to another
 - (b) Daily cash deposit to be sealed in deposit bag for deposit to bank
 - (c) Removal and opening of any night drop deposits or payments
 - (d) Teller cash audits
 - (e) Cash shipments for all funds received from bank
- 3.5 Deposits:** the act of reconciling all cash points into one deposit to be sent to the bank for deposit into the City's various accounts.
- 3.6 Cash Point:** any authorized location accepting cash transactions on behalf of the City of Yuma.
- 3.7 Cash Limit:** the approved amount of funds required to operate any cash point.
- 3.8 Starting Cash Limit:** the amount of cash a cashier starts their shift with for making change.

3.9 Change Fund: the amount of cash kept on hand to provide change to cashiers.

4.0 STANDARD OPERATING PROCEDURES: Each City department that handles cash will develop a written standard operating procedure (SOP) by division to be reviewed and approved by the city administrator and finance director prior to implementation. Each department director is responsible for ensuring that the SOP is implemented and followed.

4.1 Each SOP must address at a minimum the following items:

- (a) Daily handling of cash
- (b) How and where to secure cash at end of shift
- (c) The transfer of monies from one employee to the next
- (d) Cash limit
- (e) How cash will be recorded into a software system
- (f) Which software system will be utilized
- (g) Record keeping procedures when no software is available
- (h) Procedure for preparing and delivery of deposit to bank daily

5.0 ESTABLISHING A CASH POINT

5.1 Finance must authorize all Cash Points. Before any transactions can be accepted the requesting department must submit the following to the Budget and Revenue Manager in the Finance department:

- (a) Reason(s) why the cash handling collection point is necessary
- (b) List of positions handling cash
- (c) How/where cash will be secured while in operation
- (d) Where cash will be secured when not in operation
- (e) Completed SOP pertaining to the new location

6.0 CASH LIMITS

6.1 All cash points will have a cash limit for the overall operations. The cash limit will be requested by the department head and approved by the finance department.

6.2 Each individual cashier will be assigned a starting cash limit to begin his or her shift and to make change. At the end of each shift the cash drawer will be brought back to the starting cash limit before the next employee begins their shift. If the next employee utilizes the same cash drawer the starting cash limit must be verified under dual control.

7.0 BALANCING

7.1 Each collection point must be balanced on a daily basis with all funds exceeding the authorized *starting cash limit* being prepared for deposit to the appropriate city bank account.

7.2 All cash to be *deposited* will be placed in the sealed bank bag and must be verified under *dual control* with both parties placing their initials on the bank bag as well as the deposit slip.

8.0 CASH DRAWER

- 8.1** Each employee is to be assigned their own cash drawer with *sole control*. No one, except the employee assigned, should ever have access to the drawer at any time under normal circumstances.
- 8.2** All transactions are for the amount of purchase only, no cash back on checks, money orders, or credit cards will be permitted.
- 8.3** Employees are not permitted to make change for non-purchases.
- 8.4** City employees are not permitted to cash personal checks at any time except for checks issued by the City of Yuma to an employee.

9.0 CASH OVER AND SHORT

- 9.1** Employees who handle cash are expected to accurately settle their funds each day at the end of their shift.
- 9.2** Each Cash Point SOP must include the following disciplinary verbiage and appropriate dollar amounts as approved by Finance.

When there is an outage (an overage or shortage) the following disciplinary guidelines may be applied, up to and including termination.

- (a) Verbal Warning
 - (1) Five or more outages of any amount in a 30 day period
 - (2) Three or more outages of \$5 or more in a 30 day period
 - (3) Cumulative outages of \$XX or more in a 30 day period
- (b) Written Warning
 - (1) Next outage after a verbal warning
 - (2) Cumulative outages of \$XX or more in a 30 day period
- (c) Possible Termination
 - (1) Next outage after written warning
 - (2) Any single outage of \$XX or more

10.0 CASH OVER AND SHORT REPORTING

- 10.1** The director of finance and the budget and revenue manager must be notified in writing within one business day of the following events:
- (a) A single employee is out of balance \$100 or more
 - (b) The Division has cumulative outages of \$100 or more on any given day
 - (c) When the deposit does not get submitted to the bank by the following business day

11.0 CASH HANDLING

- 11.1** To safeguard the City of Yuma funds as well as the employee the following should always be adhered to:

- (a) All cash collected must be deposited into the bank within two business days of receiving the cash
- (b) One employee per cash drawer
- (c) Dual control for all deposit preparations
- (d) Dual access to all *change funds* unless they have been assigned to an individual for *sole control*
- (e) All monies being transferred from one employee to another must always be verified under *dual control*
- (f) Once a deposit bag has been sealed it can only be reopened under dual control
- (g) All sealed deposit bags will be kept under *dual control* until which time they are taken to the bank for deposit. If the sealed deposit bag is NOT picked up by armored car, the employee taking the bag to the bank must sign for responsibility