



Policy #40

Policy Title: Cash Handling Policy

Approved by Council on: Nov 16, 2011

CASH HANDLING POLICY

PURPOSE

To establish a Cash Handling Policy that is consistent and uniform throughout all departments within the Township of Southgate. All staff receiving funds on behalf of the Municipality must adhere to this policy.

POLICY

This policy will establish procedures for the handling, safekeeping and depositing of cash and cash equivalents. The term "cash" applies to currency, coin, cheques, money orders, debit card payments or other electronic payments payable to the Township.

This policy outlines the responsibilities of individuals who handle cash and cash equivalents to ensure they are handled in a secure manner. It is the responsibility of all staff handling cash to read this policy and ask for clarification from the Treasurer if any items are not understood.

RESPONSIBILITIES

a) **The Finance Department will:**

- Develop, review, and interpret cash handling policies and procedures to ensure clear communication.
- Deposit funds, or assist other departments to make deposits to the bank on a timely basis.
- Process deposits received in the general ledger accounts on a timely basis.
- Perform monthly bank account reconciliations on a timely basis for all bank accounts.

b) **The Department where cash and cash equivalents are handled must:**

- Ensure that all staff that handle cash and cash equivalents are aware of, understand and adhere to all applicable policies and procedures.
- Implement adequate procedures to ensure policy requirements are met.

c) **The Individuals who handle cash and cash equivalents on behalf of the Township must:**

- Provide an appropriate receipt, where required (e.g. donation, cash receipt, etc.)

- Secure and store cash in a secure manner until delivered to Township Office or deposited (ie: if cash is collected at the landfill site, it must be delivered at least weekly to the Township office for deposit).

SAFEGUARDING CASH

- a) All cash must be kept in a secure location. Particular attention must be paid to the security of cash during the day and overnight. Cash must not be left unattended during the day and must be placed in an appropriate secure location or locked in vault overnight.
- b) For your own protection, if you are getting an excess amount of cash or large bills in the cash register, remove the excess and store in a locked box or in vault.
- c) To the extent staffing levels permit, segregation of duties will be maintained from the individual handling the cash, the individual preparing the bank deposit and the individual recording the accounting entries.

CASH RECEIPTING AND PROCESSING PROCEDURES

- a) When a customer presents an invoice, bill, statement or arrears notice for payment, staff must verify that the amount of the payment is the amount outstanding on the account. A customer may present a bill for payment after the due date and penalty may have to be added. Advise the customer if there is penalty on the account.
- b) Upon receipt of cash, cheques, bank drafts, or money orders the receiver must:
 - Count the cash to ensure it is the correct amount.
 - If payment is being made by cheque, ensure that the date, amount, and payee are correct and that the cheque is signed by the customer.
 - Staff may accept cheques only when the cheque is made payable directly to the Township of Southgate or associated organization for which the Township maintains a trust fund.
 - The Treasurer may accept an endorsed federal government cheque, if the funds will be applied to an outstanding account.
- c) If the record keeping process is **not** automated:
 - Complete a cash receipt form in its entirety, i.e. account number, department, nature of purchase, method of payment or remove the remittance stub if a counter transaction **specifically noting if the method of payment was cash.**
 - Sign the cash receipt form, and
 - Provide receipt to customer if a counter transaction and **note on customer receipt also if the method of payment was cash.**
- d) If automated:
 - Prepare appropriate documentation through automated system and provide receipt to customer.

CERTIFIED CHEQUES

Each department is responsible for determining whether cheques are required to be certified prior to acceptance. Certified cheques are recommended in service areas that have a high number of returned cheques or if the service believes there is a high degree of risk with a particular customer. It will be the responsibility of the Department Head to inform the staff who receive and process funds for the Municipality, whether certified cheques are required.

The department bears the risk of any returned cheques (e.g. insufficient funds, closed accounts, etc.) Any uncollectible amounts will be charged back to the appropriate department.

CREDIT CARD

Payments by credit card are not accepted.

DEBIT CARD

Upon receipt of payment by debit card, the receiver must:

- Process transaction through debit POS machine by following the POS manual procedures;
- Give customer the "Customer Copy" of the debit card receipt; and
- Prepare a receipt form and provide customer with copy.

BALANCING CASH REGISTER RECEIPTS AT ADMINISTRATION OFFICE

Bank deposits will be prepared at minimum twice per week to ensure cheques are processed in a timely manner after being received and to ensure a consistent deposit of revenues to the Township's bank account. During peak times such as tax due dates, daily bank deposits may be required. A bank deposit must be completed on the last business day of each month.

Count out the allotted float amount (\$80.) to remain in the cash drawer. The remaining cash/cheques should reconcile to the cash register tape.

Balance cash, cheques and coin to the cash register totals and receipts and record on Bank Deposit Sheet (attached Schedule A). Large amounts of coin for deposit must be rolled, but the amount of coin left in the float must be maintained. Any cash over/cash short cannot be recorded on a listing until every avenue of balancing has been completed for each deposit. Should a discrepancy occur between the cash drawer and the supporting payment documents, it will be the responsibility of the Treasurer to review all transactions and balance the cash drawer. Cash corrections must be approved and initialled by the Treasurer.

INTERAC SETTLEMENT

Complete the settlement process for Interac and staple the receipt to the cash register tape. (documentation for this is on I:\Documentation\Interac)

CHEQUE LISTING

Include a calculator tape listing for multiple cheques and ensure the backs of the cheques are stamped with the "For Deposit Only" stamp. Transfer the cheque total onto the deposit slip and attach the tape listing of cheques.

PREPARATION OF BANK DEPOSIT

List the cash, coin and cheques for deposit on the deposit slip. The individual doing the deposit will initial the deposit sheet and will request another staff member will recount cash, verify the deposit amount with receipts and initial the deposit sheet.

Place the cheques, cash and coin (rolled where appropriate) and the top copy of the completed deposit slip in the deposit bag. The second copy of the deposit slip is placed into an envelope for insertion into the ATM and the yellow copy remains in the deposit book.

Following delivery of bank deposit to bank, the ATM receipt is to be attached to the yellow copy in the deposit book.

Where practical, there must be a **segregation of duties** between the individual balancing to the cash register tapes and preparing the bank deposit and the individual entering the receipts.

Policy Review

The Finance Department shall perform a review of all Township cash handling policies, procedures, functions and processes on a regular basis and independent auditors shall review the cash management controls through the annual audit process.

Violations

Any employee found to have violated this policy may have his/her cash handling authorization limited or revoked and may be subject to formal disciplinary action up to and including termination of employment. Under certain circumstances involving theft or wrong doing, criminal charges may be laid.

Liability for Loss

Each department has primary responsibility for care of Township cash and cash equivalents in its custody until entrusted to the Township Office or deposited in bank. Compliance with these rules and procedures, approved by the Township Treasurer, establishes a presumption that the Township department exercised due diligence in its custody and care of Township cash and cash equivalents.

BANK DEPOSIT SHEET

Schedule "A"

DEPOSIT DATE: _____ **TOTAL DEPOSIT:** \$ _____

GENERAL RECEIPTS (05) \$ _____ **CR** _____ **DR**

01-0000-1030

OTHER _____ \$ _____ **CR**

Facility Scheduling (10) \$ _____ **CR**

SALES (09) \$ _____ **CR**

DOG (02) \$ _____ **CR**

WATER (08) \$ _____ **CR**

TAX (01) \$ _____ **CR**

CEMETERY

RECEIPTS CODE AS FOLLOWS: 10 0006 1030 _____ **DR**

P.C. (SALE OF PLOTS (03)) 10 0006 6455 _____ **CR 84 01616**
(\$150.00 TO \$300.00) 146

MONUMENT MAINTENANCE (04) 10 0006 6450 _____ **CR 84 01411**
(\$100.00) 145

DEVELOPMENT CHARGES (06) 09 0012 1030 _____ **DR 84 01519**

09 0012 6430 _____ **CR 781**

EGREMONT OPTIMIST (07) 10 0007 1030 _____ **DR 84 01810**

10 0007 6400 _____ **CR OPTIMIST**

Total Cheques \$ _____ x 100 = \$ _____

_____ x 50 = \$ _____

_____ x 20 = \$ _____

_____ x 10 = \$ _____

_____ x 5 = \$ _____

coin / rolled \$ _____

TOTAL CHEQUES & CASH \$ _____

Deposit Completed by: _____

Deposit Verified by: _____