



ACCOUNTING & INTERNAL CONTROL POLICY MANUAL

POLICY C-01: Policy for Cash Handling Controls
Issued by: Auditor-Controller's Office
Issued/Revised: February 01, 2022

I. PURPOSE & DEFINITION

The purpose of this policy is to establish minimum procedural and documentation requirements and controls related to cash handling. This policy is applicable to all County departments, agencies, and districts under the Board of Supervisors.

This policy outlines the minimum requirements and is not meant to be a detailed procedural guide. Cash Handling Control Guidelines supplement this policy and provide departments, agencies, and districts with guidelines for establishing and documenting cash handling procedures. The Cash Handling Control Guidelines can be obtained from the Auditor-Controller's SharePoint site.

For purposes of this policy, cash is defined as coin, currency, checks, wire transfers, electronic fund transfers, automatic bill pay systems receipts, debit and credit card receipts, lock box deposits, and all forms of negotiable instruments. Examples of negotiable instruments are personal checks, cashier's checks, bank drafts, traveler's checks, money orders, and all other instruments that may be transferred by endorsement and delivery within the ordinary course of business activity.

II. POLICY

It is the responsibility of County departments, agencies and districts to have effective internal controls in place to accurately collect and safeguard cash, to properly and timely deposit all cash, to monitor cash balances, and to record the correct amount of cash collected in the County's Financial System.

Written procedures must be developed to guide staff on proper cash handling. This documentation must include all cash related transactions and document the internal controls in place that mitigate the risk of error and safeguard cash.

Written procedures for cash handling must be submitted to the Auditor-Controller's Office Internal Audit Division (ACO-IA) and resubmitted as changes occur.

All cash collected or received by County departments, agencies, or districts, shall be deposited, whenever practical, in the County Treasury or authorized outside bank account, no later than one working day following the date received.

If it is not practical or cost effective to deposit cash by the next working day following the date received, then deposits should be made at least weekly or whenever \$500 is accumulated, whichever comes first. In instances where it is not practical or cost effective to deposit cash within the required one-day time frame, a policy exception should be requested and approved by the Auditor-Controller. The agreed upon alternative deposit schedule must be documented in departmental written procedures.

All individuals involved in cash handling are required to be adequately trained. Questions related to training should be directed to the Auditor-Controller and the Treasury as appropriate.

In order to comply with the County's Cash Handling Control Policy, departments, agencies, and districts as applicable, must also review and comply with the following policies:

- C-02 – Petty Cash and Change Funds
- C-03 – Outside Bank Accounts

In addition, the Treasurer-Tax Collector has policies and procedures pertaining to the cash collections, deposits, and bank accounts which should be referred to in conjunction with this policy.

III. RESPONSIBILITIES

County Departments, Agencies, and Districts

- Comply with the Auditor-Controller's Policy for Cash Handling Controls and its related guidelines
- Implement effective procedures and internal controls to accurately collect and safeguard cash, properly and timely deposit all cash due to the County, monitor cash balances, and record the correct amount of cash collected in the County's financial system
- Maintain written documentation for cash handling procedures
- Submit written documentation of the cash handling procedures to the ACO-IA
- Ensure all cash is counted and balanced with receipts daily
- Report all cash overages and shortages of \$50 or more to the ACO-IA
- Ensure that all individuals involved in cash handling are adequately trained

Auditor-Controller

- Review written cash handling procedures submitted by County departments, agencies, and districts for compliance with the County's cash handling control policy. Review the departmental internal controls and provide recommendations as necessary
- Conduct unannounced cash reviews when deemed necessary
- Examine and settle the accounts of any money payable to the County treasury and certify the amount
- Review and approve requests for exceptions from the one day-deposit policy and maintain a log of approved requests

Treasurer-Tax Collector

- Approve the acceptance of debit and credit cards as payment and the set up with the approved card processor and acquirer
- Receive all deposits
- Establish agreements and coordinate all relationships between the County and banks and non-bank financial services providers