

Douglas County Policies and Procedures

Treasurer's Office

Cash/Check/Credit Card Depositing and Receipt of Electronic Funds Policy

POLICY STATEMENT

The Treasurer's Office is responsible for the collection and depositing of property taxes and revenues received by other departments within the County. The Clerk & Recorder's office collects a substantial amount of checks and cash daily for Motor Vehicle and is the only department that deposits directly to the bank. The Treasurer's office is also responsible to recognize and notify departments of all incoming electronic funds. The purpose of this policy is to provide guidance for all County departments and employees who collect payments as part of their job functions, while suggesting standardized procedures to comply with acceptable cash management guidelines.

SECURITY OF CASH AND CHECKS

All cash and checks must be kept in a secured area, which is not accessible to the public and limited only to the appropriate Cashiers and Managers. Preferably, each department should have their own point-of-sale system, whereby, each Cashier maintains their own cash drawer and are responsible for securing and balancing their own cash and checks daily.

For depositors whose cash and checks are greater than \$500, a deposit must be delivered to the Treasurer's Office prior to 3:00 daily. If not located in the Miller building, armored car is the preferred method of transportation. When unable to transport funds for deposit prior to 3:00, cash and checks must be securely locked up overnight and delivered to the Treasurer's Office next day. If your total cash and checks to be deposited is less than \$500, daily depositing is not mandatory; however, you must deposit with the Treasurer's Office once you reach the \$500 threshold or at a minimum weekly. Combinations or keys for cash receptacles shall be maintained only by designated custodians and supervisors.

RECEIVING CASH PAYMENTS

When receiving cash for payment of County services, the following steps should be implemented:

- Count all cash received in the presence of the customer. If the amount received is greater than \$50, another employee should verify the cash transaction. Due to the logistics and amount of cash received in Motor Vehicle, it is not practical for this department to do a second verification;
- Do not place the currency received in the cash drawer until change has been made and the transaction completed. Example: If a \$20 bill is received, place that bill on the counter and to the side, but in the sight of the customer so there is no question as to what denomination(s) the customer tendered;
- Change to a customer should always be counted twice – once when the cashier counts it out of the drawer and a second time when the cashier counts it back to the customer;

- When using a shared cash drawer, or if your point-of-sale system does not allow for segregated reporting of cash and check, it is suggested that you prepare a “Cash In” ticket for the moneys received, noting amount of cash, amount coin, and total. A cash register tape will also meet this requirement. Another employee should verify all cash and initial the “Cash In” ticket or cash register tape;
- Losses from accepting counterfeit bills occurs several times a year. Any \$50 bill or larger should be inspected by the cashier, or in the case of Motor Vehicle, use the detection pens and automatic counterfeit detector as described below:

Departments other than Motor Vehicle without counterfeit detection pens

- Feel the texture of the paper. Counterfeit money will often feel distinctly different from authentic money. Genuine currency has slightly raised ink. Run your fingernail over the portrait’s vest of the bill and you should feel distinctive ridges;
- Notice the thinness of the bill. Genuine money is often thinner than counterfeit;
- Inspect the print quality. Look for blurry areas, especially in fine details such as the borders, and bleeding ink;
- If you are suspicious, compare the bill with another of the same denomination and series;
- By law, all counterfeit bills must be reported to the Secret Service. If you suspect a counterfeit bill and the customer is present, attempt to distract them and call the Sheriff’s Office at **9-911**. If the customer is no longer present, contact the Sheriff’s Office for further reporting instructions at 303.660.7544

Motor Vehicle with the use of counterfeit detection pens

- Use the detection pen to make a small mark on all \$50 and \$100 bills at the time received from the citizen. If mark is light: Bill passes and is not counterfeit. If mark is dark: Bill is “Suspect”;
- If the detection pen shows a bill is suspect, put the bill through the automatic counterfeit detector to determine if it is counterfeit;
- Make sure you have transaction information, copy of customer’s ID, current address, and telephone number;
- Make your supervisor aware of the situation;
- Inform the customer that the bill is “suspect” and that your supervisor will need to take it to the bank for verification. If the bank deems the bill counterfeit, they will keep the bill so MAKE A COPY of the Bill before taking it to the bank. If the customer asks for the bill(s) back, let them know we are required to keep it;
- If the customer chooses to wait for bank verification and it comes back counterfeit, contact law enforcement and have them wait until law enforcement arrives. They will also need to pay with another form of payment before they leave;
- If the customer chooses not to wait, let them know that if the bill is determined to be counterfeit, that we will contact them for another form of payment and that law enforcement may also contact them;
- For more details on how to spot a counterfeit bill, refer to:

https://uscurrency.gov/sites/default/files/download-materials/en/know_your_money_pdf_english.pdf

(If unable to open above link, you can copy and paste into the URL bar of your browser)

- Do not accept foreign currency or coins.

RULES FOR ACCEPTING (NON-ACCEPTANCE) OF CHECKS

With today's automation in the check clearing process, plus, the County now deposits all checks as images, banks are no longer liable to review for missing or erroneous information on checks. On rare occasions, the bank that the check is drawn on, or the payer, could reject the check for payment as "no signature", "stale-dated", etc.; however, this is very unlikely. In addition, and in most instances, the County has recourse to discontinue future services until a valid payment is received.

- If the *signature is missing* and the customer is present, have them sign the check. If the customer is not present and the signature is missing, accept the check for deposit;
- If the *numeric and written amounts don't agree* and the customer is present, have them provide a replacement check or correct either the written or numeric amounts to match and reflect the amount the check should be negotiated for. If either the written or numeric amounts are missing, the customer can fill in any missing information. If the customer is not present, write above the numeric amount on the face of the check the correct amount the check should be negotiated for. The Treasurer or Clerk's Office will submit the check for clearing using your requested amount. If either the written or numeric data are missing, the value of the check will default to the existing information on the check;
- If *payee is missing* and the customer is present, have them fill in Douglas County and your <department name>. If the customer is not present and you're certain it belongs to the County, accept it. If you have a Douglas County <department name> stamp, you can stamp it for the Payee field;

If the *payee is not Douglas County* and the customer is present, request a replacement check. If the customer cannot provide a replacement check, they should add to the existing payee on the "Pay to the Order of" line. Endorse as usual on the back of the check. If the customer is not present, but you're certain it was intended for the County, accept it and endorse using your usual County endorsement stamp. Cashier's Checks must be made payable to Douglas County;

- *Check dates* are usually not verified by the bank and banks are not obligated to reject a check based on the check date. Postdated checks, dated in the future, should not be accepted if the customer is present and have them write another check or change the date. If you receive a postdated check and the customer is not present, it can be accepted, however, should be approved by a Supervisor.

Rules for Other Special Negotiable Items:

- Counter Checks: If the name and address of the payer is not pre-printed on the front of the check, it may be a new account with temporary checks called "counter checks". When accepting a "counter check", make sure you write on the face of the check the payer's name, address, phone number, and drivers license number. Do not accept a "counter check" without a driver's license number;
- Other forms of checks that can be accepted, where the payer is the issuing bank, are Cashier's Checks or Money Orders. In each of these instances, the checks are prepaid

and guaranteed funds. Please be aware that banks have experienced increased counterfeiting with these types of payment instruments in recent times;

Cashier's Checks: The payee must be Douglas County <department> only. You may not accept Cashier's Check with a payee line other than Douglas County;

Money Orders: Make sure they are made out to Douglas County or, in rare cases could be made out to the payer. In these cases, the payer must endorse on the back;

- Do not accept checks drawn on foreign banks. Example: A check drawn on a Canadian Bank, Bank of Norway, etc. Exception: On the face of the check it says, "Denominated in U.S. Dollars";
- Endorse all checks with your department name, except for Motor Vehicle and Treasurer who scan their own checks and are electronically endorsed at that time. Each department should have an adequate supply of endorsement stamps for staff members that accept checks. Please contact the Treasurer's Office for endorsement stamp requirements.

CHECK CASHING POLICY

Department change drawers are not to be used for cashing checks including petty cash, personal, payroll, or expense checks. Cashing customer's checks is also prohibited. Douglas County issued checks for petty cash only may be cashed at the Treasurer's Office, pending availability of funds, which cannot always be guaranteed.

DAILY DEPARTMENTAL CASH/CHECK SECURITY PROCEDURES

Each department shall have set procedures for opening and closing business operations. There should be key staff responsible for the cash drawer(s), petty cash, daily balancing, preparing your daily deposit, and designating the proper GL accounting. In Motor Vehicle, key staff includes Tier III and above.

Other "best practices" for cash/check security include:

- All voided, or transactions with amended tendered amounts, should be authorized by a supervisor or key staff members approved to do so. It is best if the person who processed the payment does not do the actual void. Reasons for the void should be noted;

- Supervisors must limit the number of staff with access to combinations, passwords, etc. for their departments. On an irregular basis, or at the discretion of the supervisor, changes should be made to combinations, locks, passwords, etc. depending on staffing changes;
- During business hours, the cash drawer(s) should be locked. Unsecured cash drawer(s) should never be left unattended;
- Supervisors should randomly verify that each till's beginning balance is accurate.

PREPARATION OF DEPOSIT

- Balancing the day's business should be set at a certain time daily. Receipts from your Point-of-Sale system must balance to the cash, check, and credit card transactions to record into J.D. Edward's Miscellaneous Receipts (MR) application. For instructions on how to input your MR daily deposit, go to:

G:\JDEOneWorld\Miscellaneous Receipts\Miscellaneous Receipt Training Document 1

If you require training or rights to the MR application, please contact Carol Hildie #4251 or Pat Neef #7409;

- After input into the J.D. Edwards MR application, all cash and checks must be delivered to the Treasurer's Office prior to 3:00 p.m. daily (except for the Clerk and Recorder who deposits directly). Delivery of substantial amounts of cash to the Treasurer's Office must be transported via armored car and received by 2:00 p.m.;
- Timely depositing of funds reduces the risk of lost payments, decreases the probability that the check will be returned as insufficient funds, while increasing interest earnings for the County. Under certain circumstances, daily depositing may not be cost effective. The Treasurer's Office recommends your department set a threshold of holding no more than \$500 in cash and checks before a deposit is prepared and delivered. Under very limited circumstances, a payment may be held prior to depositing if it is questionable as to the validity of the transaction;
- If a J.D. Edwards General Ledger account number is unknown or unavailable, please contact the Finance/Accounting departments;
- When your daily transactions consist only of credit card or E-Check payments, it is still mandatory that you report these deposits into the J.D. Edwards MR application by next day. Without reporting these daily, funds will be received into the bank without transactions to apply it against;
- In January and February of each year, you may receive payments for products or services that were provided in the previous calendar year. When revenue is earned in the prior year, within your J.D. Edwards MR application, you must place a check mark in the "Prior Year Revenue" box next to each revenue line item. Receipt of prior year revenue can only be recognized by the Treasurer department until the last week of February. After that time, please contact the Finance/Accounting department;
- Some departments (particularly Fairgrounds and Parks) receive money for events that will not occur until the following year. When the cash/check/online payment is received,

but the service not provided till the next year, within your J.D. Edwards MR application, you must place a check mark in the “Next Year Revenue” box for each pertinent revenue line item;

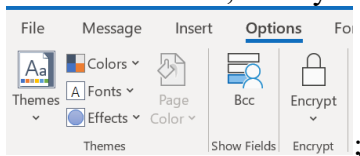
- All requests to amend GL accounting entries previously reported as a MR should be provided to the Treasurer’s Office in writing. Please e-mail to childie@douglas.co.us and pneef@douglas.co.us ;
- The Miscellaneous Receipt “Acknowledgement of Deposit” will be e-mailed to the preparer of your deposit by the end of each business day. Each depositor will be required to forward the acknowledgement to any other parties of interest. It is the department’s responsibility to carefully review the acknowledgement and confirm that the deposit was processed accurately. It is strongly suggested that your department maintain all “Acknowledgement of Deposit” reports in a designated folder for a period of 1 year + current year.

Questions regarding deposits should be addressed to Carol Hildie @ Ext. 4251 or Pat Neef @ Ext. 7409.

RECEIPT OF ELECTRONIC FUNDS (ACH OR FED WIRE)

The Treasurer’s office has the capability of accepting electronic payments, via ACH or Fed wire, directly into the County’s bank account:

- Contact Pat Neef at #7409 or Carol Hildie #4251 to get the County’s bank information. We can provide this to you via an e-mail that you can forward to your customer. However, outgoing confidential information, such as bank instructions, must be sent using encrypted e-mail. In Outlook, from your message, go to Options/Encrypt;



- You will be required, prior to receipt of the payment, to provide the 1) name of customer and contact information 2) amount you are anticipating receiving 3) approximate date of payment 4) how you would like to be notified once the payment is received 5) the GL account the payment should be applied to.

DEPOSIT VERIFICATION

The Treasurer’s office is responsible for the accuracy of all deposits and, upon receipt of your department’s deposit, will:

- Verify the accuracy of the cash submitted for deposit and resolve any discrepancies in the presence of the submitting department’s representative. The only exception is Motor Vehicle, who deposits directly to the bank, along with, those deposits delivered in a sealed bag by the armored car service;
- Review the accuracy of the J.D. Edwards MR and assure the cash, check and credit card amounts match the items being deposited.

SUMMARY

These procedures are intended to assist all County departments with their depositing of funds and to comply with the County's goal of standardizing cash management procedures. We realize that unique situations will always occur and staff is encouraged to use their best judgment under such circumstances. If you have suggestion or questions, please contact Pat Neef, Treasurer's Office, pneef@douglas.co.us or 303.660.7409 with questions.

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