

# **Douglas County Policies and Procedures Treasurer's Office**

## **Cash/Check Depositing and Receipt of Electronic Funds Policy**

### POLICY STATEMENT

The Treasurer's Office has the fiduciary responsibility to assure effective cash management practices are maintained throughout the County and to oversee internal control of cash receipts. The Treasurer is also responsible for property tax billing and collections, investment of county funds, and banking relations.

### PURPOSE STATEMENT

The purpose of this "Cash/Check Deposit and Receipt of Electronic Funds Policy" is to provide guidance and to create a general performance measure for all County employees who collect payments as part of their job functions, to increase accountability and internal controls, and to standardize all County departments and facilities' 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. The preferred policy is for each department to utilize a point-of-sale system with each cashier maintaining their own cash drawer and be responsible for securing and balancing their cash and checks daily. All funds should be reconciled and deposited with the Treasurer's Office. For depositors whose cash and checks are greater than \$500, a deposit must be delivered to the Treasurer's Office prior to 2:00 daily. If unable to transport funds for deposit prior to 2:00, 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. For further information on depositing procedures, please refer to the section "Preparation of Deposit" below.

### 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;

- 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 is the responsibility of the County and occurs several times a year. Any \$50 bill or larger should be inspected by the cashier.
  - 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.
  - 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](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)

- 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;
- Do not accept foreign currency or coins.

### RULES FOR ACCEPTING (NON-ACCEPTANCE) OF CHECKS

With today’s automation in the check clearing process, 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.

*The following rules were reviewed and agreed upon by U.S. Bank, the County's current depository/disbursement financial institution.*

- 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, 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 payee is missing and you're certain it belongs to the County, accept it and use the proper endorsement stamp, as usual, on the back;
- If the payee is not Douglas County and the customer is not present (see below for special instructions for Cashier's Checks only), but you're certain it was intended for the County, accept it. Endorse using your usual County endorsement stamp;
- If the payee is not Douglas County and the customer is present (see below for special instructions for Cashier's Checks only), have the customer sign in the endorsement area, on the back, the exact payee from the front of the check payee line. Below their signature have them write "Pay to the Order Of Douglas County <department>". Below that, endorse using the proper endorsement stamp;
- Check dates are usually not verified by the bank, however, banks are not obligated to honor a check that the date is greater than 180 days old. Postdated checks, dated in the future, should not be accepted if the customer is present and have them write another check. If you receive a postdated check in the mail, accept it.

#### 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, Money Orders, or Traveler's Checks. In each of these instances, the checks are prepaid and guaranteed funds. Please be aware that banks have experienced increased fraud in 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 either made out to Douglas County or properly signed on the back in the Endorsement area by the payer; this should be the customer.

Traveler's Checks: Must be countersigned on the front by the customer and Douglas County written on the face of the check in your presence. When accepting a Traveler's Check, make sure you write on the face of the check the payer's name, address, phone number, and driver's license number. Do not accept Traveler's Checks without a driver's license with a picture;

- 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 states "Denominated in U.S. Dollars".

Endorse all checks with your department name. 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 prohibited by both the Douglas County departments and the Treasurer's Office. 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 deposit on a daily basis, and designating proper GL accounting. \

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

- All voided, or transactions with amended tendered amounts, shall be authorized by a supervisor or key staff members approved to do so. Reasons for the void should be noted and maintained with the business activity reports;
- 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 at the beginning of a work day that the opening change fund 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 should balance to the cash, check, and credit card transactions to be deposited and recorded on the Excel version of the "Deposit Slip to Douglas County Treasurer" provided to each department. If you do not have this Excel form, please contact the Treasurer's Office;
- If you accept credit card or E-Check payments, and you have any transactions within a given day, you must deposit next-day to the Treasurer's Office using the "Deposit Slip to Douglas County Treasurer". If there is not cash or checks to transport, this deposit request can be e-mailed to [childie@douglas.co.us](mailto:childie@douglas.co.us), [cfrickey@douglas.co.us](mailto:cfrickey@douglas.co.us), and [pneef@douglas.co.us](mailto:pneef@douglas.co.us);
- 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;
- All checks must be deposited with the Treasurer's Office (with the exception of the Clerk and Recorder and Public Trustee Department). You may contact the Finance/Accounting departments if unsure of the proper GL account number;
- In the first few months of each fiscal year, you may receive payments for products or services that were provided in the previous calendar year. These revenues are considered earned in the previous year and must be reported in the GL accordingly. When a revenue source is earned in the prior year, on your "Deposit Slip to Douglas County Treasurer" you must place an "X" in the box called "Prev Yr Revenue" to the right of the revenue line item. Receipt of prior year revenue can only be recognized on your daily deposit up until the last week of February;
- Any documentation (check stubs, correspondence, etc.) that you want scanned into JD Edwards for future referencing should be attached to your "Deposit Slip to Douglas County Treasurer";
- When delivering the "Deposit Slip to Douglas County Treasurer" departments can provide an additional duplicate copy, which will be initialed as received by the Treasurer's Office;

- We encourage you to deliver your deposit request and cash/checks to the Treasurer's Office prior to 1:00 p.m. daily. Under certain circumstances, we can process your deposit as late as 2:00 p.m.; however, we discourage large or multiple deposits this late in the business day. When delivering substantial amounts of cash to the Treasurer's Office, please permit an additional staff member to accompany the person responsible for transporting the deposit. Also, allow extra time for Treasurer's staff to verify the cash amount;
- All requests to amend GL accounting entries must be provided to the Treasurer's Office in writing. The preferred method is to use a blank "Deposit Slip to Douglas County Treasurer" and print "AMENDED" across the top; bracket < > the amount to be reduced and record the correct GL account and amount as usual. These should be e-mailed to [childie@douglas.co.us](mailto:childie@douglas.co.us), [cfrickey@douglas.co.us](mailto:cfrickey@douglas.co.us), and [pneef@douglas.co.us](mailto:pneef@douglas.co.us);
- The "Miscellaneous Receipt" acknowledgement of deposit will be e-mailed to the preparer of your deposit, unless otherwise designated, usually the same day the deposit is received. It is the department's responsibility to carefully review the acknowledgement and confirm that the Treasurer's Office has processed the deposit to your specifications. It is strongly suggested that your department maintains these "Miscellaneous Receipt" acknowledgement reports in a designated folder for a period of 1 year + current year;
- Questions regarding deposits should be addressed to Carol Hildie @ Ext. 4251, Pat Neef @ Ext. 7409 or Charmaine Frickey @ Ext. 4238.

#### 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 the Treasurer's office at #7455 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 the subject line type: **\*\*ENCRYPT\*\* Douglas Information;**
- You will be required at that time the bank instructions are sent 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.

#### RECORDING OF DEPOSIT IN GENERAL LEDGER

The Treasurer's Office is responsible for all money being sent to the bank and funds

reported to the Accounting Division of the Finance Department. Upon receipt of your department's deposit, the Treasurer's staff will:

- Verify the accuracy of the cash submitted for deposit and resolve any discrepancies in the presence of the submitting department's representative, before they leave the Treasurer's Office, unless the deposit is delivered in a locked or sealed bag. Checks will not be verified at this time;
- If applicable, sign or initial the duplicate "Deposit Slip to Douglas County Treasurer" provided by the submitting department's representative that the deposit was received in the Treasurer's Office;
- Verify that the checks match the "Deposit Slip to Douglas County Treasurer" form, at the time of processing and promptly contact the preparer of any discrepancies;
- Record the deposit request in J.D. Edwards per the department's accounting instructions;
- Provide daily after 3:00 p.m. an e-mail with the "Acknowledgement of Deposit" to the person preparing the deposit.

### SUMMARY

These procedures are intended to assist all County departments with their depositing of funds, to comply with the County's goal of standardizing cash management procedures and protecting County funds and employees. The success of achieving these goals is the result of your efforts, and the ability of all departments, to work together in achieving County wide secure cash management practices.

Please contact the he Treasurer's Office with questions.