

The purpose of this document is to establish uniform procedures to be followed in the collection, custody, reporting and deposit of cash receipts for all departments within the City of Rock Island, Illinois (the City).

"Cash" as referenced herein, includes coin, currency, checks, e-checks, cashier's checks, money orders, debit/credit card transactions, direct bank remittance receipts, electronic funds transfers and wire transfers receipts.

Cash collecting points (Points) and all cash funds must be authorized by the City's Finance Director. Each Point and/or location is responsible for adequately recording receipts, depositing, reconciling, and reporting. Proper safeguarding of cash is mandatory. The following procedures are required of each Point and/or cash funds.

CASH RECEIPTING PROCEDURES (INCLUDING VAULT CASH)

Identifying Cash Collecting Points and Retrieving Funds

A request form, available on the City's intranet, will be submitted to the City Auditor for the Finance Director's approval of any new cash receipting points. All sections of the form must be completed except for those indicated for the Finance Department. The location indicated to safeguard deposits must have the ability to be locked.

Once the form has been approved by the Finance Director, the department requesting the funds will use the form as an invoice to request a check through the Accounts Payable process. The account to be used for the Accounts Payable entry will be included on the form by the Finance Department at the time the form is approved. The 'hold for pick up' option should be selected in the Accounts Payable module so the check will come back to the City Finance Department. Requests must be entered into Accounts Payable by Tuesday to receive a check the following Friday. The Finance Department will retrieve the funds from the bank according to the requesting department's allocation specifications. Once the funds are in the City's possession, the requesting department will come to the Finance department to retrieve the funds. Once the funds are in the department's possession, the safeguarding parameters go into effect.

This process will be completed at the beginning of each season for all seasonal operations.

Accounting for Cash Receipts

Each cashier will be designated a cash till or bag for the drawer assigned to their area to which a starting amount will be provided. Cashiers are responsible for the receipting and documentation of all transactions effecting their designated till or bag. All receipts must be recorded in the computerized accounting system provided by the City at the time the payment is received. No payment shall be held without receipting. All customer checks, cashier's checks and money orders will be endorsed immediately upon receipt by a stamped imprint of the City's account information along with the receiving department's information. Computer generated receipts shall be provided for all transactions. Duplicate receipts should be kept with any documentation provided and retained as the cashier's daily work.

In the event a transaction needs voided, the Point supervisor will authorize this. In no

circumstance should a cashier ever void their own transaction(s).

If at any time in the day, the cash balance exceeds \$5,000, cashiers will remove the excess in \$1,000 increments and record it through the receipting software. At the time the funds are removed, a deposit will be created immediately. Deposits will be signed, placed and sealed in a pre-numbered bag. The deposit will be secured in the location identified on the Point request until Courier pickup.

If and when it becomes necessary for a cashier to make change, a Change Order Form must be completed and approved by the Point supervisor before cash may be removed from the till or bag. This form will be located on the City's intranet. Once the form is submitted and approved, the cashier may remove cash from the drawer or bag and will place the Change Order Form in the till or bag until the change is returned. A copy should be made and sent with the change. Once change is returned, the Change Order Form will be removed from the drawer and filed with daily work.

In the event a dispute about the details of physical cash transaction occurs, the cashier should close down immediately and reconcile the batch to determine if an over/short exists.

When technical difficulties occur, IT should be notified immediately and cashiers are still required to adequately document their collections. In the case that they are unable to print a computer generated receipt; the cashier will still accept payments by issuing handwritten receipts. Only pre-numbered receipts provided by the City will be used to issue handwritten receipts. The receipt number, date, cashier's name and signature should all be documented on the customer's bill along with being stamped 'bill paid'. A copy should be retained with the cashier's daily work. Once difficulties are resolved, the payments will be processed through the cashing software and a duplicate computer generated receipt will be kept with the manual receipt book indefinitely.

Daily Close Out – Depositing, Reconciling, and Reporting

Each cashier is required to perform close out procedures on a daily basis which include depositing, reconciling and reporting. Cashiers will first balance their tills or bags to their starting amount and prepare a deposit for what's remaining. Before finalizing the deposit, cashiers will reconcile their batch against the batch summary in the computer system. If this feature is not available in the system, a form will be provided on the City's intranet. The deposit should be reviewed against the computer system's batch summary. If there is a discrepancy between what's recorded for the deposit slip and what's recorded in the system, the deposit should be recounted to verify it's correct or to make changes, whichever is applicable. Once the deposit is verified, if a discrepancy still exists an over/short will be recorded in the system or on the form. Deposit slips are to be signed, electronically copied for approval, and placed in a sealed deposit bag provided by the Bank. Deposit bags are to be secured in the location identified on the Point request until Courier pickup. Batches will be reviewed by the Point supervisor before being posted.

Detailed instructions and forms can be found on the City's intranet.

The daily work will be kept in batch/receipt order and submitted to the Finance Department daily unless otherwise designated.

Deposit errors are to be reviewed by the cashier, Point supervisor and the Finance Department. A form will be provided by Finance for the cashier to identify what caused the error and how to avoid the same sort of error in the future. Upon completion both the cashier and supervisor must sign the form and return to Finance for review. If response is not adequate, it will be returned for improvement. These errors will be tracked and the Finance Director will be provided with an update of errors occurring on a monthly basis. Regular occurrence of errors may result in disciplinary action.

Proper Safeguarding of Cash

Each cashier is responsible for proper safeguarding of the Cash in their till or bag. They are to be locked anytime the cashier is not in viewing distance of it. Tills or bags must be locked and stored overnight in the secure location identified on the Point request. In addition, personal belongings shall be placed in a secure location away from the cash drawer and/or till or bag.

Closing Cash Collecting Points

To close a collection point, the department should notify Finance and set up a meeting to return the funds. At this meeting the funds will be confirmed and a summary of the count will be signed off on by both individuals. Both will be provided a copy of the summary. All funds should be returned within one week from when operations end.

This process will be completed at the end of each season for all seasonal operations.

PETTY CASH

Petty cash funds are not allowed at the City of Rock Island.

EXCEPTIONS


Any exception to these procedures must be approved by the City's Finance Director. Requests for exceptions must be submitted in writing.

REVIEW

The City's Auditor will conduct periodic reviews of cash procedures. The audits will be provided to the Finance Director for review.

COMPLIANCE

Each cashier will sign a form agreeing to follow the policies and procedures set in place by this document.



Finance Director

5-3-2016

Date