

CHAPTER 154

CASH RECEIPTS POLICY

[HISTORY: Adopted by the Board of Selectmen of the Town of Pembroke 12-6-2010]

GENERAL REFERENCES

§154-1 Objective.

Departments shall devise techniques and procedures for the receipt and deposit of moneys coming into their control and custody, which are designed to adequately safeguard the assets of the municipality and to minimize idle and nonproductive cash balances.

§154-2 Risks.

- Lost, stolen, or misappropriated cash receipts (*high degree of inherent risk*)
- Unsafe work environment
- Concealed errors or irregularities going unchecked
- Loss of interest revenue

§154-3 Definition.

The term “cash receipts” as used herein includes currency, coins, checks, or other negotiable instruments.

§154-4 Best Practices.

- **Timely deposit of all cash receipts: Deposit daily when cash receipts total more than \$1,500, but in no case less frequently than once a week. (RSA 41:29)**
- Deposit all cash receipts on-hand on the last working day of a fiscal period (regardless of any dollar or time threshold); this is to ensure that receipts are made available for their intended purpose and that activity is posted to the correct accounting period.

- Restrictively endorse checks (“for deposit only”) immediately upon receipt.
- Cash receipts must be properly safeguarded prior to deposit through the use of adequate physical security (e.g. safes, locking cabinets, etc.).
- Access to and location of cash receipts shall be limited and restricted to only designated employees.
- All cash receipts are to be deposited into a bank account designated and/or approved by the Treasurer in accordance with municipality’s investment policy.
- Conduct appropriate background/reference checks on prospective cash handlers.
- Provide pre-numbered receipts to each payer, if practical.
- Count cash in a non-public area not easily visible to others.
- Review checks and verify that:
 - The check has been signed and dated.
 - The pre-printed name (personal checks) agrees with the signature.
 - The numbered amount agrees with the written amount.
 - The check amount agrees with any accompanying paperwork.
 - The check is not stale-dated and has not been altered.
- Maintain a comprehensive cash receipts log that includes for each item:
 - The date each remittance was received.
 - The name of the remitter.
 - The amount of each remittance.
 - The form of each remittance (e.g. check, cash, money order).
 - The check number and date.
 - The purpose of the collection.
- Keep copies of checks (where feasible).
- Centralize within each department the receiving of cash, if practical.
- Separate cash handling duties among different employees:
 - In larger units, different employees should be designated to
 - receive cash,
 - deposit cash, and
 - record transactions, so that no single employee has control over the entire process.

- In smaller units, with a minimal number of employees, cash operations should be reviewed and approved by someone (preferably a supervisor or manager) other than the person receiving the funds.
 - ◆ Note: The key to effective cash control, while maintaining appropriate separation of duties, is to minimize the number of employees who actually handle the cash before it is deposited.
 - Departments shall maintain written procedures for all cash receipting and deposit operations. Procedures shall address, at a minimum, staff responsibilities (“segregation of duties”), key activities, timelines, and the safeguarding of receipts.
 - Procedures shall be reviewed on a regular basis for applicability and for self-monitoring compliance.
 - All cash receipts shall be deposited intact, that is no checks may be cashed or disbursements made from receipts.
 - Utilize pre-numbered deposit slips to facilitate sequential control of deposit activity.
 - Maintain and match a copy of the deposit slip with the bank deposit receipt for all bank deposits.
 - Upon suspicion of fraud or theft, immediately notify the appropriate personnel in accordance with procedures outlined in the municipality’s fraud policy.
 - In consideration of these best practices, the objective shall be on adherence and not on rationalizing ways and means for circumvention.
 - Nothing in this document shall limit or supersede any applicable Federal or State laws, statutes, bulletins, or regulations.
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