

Cash Manual

**Prepared by the
Auditor-Controller/Treasurer-Tax Collector's Department
County of Fresno
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COUNTY OF FRESNO CASH MANUAL

1. PURPOSE OF CASH MANUAL

1.1 Uniform Accounting Procedures

The main purpose of this Cash Manual is to prescribe uniform accounting procedures for County departments pertaining to cash collections, checks and other negotiable instruments, cash revolving funds, cash difference funds, bank accounts, other cash funds, and cash overages, shortages, and losses, in accordance with laws, regulations, County policies, and generally accepted accounting principles.

1.2 Internal Controls

Another purpose of this Cash Manual is to help County departments improve internal controls over cash. Appendix A of this Cash Manual is a questionnaire on internal controls over cash collections and cash funds. County employees who handle cash should review this questionnaire to determine the adequacy of the internal controls in their department.

1.3 Scope of this Cash Manual

This Cash Manual prescribes procedures covering all cash funds and cash transactions under the control of County officials and/or County employees.

Cash includes coins, currency, checks, checking accounts, savings accounts, money orders, and banker's drafts on hand or on deposit at financial institutions or on deposit with the County Treasurer. Cash transactions include transactions involving cash as defined above but do not include electronic transmission of funds or investment of funds by the County Treasury. For purposes of reporting cash payments over \$10,000 received in trade or business on IRS Form 8300, the IRS excludes personal checks from the definition of cash (see the instructions for IRS Form 8300, available at <https://www.irs.gov/pub/irs-pdf/f8300.pdf>).

This Cash Manual only prescribes procedures. Any funds or accounts to which it applies must be separately authorized and established as provided by applicable law.

Unless otherwise noted, forms referenced throughout this document (e.g., FCAC 086-2) may be found on e-Services, under "Forms-Countywide" or "Countywide Forms," or the year-end reporting packet provided by the Financial Reporting and Audits (FR&A) division of the Auditor-Controller/Treasurer-Tax Collector department.

1.4 Exceptions

Any exceptions to the Cash Manual must be approved by the County of Fresno Auditor-Controller. The Auditor-Controller will determine if any exceptions need

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the approval of the Board of Supervisors.

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2. CASH COLLECTIONS

2.1 Recording

All cash collected from customers must be promptly recorded and receipted either by cash register or on pre-numbered cash receipts (CR) forms. Receipts must be issued to all customers.

When pre-numbered CR forms are used, a Receipt Control Log must be maintained, in which the receipt books issued to receipting locations are logged out in order to establish accountability for receipt usage. Used receipt books must be retained at the department and all receipts must be accounted for. All copies of voided receipts must be retained in the applicable receipt book.

All checks received in the mail should be recorded on a Mail Log showing all relevant information including the date, check number, name of payer, amount, and client account to be credited, if applicable. When such checks are deposited, the deposit date and CR document number must be added.

All checks should be restrictively endorsed immediately upon receipt. For example, "PAY TO THE ORDER OF (BANK NAME and BANK ACCOUNT NUMBER) FOR DEPOSIT ONLY COUNTY OF FRESNO (DEPARTMENT NAME)".

For each cashier, cash collected must be counted daily and reconciled in writing to receipt records to identify any overage or shortage (a sample cash count and reconciliation worksheet can be found in the year-end reporting packet distributed to all County departments each year by FR&A and also as a link within the FR&A division on e-Services). An employee independent of the receipting function must review reconciliations.

Cash collections should be summarized daily on a collection register showing date receipted, amount receipted, and revenue accounts to be credited. When the receipts are deposited, the collection register should be used to note the deposit dates and CR document numbers.

If the department maintains a receivable subsidiary ledger, cash collections received in payment of departmental billings should be promptly recorded.

Un-deposited collections must be kept locked up with access limited to authorized personnel (see "Un-deposited Cash" in Section 3.1 for more information). An employee independent of the receipting function should verify the count and serve as witness each time cash on hand is put away and retrieved.

2.2 Depositing

All cash must be deposited promptly and intact into the Treasurer Division (Treasury) of the Auditor-Controller/Treasurer-Tax Collector Department. "Deposited promptly" generally means making deposits daily or when the amount

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collected on hand exceeds a safe and reasonable threshold, but no less frequently than weekly. This threshold can vary depending on the composition of the cash (currency and coin vs. checks) and the physical controls over cash, as described below.

Deposit frequency to the bank or Treasury must be made using the guidelines listed in the table below:

CUMULATIVE RECEIPTS ¹	MINIMUM FREQUENCY OF DEPOSIT
Up to \$499.99	Within 5 Business Days
\$500.00 to \$4,999.99	Within 2 Business Days
\$5,000.00 to \$99,999.99	Next Day
\$100,000.00 or More	Same Day
ANY SINGLE ITEM OF \$50,000 OR MORE	Same Day

¹ If 70 percent or more of the cumulative receipts on hand is comprised of currency and coin, deposits must be made more frequently than outlined above.

For those departments in which cash is transported between locations for deposit, accountability over collections must be maintained through the use of a transmittal receipt. The courier must sign a receipt at the time the cash is picked up and have the receiving department sign another receipt upon delivery. The receiving department must forward a copy of the receipt to the sending department to verify that the cash was properly received. Sending departments must follow up if a copy of the transmittal receipt is not returned to them within a reasonable period.

An employee other than the employees who issue receipts or reconcile the daily deposit must make the deposits to Treasury, following this process:

- 1) The CR document is keyed into the County's accounting system, PeopleSoft (PS), creating a deposit in the system using an appropriate accounting entry and approved at the department level.
- 2) The department prints the deposit receipt with a Deposit ID assigned by PS and deposit total, which is presented to a Treasury cashier.
- 3) After review, the Treasury cashier accepts the deposit created in PS.
- 4) The cashier then signs or stamps the deposit receipt and returns it to the individual who is making the deposit.
- 5) The deposit and receipts are next presented to a Treasury staff member who verifies the amount and issues a receipt from the cashiering system.
- 6) If upon review, Treasury determines that the deposit is unacceptable or the receipt total does not equal the amount of the deposit, it will be rejected in PS and the process at the department level must begin again.

The collection register referred to in Section 2.1 must be reconciled by either the staff member assigned to vault duty, or the cashier's supervisor to the CR documents used to deposit collections into Treasury and/or outside bank accounts, if applicable.

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Cash overages may **not** be netted against cash shortages. Overages must be deposited daily to an overage account (5900), if one is established by the Board for the department. Any cash overage that is \$100 or greater for an individual drawer or cashier must be immediately reported by the department to the Financial Reporting & Audits Division (FR&A) of the Auditor-Controller/Treasurer-Tax Collector Department. An investigation as to the possible cause may be conducted if deemed necessary by FR&A.

Cash shortages may **not** be netted against cash overages. All cash shortages of \$10 or less, where the department was granted a cash difference fund by the Board, should be made whole using the cash difference fund. Shortages where the department does not have a cash difference fund or the shortage is more than \$10 must be expensed daily to a shortage account (7650). All reimbursements will be reviewed by FR&A including replenishments of the cash difference fund.. Any cash shortage for an individual drawer or cashier that is \$100 or greater (or for funds with approved balances of \$100 or less, if there is a shortage of more than 50% of the approved fund balance) must be immediately (no later than the next business day) reported by the department to FR&A who will determine to what extent further investigation is needed. Any cash shortage where theft is suspected must be immediately reported by the department to FR&A. In addition, any cash shortage where theft is suspected must be reported to law enforcement (see Section 9.5 for more detail).

Cashiers must report overages and shortages daily to their supervisors or department heads. Each supervisor or department head must report monthly to FR&A, on form FCAC-086-2, the details of departmental overages and shortages that occurred during each calendar month. The accountability and liability for the overage or shortage will rest with the department, officer, or employee responsible.

All department requests for reimbursement of cash shortages, except those covered by a cash difference fund (see Section 8 for more detail), will be reviewed by FR&A and a determination will be made the shortage qualifies for reimbursement under the authority the Board granted the Auditor. If FR&A determines the shortage qualifies then they will direct the department on the reimbursement process. Should the cash shortage not qualify then the department must submit a request for reimbursement of a cash shortage to the Board of Supervisors for approval or denial. If the Board has established a cash difference fund for the department, A report of all cash shortages will be presented to the Audit Committee annually by the Auditor-Controller.

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3. RECEIPTING SYSTEMS AND PROCEDURES

3.1 General Principles

County Receipts

A County receipt must be issued for the exact amount of all cash received by any officer or employee of a department, with an exception for those received through the mail.

Making Change

If a cash register calculates the amount to be returned to the customer, count the change back starting with the largest bill to the smallest coin. In the absence of a cash register providing the calculation, count back the change from the register starting with the smallest coin to the largest bill. Count the cash twice before paying out: once when removing it from the cash drawer and again as it is given to the customer. Always place the bills on the counter and count out loud to the customer.

Never count currency or coins directly into the cash drawer. Always place it on the counter away from the customer's reach, repeat to the customer the amount of cash you received, make the necessary change, and complete the transaction. Then, place the customer's payment in the proper compartments of the cash drawer. Keeping the money in sight until the transaction is completed will avoid controversies that might arise as to the amount given by the customer.

A partially destroyed bill can be accepted if clearly more than half the original bill remains.

Simple measures to detect counterfeit bills should be implemented. Most bills in circulation at this time were printed after 1996 and contain watermarks. When receiving payment, large bills (\$5 bill series 1999 and later, all \$10, \$20, \$50, and \$100 bills series 1996 and later), should be checked for watermarks, red and blue fibers, and other security measures as described by Treasury in order to detect counterfeit bills. When in doubt, compare the suspected counterfeit bill with a known genuine bill of the same denomination and series, paying attention to the quality of printing and differences in portraits, seals, borders, etc. Other common factors can be found in the following website and this information should be reviewed by staff handling cash: <https://www.uscurrency.gov/>

If a cashier suspects a bill is counterfeit, the cashier must issue a separate receipt for the suspected bill and notify a supervisor. The supervisor should retain the bill and notify the Sheriff's Department immediately for further instructions. If the customer leaves, observe the customer's description, as well as that of any companions. Do not attempt to detain a customer.

Note: If feasible, use a counterfeit detector for all cash bills received as payment.

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Cash Payments in More than One Form or For More than One Person

When cash payment is received in more than one form, only one receipt should be issued for the total amount of the payment. A notation must be made on the receipt indicating the different forms of payment and the corresponding amount of each.

When a check or other instrument is received to pay for the accounts of more than one person or entity, one receipt must be issued for each account.

Cash Payments Received Over \$10,000

When a cash payment is received for \$10,000 or more, IRS Form 8300, "Report of Cash Payments Over \$10,000 Received in a Trade or Business," must be completed and filed by the department receiving the cash unless there is an exemption (see the instructions for Form 8300, <https://www.irs.gov/pub/irs-pdf/f8300.pdf>). Form 8300 defines cash as U.S. and foreign coin and currency or a cashier's check, money order, or bank draft (excludes personal checks). The department receiving the cash must retain a scanned copy of each Form 8300 for 5 years from the filing date.

Intact Deposits

All cash received must be deposited intact into Treasury. Depositing intact means that the deposit must consist of the same checks and/or money orders and the same currency and coins as indicated on the receipts for the deposit.

Un-deposited Cash

During working hours, cash must be kept in a cash drawer, cash box, or cash register that is not accessible to unauthorized persons. Cash drawers or cash boxes must be closed and locked when not in use.

Un-deposited cash held during non-working hours (maintained at the department's location) equaling or exceeding \$1,000 must be maintained in a vault or heavy safe (one that cannot be easily moved by two persons using a handcart) and access should be restricted to designated employees. In addition, cash totals of less than \$1,000 should, at a minimum, be maintained in a reinforced file cabinet with a padlock and bar that secures all drawers containing cash. An employee independent of the cash receipt process must verify the amounts and serve as a witness any time cash is put away or retrieved. Keys for such locked drawers or cabinets must be kept in a secure location. Keys should be marked "DO NOT DUPLICATE" and should be recovered from an employee who has left the department. If, for any reason, a key cannot be retrieved, locks should be changed immediately. When a written safe combination is maintained, it must be kept in a secure location. The combination to the safe should be changed annually, or whenever an employee who has knowledge of the combination terminates County employment or is transferred to another department.

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Commingling of Personal and County Cash

No employee is permitted to commingle his/her own or any other person's private cash with County cash. In addition, County cash must not be used to cash payroll or other personal checks. Employees may not borrow money or issue personal IOU's in exchange for County cash at any time. Furthermore, employee personal cash may not be used to reimburse shortages in cash funds.

Department Fees

Where it is practical or mandated to do so, a schedule of departmental fees for services and costs should be conspicuously posted at each cash collection point. The fees for infrequently provided services need not be posted but should be available in writing upon customer inquiry.

Departments, other than the Auditor-Controller/Treasurer-Tax Collector Department, should not accept payments intended for another department. If checks are received by mail not belonging to the department, they should be logged in on the mail log and forwarded to the correct department with a note as to the disposition on the log (see Section 3.6).

3.2 Types of Receipt Systems

County Receipt Books

Recommended County of Fresno receipts are pre-numbered and contain a minimum original copy and two carbon copies. They must be preprinted with "County of Fresno." Do not use a rubber stamp. If possible, subsequent orders should begin with the next document number for continuous sequential numbering. The original is given to the customer; the duplicate copies are retained by the department.

Cash Register Receipts

Cash register systems may be used in departments with a large volume of transactions with advance approval from the Auditor-Controller. Internal control policies and procedures for these systems are included in Section 3.3, "Automated Cash Receipting Systems."

Special Purpose Receipts

Some departments require special purpose receipts that are designed to meet specific needs. These receipts must be pre-printed with sequential receipt numbers for control purposes, and conform to the receipt control purposes of this Cash Manual. The use of any such special receipt system must be approved in advance by the Auditor-Controller, and will be subject to review and audit.

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3.3 Automated Cash Receipting Systems (ACRS)

ACRS are used for the receipt and control of monies received by departments that have a large volume of cash receipt transactions. The department head, in coordination with the Auditor-Controller, is responsible for developing and adopting the necessary departmental operating procedures to provide adequate controls for the ACRS. Such procedures must be based on the following general guidelines:

- Each cashier must be assigned a separate cash drawer or cash register till in order to separate responsibility for cash overages and shortages.
- The cashier must keep the cash drawer locked when not in use and must monitor the drawer at all times. It must not be left unattended and the key must always be kept secured by the responsible cashier.
- When transferring cash from cash drawer to vault or safe, coins must be rolled and bills should be bundled. At a minimum, two staff members are required to transfer the cash drawer to the vault or safe. Any exchanges between the vault or safe and the cash drawer should be logged on to a "Vault Cash-In Cash-Out Daily Record" sheet for control and reconciling purposes and initialed by two staff members. See Treasury for a copy of this document.
- At the start of each business day, the cashier will count and verify that the contents of the cash drawer equal his/her assigned change fund.
- ACRS will automatically assign transaction numbers in numerical sequence.
- A duplicate record of each transaction must be recorded on a tape or other medium in the ACRS.
- If a keying or distribution error is found on the permanent record, the employee must:
 - correct the error,
 - make a brief explanation on the detail audit report, and
 - have the correction reviewed and initialed by the supervisor in charge.
- At no time should the cashier have the authority to clear out the system totals and run the daily system report. Ideally, the supervisor in charge or another assigned employee should perform this function.
- The employee performing the daily reconciliation must reconcile the ACRS system audit report to the cash receipts. The reconciliation and system audit report is the basis for the daily CR document and must be retained by the department.

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- If the ACRS has a visible display of the amount being entered, it should be positioned so that the customer can observe the display.

3.4 Receipt Control

Purchase of Receipts

Only Auditor-Controller issued official County receipts may be used by County departments and Special Districts governed by the Board of Supervisors. When a department orders and receives approved County receipts through the Auditor-Controller, the Auditor-Controller must record the purchase in the County Receipt Books Log indicating the date of purchase, department name, quantity issued, and the beginning and ending receipt numbers. Departments will be charged by the Auditor-Controller for the purchase of receipts annually. The Auditor-Controller must maintain records of receipts as provided in the applicable retention schedule.

Department Head Responsibility for Receipts

The department head is accountable for receipts maintained by the department and is responsible for providing a secure, access-restricted location for storage. The receipts must not be accessible to customers or unauthorized employees.

Receipt Control Log

One person in each department must be assigned the responsibility for the issuance and control of blank receipts, and must maintain a written Receipt Control Log. Using the preprinted sequential receipt number, the employee must record in the log (1) the receipt numbers received by the department, (2) the receipt numbers issued to each station or employee by the department, and (3) the receipt numbers still on hand at the department. Each entry must be dated and initialed by the employee making the entry and, for item (2), the employee receiving the numbered receipts. The log must be reviewed and reconciled periodically (no less than monthly) by a supervisor or employee who does not maintain the log. The department must retain the department copy of all receipts issued for a period of five (5) years.

Issuance of Receipts

Pre-numbered receipts must be issued sequentially by the pre-printed receipt number. The department's copy of the issued receipts must be maintained as provided in the applicable retention schedule.

3.5 Voided Receipts

To void a receipt, print the word "VOID" in large letters on all copies of the receipt. All copies of the voided receipt must be retained in the receipt book.

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To void a cash register receipt, print the word "VOID" in large letters next to the corresponding entry on the detail audit tape. The voided receipt must be attached to the daily reconciliation of cash receipts.

Regardless of the receipt system being used, once a receipt is voided, the immediate supervisor must initial the voided receipt.

3.6 Mail Receipts

The person who opens the mail should **not** prepare the deposit. If possible, the mail should be opened in the presence of another person. All checks must be restrictively endorsed and entered on the mail log including the date received, the payer, the amount, and remittance advice, if any.

If department "A" receives a check for department "B," the item should be entered on the mail log of department "A" with a notation as to the disposition of the check. The check will be delivered to department "B" and the courier will obtain a signed receipt upon delivery, which can be retained with the mail log in department "A." Department "B" staff will record the check in their mail log with a notation that it was delivered to them by department "A."

3.7 Receipts Issued for Pending Services or Deposits

The department must prepare a receipt for all payments for pending services (for instance, a contractor prepaying multiple permits) or required deposits (for instance, performance bonds).

If any portion of a prepaid amount or deposit needs to be refunded to the payer, a warrant request will be submitted to the Auditor-Controller for approval. Supporting documentation will include the amount, date, and purpose of the original payment; the reason for the refund; and the signature of the employee authorizing the refund. Upon approval by the Auditor-Controller, a warrant will be issued to the payer. Cash refunds are not permitted.

4. CHECKS AND OTHER NEGOTIABLE INSTRUMENTS

4.1 General Policies

Acceptable Forms of Payment

Departments are authorized to accept payments for County services in the form of personal checks, bank checks and drafts, express and post office money orders, and cashier's checks for the exact amount of purchase only. In some cases, the County may be subject to financial loss if a bank refuses to honor payment of a customer's check. Usually, this only occurs where the customer receives full benefit of the County service at the time the check is delivered to the County. It is the responsibility of the department head to be aware of the services that the department is providing where this type of loss can result.

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Traveler's checks are not accepted for payments.

Safeguards for Accepting Checks

When accepting checks, departments should follow these safeguards:

- Accept checks only for the exact amount of the payment. The amount must appear on the check twice. It must be both spelled out and printed in number form. If there is a discrepancy between the written amount and the numerical amount, use the written amount as this is the amount the bank will use. If accepting the check in person, have the payer correct the amounts and initial the change.
- The check should be made payable to the County department receiving the revenue, or the County of Fresno. Generally, checks payable to an individual are not acceptable, but if a check is received by mail made out to the department head (such as a property tax payment made out to the Tax Collector), the check can generally be restrictively endorsed as soon as received, logged in, and processed the same as a check with an appropriate payee.
- Unless there are other adequate controls in place to reduce the risk of loss, departments should require sufficient, current identification (e.g., a current driver's license). Compare the person issuing the check with the photograph or description on his/her identification (ID). Compare the signature on the check to the signature on his/her identification. Note the address, phone number, and other pertinent data about the maker on the front of the check for all checks, as well as the receipt number. If the person presenting the check is not the payer (for instance, an employee of a business brings in a company check with another's signature), note the license or ID number and expiration date of the identification of the presenter and ask for a company ID.
- Do not accept a check that is dated six months or more prior to the current date, or checks dated after the current date.
- Do not accept third party checks. A third party check is one made out to and endorsed by the individual making payment.
- Do not accept a check if the bank routing and account numbers are not magnetic ink character recognition (MICR) printed at the bottom of the check.

No foreign items including checks, money orders, and traveler's checks should be accepted unless the words "US Funds" or "US Dollars" are printed on the check, and a 9-digit Federal Reserve routing number is MICR printed on the bottom of the item. Without this number, the item is subject to bank collection charges that may exceed the value of the payment.

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If there is any question as to the acceptability of an item, contact Treasury for guidance.

Endorsement of Checks

All checks must be restrictively endorsed. If the endorsement is not machine-printed, an appropriate endorsement stamp must be used on all checks and money orders at the time they are received. The endorsement should be placed on the back, within 1½ inches from left end of the check, where most checks have the statement “endorse here.” The rest of the check must be left blank for the bank’s stamp. For checks and money orders to be deposited in Treasury, the endorsement must read:

**COUNTY OF FRESNO
FOR DEPOSIT ONLY**

The endorsement stamps for outside bank accounts must contain the following information: (1) County of Fresno, (2) department name and (3) bank account number.

4.2 Returned Deposited Checks

There are a number of reasons a check may be returned unpaid from the bank. The most common reason is insufficient funds on deposit by the maker of the check. For the purposes of this Cash Manual, all unpaid checks will be referred to as NSF (Non-Sufficient Funds) checks.

When a bank returns an NSF check, the customer may have already received the benefit of the services or goods purchased from the County. Examples of this situation include rental fees, fees allowed by law for copies of certain official documents, fees for duplicating documents, and the like. In other cases, the benefit to the customer is either delayed beyond the time the check would normally clear the bank (e.g., plan check fees), or where the benefit to the customer can be reversed (e.g., payment of property taxes).

Treasury in receipt of an NSF check will notify the department or Special District. It is the department or Special District’s responsibility to determine whether the payer has received the benefit of the services or goods provided, and must follow the procedure described in Section 4.3.

4.3 Processing of NSF Checks

All departmental NSF/Account Closed checks are returned by the bank to Treasury. Special Districts, schools, and the Department of Social Services NSF checks are sent back to those entities. All other departments will be notified of the returned check(s) received by Treasury. Treasury logs NSF checks and creates a journal to reverse the prior deposit. Treasury will then send all returned check(s) to the

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Revenue Collections Unit (RCU) of the Auditor-Controller/Treasurer-Tax Collector Department.

RCU will initiate collection efforts in accordance with Civil Code section 1719. The original amount of the check will be returned to the department upon collection. RCU will keep the returned check fee or punitive damages awarded in court, in order to offset the cost of collections.

At each fiscal year-end and at the time of any changes, the NSF Contact Information and Accounting Lines form (see e-Services, under "Forms-Countywide" or "Countywide Forms") must be completed and reported by each department to Treasury to ensure the most accurate and current information is used in regards to any NSF checks incurred by the department.

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5. CASH REVOLVING FUNDS

5.1 Definition and Purpose

Revolving funds are established by the Board of Supervisors to facilitate certain expenditure and cash transactions throughout the County departments. The amount established is the accountable balance and is limited to \$250,000 by Section 29321 of the State of California Government Code. When the balance of the revolving fund is low, it is replenished up to the accountable balance by request to the Board of Supervisors. The determination of whether these funds are to be kept in currency and coin or in a checking account are made by the Board of Supervisors at the time the fund is approved.

5.2 Establishing or Modifying Revolving Funds

Establishing Revolving Funds

By California Government Code Section 29321, the Board of Supervisors may, by resolution, establish a revolving fund for the use of any officer of the county. The first step for a department requesting a revolving fund is to send a memo to the Auditor-Controller stating:

- the necessity or justification for establishing the new fund,
- the identity of the County officer to whom the fund is available (The fund will be the responsibility of a specific individual rather than a position; that is, responsibility for the fund would be assigned to Ms. Thompson rather than to "the department head"), and
- the amount being requested.

If the Auditor-Controller reviews and approves the new revolving fund, the department must then request approval from the Board of Supervisors.

NOTE: State of California Government Code Section 29323 requires either a bond from the individual fund custodian or a blanket policy held by the County. The County has a blanket crime bond that covers this type of exposure. If the County were to sustain a loss under this coverage, or to cover the deductible, the County would seek an order for restitution.

If the establishment of the fund is approved, the Auditor-Controller will issue a County warrant made payable to the custodian, in the established amount of the fund. The Board of Supervisors must be notified in writing whenever there are changes of custodian, purpose, spending limits, or special handling. Such changes must be approved by the Board of Supervisors.

Department management must monitor the level of usage of the revolving funds on a regular basis to determine whether the accountable balance is too high or too low for the needs of the department. If needed, the department should request an increase or decrease in the accountable balance of a cash fund from the Auditor-Controller and Board of Supervisors.

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Modifying the Amount of Revolving Funds

If a department wishes to increase the accountable balance of an existing revolving fund, the same procedures will apply for establishing new revolving funds, depending on the new accountable balance requested.

If a department wishes to decrease or dissolve the accountable balance of an existing revolving fund, an amount equal to the desired decrease will be delivered to the Auditor-Controller with a memo explaining the reasons for the decrease. The remaining cash should be deposited to account 5831 – Refunds and Abatements.

If a department no longer requires a cash fund in one area but requires a cash fund in another area, a memorandum must be sent to the Auditor-Controller requesting dissolution of the existing cash fund. Once the dissolution of the existing fund is reviewed and approved by the Auditor-Controller, the request for dissolution of the existing cash fund must be sent to the Board of Supervisors for approval. Then the department must follow the procedures above titled “Establishing Revolving Funds” to request the new cash fund.

Changes/Transfers of Revolving Funds

Departments are prohibited to use or transfer revolving funds for other purposes without the approval of the Board of Supervisors. These prohibited transfers would include the following:

- change in fund usage,
- transfer from petty cash to change fund,
- transfer from change fund to petty cash fund, and
- transfer of funds between departments and divisions.

5.3 Safeguarding Cash Funds

For each department, a control list must be maintained of all cash for which a County official is accountable. The list must include the location and amount of the cash and the physical custodian (person responsible for the day-to-day control) for each fund. The physical custodian must sign a voucher or log when the cash is turned over to him/her acknowledging receipt and accountability for the fund.

In the case of change funds, if a receipting location has more than one cashier, the change fund should be broken down into sub-funds and each sub-fund assigned to a cashier in order to establish accountability.

Cash maintained at department offices must be kept locked-up with access limited to authorized personnel. If there is more than one fund, the cash must be secured in separate bags or lock boxes. Cash funds should never be commingled and cash from one cash fund should not be loaned to or used by another cash fund.

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All transactions including disbursements and replenishments of cash must be recorded in a timely manner on a ledger, showing all relevant information (e.g. date, check number, payee, description, and amount).

In the case of petty cash funds, all disbursements are to be documented on pre-numbered petty cash vouchers with attached receipt of purchase. Petty cash vouchers must include the following information:

- date of payment or disbursement,
- amount,
- description or purpose of expenditure, and
- account number charged

The petty cash voucher is then signed and approved by the department head or designee and the employee is reimbursed. The receipt is then attached to the petty cash voucher and retained for subsequent replenishment of the petty cash fund.

Cash on hand must be reconciled to the accountable balance on a monthly basis. The reconciliation must be documented and signed by the preparer and the reviewer. If the employee having custody of the cash prepares the reconciliation, it must be reviewed by supervisory personnel. Regular reconciliation and review will detect errors or irregularities in a timely manner.

In the case of change funds, cashiers must daily reconcile cash on hand to the receipts and the accountable balance of the fund. The reconciliation must be reviewed by supervisory personnel, such as a supervising account clerk, supervising accountant, manager, or chief.

Management must conduct unannounced cash counts to verify the amount of cash on hand and to ensure that the funds are being used for authorized purposes.

For proper separation of duties, an employee having physical custody and control of the cash should not be authorized to approve expenditures or sign checks.

5.4 Use of Revolving Funds

A revolving fund may be used for various purposes as authorized by the board resolution or memo that established the fund. The most common types of revolving funds are revolving checking accounts, change funds, and petty cash funds used when payments are needed in less than normal voucher processing time.

The department must have written policies and procedures governing the use of the fund including expenditure limits consistent with the board resolution or memo that established the fund.

Revolving funds are **not** to be used for

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- illegal purchases,
- cashing checks,
- making loans to employees,
- making up cash shortages or losses, or
- purchase of items for personal purposes.

The written authorization for disbursement from a revolving checking account must specify the purpose of the expenditure, the goods or services to be purchased, and must be signed by the requestor and the authorizer.

All revolving funds must be recorded in the General Ledger (G/L) when opened. Accounts must be replenished with a voucher using the appropriate G/L accounts. At the end of the fiscal year, the accounts must be brought back to the accountable balance.

5.5 Reimbursements from Revolving Funds

To reimburse an expenditure from a revolving fund, the custodian must obtain original paid receipts from the employee prior to reimbursing him/her for authorized expenditures, unless the practice of providing cash advances is pre-approved by the Auditor-Controller.

The custodian must ensure that only authorized expenditures are reimbursed and must cancel the receipts by marking them paid to prevent duplicate payment.

The employee must sign for the reimbursement in order to establish accountability for funds disbursed.

5.6 Replenishment of Revolving Funds

The fund must be reconciled at the time the replenishment is requested from the Auditor-Controller to ensure that cash on hand and expenditures since last replenishment equal the accountable balance.

A request for replenishment and reconciliation, authorized by supervisory personnel, must be submitted to the General Accounting Division of the Auditor-Controller/Treasurer-Tax Collector Department. To replenish the fund, the department must prepare a Payment Information cover sheet (FCAC-118). This cover sheet must indicate the PS accounting lines and amounts to be charged.

Authorization vouchers and original receipts supporting the request for replenishment must be submitted with the request for replenishment. Confidential documentation may be retained at the department as approved by the Auditor-Controller. The custodian must monitor the fund on a regular basis to ensure that replenishment is done on a timely basis, especially at fiscal year-end.

Where advances are used, the custodian must monitor them to ensure that receipts are received and any unexpended cash is returned within a reasonable

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period. Replenishment may only be requested for the amount of the advance expended.

5.7 Reporting of Revolving Funds

Reconciliations of all revolving funds must be reported monthly to the Auditor-Controller (FCAC-169).

At the close of each fiscal year, the Auditor-Controller will present to the Board of Supervisors a list of all revolving funds including (a) the responsible department, (b) the authority for the fund, (c) the intended purpose of the fund, and (d) if the revolving fund is an outside bank account, the names of persons with signing privileges.

5.8 Auditing Cash Funds

The Auditor-Controller may audit any revolving fund throughout the fiscal year. These audits are performed to ensure the integrity of the cash funds.

The Auditor-Controller will audit any revolving fund any time there is a change in the department head designated accountable for the fund.

6. BANK ACCOUNTS

6.1 Definition and Purpose

In certain circumstances, some County departments may be authorized by law to use commercial bank accounts for some of their activities. Such accounts, when authorized by law, allow those departments to issue payments without processing them through the Auditor-Controller.

6.2 Establishing Bank Accounts

A department in need of a bank account must write to the Auditor-Controller requesting the establishment of the fund. The request should state the:

- purpose of the fund,
- legal authority allowing for the fund,
- custodian of the fund (department head or designee who is ultimately and personally responsible for the fund),
- identification of the physical custodian of the account,
- department location where depository records will be maintained and to which all statements and correspondence are to be sent,
- name and location of the bank depository, and
- period of time the account is authorized.

Once approved by the Auditor-Controller, the requesting department will draft an implementing resolution and submit it to the Board of Supervisors for consideration.

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On occasion, there will be a need for a locally administered bank account funded by another source, such as the State or other granting entity. It is important to note that any bank account used in the course of County business, even if not funded by the County, must have legal authority and Board approval.

6.3 Use of Bank Accounts

Bank accounts must be maintained in the name of the County of Fresno department. Under no circumstances may accounts be maintained in an individual's name unless authorized by law and pre-approved by the Board of Supervisors (for example, for undercover use by law enforcement agencies).

Bank accounts may only be used for official County business.

For proper separation of duties, the employee having physical custody and control of the fund must not be authorized to sign checks.

For checking accounts that are NOT transfer accounts, the department must monitor and order checks when appropriate. Checks will be stored in a secured storage area and checked out on a control log held by an employee who does not sign checks.

The depository account custodian must maintain a record of all deposits and disbursements so as to provide the following information:

- date of deposit or disbursement,
- amount of deposit or disbursement,
- payee and purpose of each disbursement,
- source of each deposit amount, and
- account balances.

Bank accounts must be reconciled monthly to the department's book balance and to the general ledger. This reconciliation must be reviewed by an employee who is not involved in the cash receipting cycle and the reconciliation must be furnished to the Auditor-Controller. The Auditor-Controller may designate the form and content of the reconciliation. The bank statements, deposit slips, and canceled checks must be maintained as required by all applicable laws, regulations, ordinances, and Board resolutions.

The Auditor-Controller must maintain a list of all current bank accounts. It is the departments' responsibility to ensure that bank signature cards are kept current with Treasury and the Auditor-Controller.

Refer to Section 2.2 for Depositing Guidelines.

All bank charges must be charged as expenditures to the department's operating fund/account.

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The outstanding checks must be monitored on a regular basis for stale-dated checks. Any checks not cashed within 6 months are considered stale-dated and will be voided. Record the information in the check register and the G/L if the issue was previously recorded.

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7. OTHER CASH FUNDS

7.1 Definition and Purpose

There are other cash funds maintained by officials and staff throughout the County that are subject to applicable Board resolutions or other rules and regulations. These funds include those that receive revenue from the public via donations, fundraisers, or other means. In general, County officials are accountable to the Board of Supervisors and the public for any cash received or managed in an official capacity or in accordance with Board resolutions or code requirements. County officials are not accountable for funds which originate from County employees and which are managed by employees for the benefit of employees (e.g., employee coffee club funds). However, good cash handling practices, as detailed in other sections of this Cash Manual, should be observed.

8. CASH DIFFERENCE FUNDS

8.1 Definition and Purpose

The Board of Supervisors, by "A Resolution of the Board of Supervisors of the County of Fresno Establishing Cash Difference Funds and Overage Funds for Certain County Officers and Administrative Heads of County Departments, Delegating to the County Auditor Authority to Replenish Cash Difference and Overage Funds, and Ratifying the Prior Actions Concerning Accounts with Comparable Functions," adopted on June 18, 2019 ("Resolution Establishing Cash Difference and Overage Funds"), established a cash difference fund under California Government Code Section 29370 for each of the County officers or administrative heads of County departments (specifically listed in Exhibit A to the Resolution) that handle cash. A cash shortage is the amount that must be added to the actual cash collected to equal the amount that should have been collected. Cash shortages arise from simple errors by employees or customers during the cash collection process and are usually not traceable to specific transactions. A cash difference fund may be used to increase the amount tendered to the County officer or administrative head so as to equal the amount due to the county, for any account when a difference in an amount of \$10 or less exists.

8.2 Establishing Cash Difference Funds

Upon adoption of a resolution of the Board of Supervisors establishing a cash difference fund for any County officer or administrative head of a County department, the Auditor-Controller must disburse a warrant in the amount specified to the County officer or administrative head. If the Board elects to establish a cash difference fund, it shall by the same resolution also establish an officer's overage fund, as provided in Government Code Section 29371. The Auditor Controller has the authority, as granted by the Board of Supervisors, to 1) replenish the Cash Difference Funds, and 2) transfer any money in each overage fund to the County General Fund.

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8.3 Use of Cash Difference Funds

Cash difference funds may only be used for purposes set forth in the State of California Government Code Section 29373.1, which states that the cash difference funds may only be used for cash shortages for any account when a difference in an amount of ten dollars (\$10) or less exists (use account 7650 for cash shortages). If the shortage exceeds \$10, it must be reported to the Auditor-Controller requesting relief from the shortage (see Section 9.1).

Shortages must be recorded on shortage reports that show the date of the shortage, the cashier that incurred the shortage, and the amount of the shortage. Management must review the shortage reports on a regular basis and investigate any unusual entries or trends.

If the department does not have a cash difference fund or if the amount of the shortage exceeds the accountable balance of the fund, the shortage must be replenished through a request to the Board of Supervisors as provided in Government Code section 29377.

Cashiers must report overages and shortages daily to their supervisors or department heads. Cash difference funds must be reported on a monthly basis to the Auditor-Controller (FCAC-169).

At the end of each fiscal year, and at other times as the Board of Supervisors directs, the Auditor-Controller shall render a written report and give an account to the Board of Supervisors of each of the cash difference funds and overage funds established by this resolution.

8.4 Replenishment of Cash Difference Funds

The fund must be reconciled to ensure that cash on hand and shortages since last replenishment equal the accountable balance.

A request for replenishment signed by the custodian and approved by management must be submitted to the Auditor-Controller. The request must identify the cash fund involved and the dates and amounts of shortages to be replenished from the cash difference fund, and the name of the person whose account was reimbursed from the cash difference fund (FCAC-118).

A record of cash shortages must be maintained for a period of five years and must be made available to the Auditor-Controller monthly.

Overages must be deposited to Cash Overages (account 5900) and may not be netted against shortages or deposited into the cash difference fund.

At the end of each fiscal year, the Auditor-Controller shall transfer any money in each overage fund to the County General Fund.

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9. CASH OVERAGES, SHORTAGES, AND LOSSES

9.1 Definition

Occasionally, errors will occur in making change and other cash transactions that result in cash *overages* or cash *shortages*. Any employee experiencing an unresolved cash overage or shortage must report the exact sum to the employee's department head the same day. The department head must report all cash shortages to the Financial Reporting and Audits Division (FR&A) of the Auditor-Controller/Treasurer-Tax Collector (ACTTC) Department on a monthly basis (FCAC-86-2). The Auditor-Controller will determine if there is suspicion of fraud or negligence.

A cash *loss* refers to money that is missing after it has been recorded, and it is usually the result of theft, fraud, or negligence. A cash loss is generally detected by comparing records of cash received (cash receipts, register tape, etc.) with the actual amount on hand. Immaterial cash losses (under \$10) are considered cash shortages.

9.2 Cash Overage

Any employee performing the function of cashier experiencing a cash overage must submit a written report to his/her department head at the close of each business day, setting forth the exact sum of any cash overage in his/her account for that day.

Procedures for Cash Overages

All cash overages, regardless of amount, must be deposited along with the daily cash receipts. The overage must be deposited in the Overage account (5900). At the close of each fiscal year, the amount in Overage account will be transferred to the general fund.

When the source of a cash overage is known to the fund custodian, and when the amount of the overage is \$10 or more, the fund custodian must initiate a refund. Such refunds are payable by County voucher, which must be supported by a properly completed payment information cover sheet (FCAC-118).

9.3 Procedures for Cash Shortages or Losses Not Covered by a Cash Difference Fund

The Board of Supervisors authorized the County Auditor, through "A Resolution of the Board of Supervisors of the County of Fresno Updating the Procedure to Relieve County Officers and Employees of Shortages in County Funds in the Absence of Fraud or Gross Negligence and Delegating to the County Auditor Limited Authority to Replenish Shortages in County Funds," adopted on June 18, 2019, to relieve County officers and employees of cash shortages in their accounts where there is no proof of fraud or negligence in connection with the shortage and

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where the loss is not covered by insurance. The Board of Supervisors, through the Resolution Establishing Cash Difference Funds and Overage Funds, has also authorized the County Auditor-Controller to perform the functions of the Board of Supervisors under Government Code section 29380.1 to replenish cash difference funds that become exhausted.

Relief from shortages pursuant to Government Code Section 29390 and 29390.1 may be sought by the fund custodian from the Auditor-Controller.

- The department head or supervisor must be notified immediately upon discovery of a cash shortage that is not covered by a cash difference fund (see Section 8 for details). The department head or supervisor must make a thorough attempt to determine the reason for the shortage. The review should include recounting the cash and checks, reviewing the cash transactions since the last deposit, comparing the amount of cash received to the receipts for cash, and comparing the amounts of all checks and money orders to the receipts to ensure that they were written for the correct amount. In summary, review all transactions from the date of the last reconciliation and deposit.
- When the investigation is completed, the department head must provide the Auditor Controller with a Cash Shortage/Overage form (FCAC-86-2), which includes a statement requesting relief from the shortage. This form may be submitted with a copy of the related reconciliation, and a detailed narrative to describe the source and nature of the shortage.

A shortage of not more than \$500 for a single incident may be reimbursed by the Auditor-Controller. For a shortage of more than \$500 for a single incident, the Auditor-Controller must submit a report of the investigation to the Board of Supervisors with a recommendation whether to replenish the shortage, and the Board may determine to replenish the shortage.

- Once approved, a voucher request accompanied by the detail of the incident will be submitted to the Auditor-Controller (FCAC-118). The resulting voucher may be made payable to the department head.

9.4 Cash Losses

A strong internal control system will help minimize cash losses. The principles that underlie a good internal control system are authorization (all transactions must be properly authorized), separation of duties (no individual may have complete control over a transaction or an asset), recordkeeping (all relevant details of a transaction must be accurately recorded), security (assets must be secured and access must be restricted), and reconciliation (the existence and value of assets must be periodically verified and reconciled with recorded accountability).

If a cash loss is suspected, it must be reported immediately (no later than the next

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business day) to the Auditor-Controller in a memorandum. If deemed necessary, the Auditor-Controller will report the incident to the Sheriff.

9.5 Procedure for Shortages when Theft or Negligence Is Suspected

Any person suspecting theft or negligence as the underlying reason for the shortage or loss must immediately report it to the department head, unless the department head is suspected of involvement, in which case the employee must notify the Auditor-Controller directly by calling (559) 600-4211 or emailing acttcfraudhotline@fresnocountyca.gov. The department head must establish the amount and circumstances surrounding the loss or shortage. The department head must secure the accounting records and any other relevant documentation, and immediately (no later than the next business day) contact the Financial Reporting and Audits Division of the Auditor-Controller Division **and** the Sheriff's office to report the theft and provide information regarding the incident.

The Financial Reporting and Audits Division must investigate and issue a report to the department head with recommendations based on the findings from the audit. A copy of the report must be sent to the Auditor-Controller, Board of Supervisors, County Administrative Officer, and Sheriff.

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APPENDIX A

INTERNAL CONTROL QUESTIONNAIRE FOR CASH

These are recommended internal controls to ensure accountability for cash in a County department. Cash includes coins, currency, checks, money orders, and deposits at financial institutions.

CONTROLS	YES/NO/COMMENTS
Objective 1: Cash collections are authorized, supported, and accounted for.	
1.1 Does the cash handling area have written departmental cash handling policies and procedures?	
1.2 Are the following duties performed by at least two individuals? <ul style="list-style-type: none"> • Authorize cash collections. • Record cash collections. • Deposit cash collections. • Reconcile cash collections. 	
1.3 Are only cash remittances that are identified as amounts owed to the County automatically accepted?	
1.4 Are checks reviewed for accuracy and authenticity before acceptance?	
1.5 Are checks restrictively endorsed immediately upon receipt and does your area have a "For Deposit Only" stamp?	
1.6 Are unidentified remittances immediately returned to the payers?	
1.7 Is all incoming cash recorded on cash register receipts or pre-numbered receipt forms?	
1.8 Which of the following methods do you use to receive cash: <ul style="list-style-type: none"> a) cash register that produces end of the day close-out totals b) cash register that does not produce summary reports c) manual cash receipts d) automated cashiering system e) other (please describe) 	
1.9 Does the cash receipt show the following information:	

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CONTROLS	YES/NO/COMMENTS
<ul style="list-style-type: none"> •Date? •Payer? •Amount? •Method of payment? •Purpose of payment? •Register number? 	
1.10 Do employees receiving cash offer receipts to all customers?	
1.11 Are signs placed in the cashiers' area advising the public that a receipt must be issued?	
1.12 Are employees required to get a supervisor's approval before voiding transactions?	
1.13 Do you require the reason for voiding a receipt to be documented?	
1.14 Are all original voided or canceled receipts retained?	
1.15 Are cash receipts refunds primarily made by check to the individual making the deposit and are records of the refunds retained?	
1.16 Are cash receipt refunds approved by a manager or supervisor?	
1.17 Does your area summarize the number of voids, no sales, refunds, and other miscellaneous transactions?	
1.18 Are currency, coin, and checks accounted for separately?	
1.19 Are collections for different cash funds physically separated?	
1.20 Is the cashing of checks made payable to the County prohibited?	
1.21 Are individuals who are responsible for receiving cash prohibited from signing purchase and payment requisitions?	
1.22 Are incoming mail pieces individually listed on a sheet for comparison with amounts deposited?	
1.23 Does the person opening the mail restrictively endorse all check remittances?	
Objective 2: Cash disbursements are authorized, supported, and accounted for.	

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CONTROLS	YES/NO/COMMENTS
2.1 Are the following duties performed by at least two individuals? <ul style="list-style-type: none"> • Authorize disbursements. • Have custody of cash. • Record disbursements. • Reconcile cash disbursements. 	
2.2 Are authorized disbursements clearly defined?	
2.3 Are disbursements supported by approved claims?	
2.4 Are disbursements made only from authorized cash funds, bank accounts or through warrant requests?	
2.5 Are blank checks, warrants, and signature plates safeguarded in physically secure areas?	
2.6 Do only authorized personnel sign checks and warrant requests?	
2.7 Do check and warrant request signers review supporting documentation before signing?	
2.8 Are signed checks and warrants immediately mailed out by someone not involved in their processing?	
2.9 Are disbursements immediately recorded with all relevant detail?	
2.10 Are supporting documents immediately canceled as paid?	
Objective 3: Cash is physically safeguarded.	
3.1 Are different cash funds kept separate?	
3.2 Are only authorized individuals allowed in the cash handling areas?	
3.3 Is each cashier assigned a cash drawer? Does each cashier have his/her own key?	
3.4 Are passwords required to access cash drawers and cash registers?	
3.5 Are cash drawers and cash registers only used by one person at a time?	
3.6 Are cash drawers locked during a cashier's absence, preventing anyone other than the cashier from accessing the drawer?	

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CONTROLS		YES/NO/COMMENTS
3.7	Are secured physical facilities (e.g., locked rooms, safes, locked drawers) used to store cash including un-deposited cash receipts?	
3.8	Are unused cash receipts forms protected against unauthorized use? For example, are unused receipts locked in a secure location when not in use?	
3.9	If secure areas are provided, such as safe or locked boxes, are the safe combinations and keys restricted to a minimum number of employees?	
3.10	Do appropriate individuals maintain lists that identify who knows safe combinations and who has keys to locked boxes and areas? If "yes," are the lists maintained in a secure area?	
3.11	Are safes and cash areas locked at all times when unattended?	
3.12	Are safe combinations and keys changed at the transfer or termination of key employees or based on other security reasons? If "yes," please provide the date last changed and reason for the change.	
3.13	Does the person(s) receiving cash have access to a security alarm or buzzer that would alert management or security personnel of robberies or other threatening activities?	
3.14	Are documents with partial credit card numbers (e.g., receipts) safeguarded to prevent unauthorized use?	
3.15	Do you use tamper proof (i.e., sealed) deposit bags for deposit?	
3.16	If electronic transfers are used as a means of accepting payment, are there safeguards in place to ensure that these transactions are properly recorded? If no, please describe.	
Objective 4: Cash collections are promptly placed in the custody of the County Treasurer.		
4.1	Are collections transmitted between locations through secure means within a reasonable time?	
4.2	Is the cash verified at both ends of the transmission?	

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CONTROLS		YES/NO/COMMENTS
4.3	Are daily collections promptly summarized and deposited intact and promptly (at least weekly) into the County Treasury?	
Objective 5: Cash transactions are accurately recorded and reported to the Auditor-Controller's Office.		
5.1	Are deposits reconciled to collections?	
5.2	Are deposit records reconciled to PS?	
5.3	Are correct accounts used to apply cash collections and cash disbursements?	
5.4	Are collections reported to the Auditor-Controller's Office on a monthly basis?	
5.5	Are all cash overages and shortages reported to a supervisor? Are these amounts used for performance evaluations or training?	
5.6	Does management examine revenue amounts from applicable cash reports and investigate any unusual fluctuations in cash received?	
5.7	Does management investigate all substantial variations from norms such as cash register voids, refunds, errors, etc.?	
5.8	Are NSF checks properly accounted for?	
Objective 6: All cash funds and trust funds are properly maintained.		
6.1	Are cash funds and trust funds established only pursuant to Code, Board resolution or Auditor-Controller's authorization?	
6.2	Is an inventory of all cash funds maintained?	
6.3	Are procedures for the use of cash funds clearly established, including: <ul style="list-style-type: none"> • Clear definition of authorized uses? • Prior approval of expenditures? • Restriction on amount and type of purchase? • Reimbursement only upon submission of receipt? • Cancellation of receipt upon reimbursement? 	
6.4	Are correct accounts used to charge disbursements?	

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CONTROLS	YES/NO/COMMENTS
6.5 Are replenishment requests based on actual expenditures?	
6.6 Are book balances reconciled monthly to bank statements?	
6.7 Are trust fund balances reconciled monthly to subsidiary ledger balances?	
6.8 Are cash funds periodically counted and verified by supervisors?	
6.9 Is the level of usage monitored to detect and close inactive funds?	

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APPENDIX B

INTERNAL REVENUE SERVICE FORM 8300

IRS Form 8300 (Rev. July 2012) OMB No. 1545-0002 Department of the Treasury Internal Revenue Service	Report of Cash Payments Over \$10,000 Received in a Trade or Business ► See instructions for definition of cash. ► Use this form for transactions occurring after July 8, 2012. Do not use prior versions after this date. For Privacy Act and Paperwork Reduction Act Notice, see the last page.	FinCEN Form 8300 (Rev. July 2012) OMB No. 1506-0018 Department of the Treasury Financial Crimes Enforcement Network
1 Check appropriate box(es) if: a <input type="checkbox"/> Amends prior report; b <input type="checkbox"/> Suspicious transaction.		
Part I Identity of Individual From Whom the Cash Was Received		
2 If more than one individual is involved, check here and see instructions ► <input type="checkbox"/>		
3 Last name	4 First name	5 M.I.
6 Taxpayer identification number		
7 Address (number, street, and apt. or suite no.)		8 Date of birth (see instructions) M M D D Y Y Y Y
9 City	10 State	11 ZIP code
12 Country (if not U.S.)		13 Occupation, profession, or business
14 Identifying document (ID)	a Describe ID ► c Number ►	b Issued by ►
Part II Person on Whose Behalf This Transaction Was Conducted		
15 If this transaction was conducted on behalf of more than one person, check here and see instructions ► <input type="checkbox"/>		
16 Individual's last name or organization's name	17 First name	18 M.I.
19 Taxpayer identification number		
20 Doing business as (DBA) name (see instructions)		21 Employer identification number
22 Address (number, street, and apt. or suite no.)		23 Occupation, profession, or business
24 City	25 State	26 ZIP code
27 Country (if not U.S.)		28 Alien identification (ID)
a Describe ID ► c Number ►		b Issued by ►
Part III Description of Transaction and Method of Payment		
29 Date cash received M M D D Y Y Y Y	30 Total cash received \$.00	31 Total price if different from item 29 \$.00
32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):		
a U.S. currency \$.00 (Amount in \$100 bills or higher \$.00)		
b Foreign currency \$.00 (Country ►)		
c Cashier's check(s) \$.00 Issuer's name(s) and serial number(s) of the monetary instrument(s) ►		
d Money order(s) \$.00		
e Bank draft(s) \$.00		
f Traveler's check(s) \$.00		
33 Type of transaction		34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ►
a <input type="checkbox"/> Personal property purchased		f <input type="checkbox"/> Debt obligations paid
b <input type="checkbox"/> Real property purchased		g <input type="checkbox"/> Exchange of cash
c <input type="checkbox"/> Personal services provided		h <input type="checkbox"/> Escrow or trust funds
d <input type="checkbox"/> Business services provided		i <input type="checkbox"/> Bail received by court clerks
e <input type="checkbox"/> Intangible property purchased		j <input type="checkbox"/> Other (specify in item 34) ►
Part IV Business That Received Cash		
35 Name of business that received cash		36 Employer identification number
37 Address (number, street, and apt. or suite no.)		38 Social security number
39 City	40 State	41 ZIP code
42 Nature of your business		
43 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.		
Signature Authorized official Title Title		
44 Date of signature M M D D Y Y Y Y	45 Type or print name of contact person	46 Contact telephone number

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GLOSSARY

Bank Draft see definition of **Draft**.

Bill means an item of paper currency such as a twenty-dollar bill.

Cash means coins, currency, checks, checking accounts, savings accounts, money orders, and banker's drafts on hand or on deposit at financial institutions or on deposit with the County Treasurer. Cash transactions include transactions involving cash as defined above but do not include electronic transmission of funds or investment of funds by the County Treasury. However, for purposes of reporting cash payments over \$10,000 received in trade or business on IRS Form 8300, the IRS excludes personal checks from the definition of cash (see the instructions for IRS Form 8300, available at <https://www.irs.gov/pub/irs-pdf/f8300.pdf>).

Cash fund means petty cash funds, change funds, and other cash funds.

Cash shortage means the amount of cash in a register or drawer is less than the back-up documentation (such as the cash register tape) indicates.

Cash overage means the amount of cash in a register or drawer is more than the back-up documentation (such as the cash register tape) indicates.

Change fund means a fund established to make change for cash tendered by the public in exchange for County services.

Check means a negotiable instrument drawn against deposited funds, to pay a specified amount of money to a specific person upon demand.

CR document means the cash receipt document used to record deposits made to the County Treasury in the PS general ledger system.

Collection register means the record of daily cash collections showing the date receipted, the amount receipted, and the revenue accounts to be credited. The collection register is also used to note the deposit dates and CR document numbers once the amounts are deposited.

County Receipt Books Log means a record of all receipt books checked out and returned.

Deposit ID means a six-digit number assigned by PS for each deposit entry created.

Draft or **Bank Draft**, payment is guaranteed because the bank already collected the cash (similar to a money order). In contrast, a check depends on funds being available in the drawer's account.

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Generally Accepted Accounting Principles (GAAP) means the uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. The principles include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

General ledger means a ledger that receives postings from the journals. It contains accounts in which all of the recognized transactions of a fund are classified in detail or in summary.

Intact deposit means a deposit that is made up of exactly the combination of checks and cash as was received in payment.

Internal controls means a process designed to provide reasonable assurance that specific entity objectives will be achieved. Internal control is affected by the actions of individuals within the organization as well as policies and procedures.

Journal means a form in which financial transactions are recorded. A single journal is usually limited to recording the transactions represented by a specific type of source document.

MICR or Magnetic Ink Character Recognition, means the magnetic coding that appears along the bottom edge of checks, and that can be read by a machine.

Mail log means a record of all checks received in the mail, listing all relevant information including the date, check number, name of payer, amount, and client account to be credited, if applicable.

Negotiable instrument means a written promise to pay, such as a check, promissory note, draft, or bill of exchange that is payable on demand to order or to bearer and transferrable by endorsement.

PS means the PeopleSoft accounting software used by the County.

Petty cash fund means a sum of money set aside for making change or paying small obligations for which the issuance of a voucher would be too expensive and time-consuming.

Revolving fund means a fund established to facilitate certain expenditure and cash transactions throughout the County departments under the authority delegated by the Board of Supervisors. The most common types of revolving funds are revolving checking accounts, change funds, and petty cash funds.

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Receipt Control Log means the record of receipt books issued to receipting locations; receipt books are logged out in order to establish accountability for receipt usage.

Restrictively endorsed means the back of any check, money order, or negotiable instrument is endorsed with "For Deposit Only - County of Fresno" and the name of the department.

Stale-dated warrant or **stale-dated check** means a warrant or check that has been outstanding for six (6) months or more.

Warrant means a written order from a first person that instructs a second person to pay a specified recipient a specific amount of money or goods at a specific time. Warrants issued by the County Auditor are not negotiable instruments.

SOURCES

Accounting Standards and Procedures for Counties, 2018 Edition, https://sco.ca.gov/Files-ARD-Local/ASP_Manual.pdf

Model Cash Handling Training Manual, 2nd edition, Association of Public Treasurers, 2006

Government Finance Officers Association, "Internal Controls," <http://www.gfoa.org/topic-areas/internal-controls>