

Polk County Wisconsin

CASH HANDLING POLICY

Policy 908

Effective Date: August 19, 2008

Purpose and Scope

The purpose of this policy is to establish a strong internal control process for cash handling and collections. These internal controls are necessary to prevent mishandling of county funds and will define the employee's responsibilities in the cash handling process.

Definition of Cash

Cash is defined as coin, currency, checks, money orders, credit cards, accounts receivable charges, electronic funds transfers, and all cash equivalents (example stamps).

Policy & Procedures

- All cash received must be recorded through an accounting system on the day received with either a computerized generated official county receipt or an official county temporary cash receipt. All cash receipts must be pre-numbered and account for, including the original of voided receipts.
- Checks must be payable to Polk County, to Polk County and the Elected or Public Officials Title (i.e. Polk County District Attorney or Polk County Clerk).
- Checks must be endorsed immediately upon receipt with a restrictive endorsement stamp payable to Polk County (Deposit Only).
- All departments receiving cash on behalf of the County must submit the funds within two (2) business days to the Treasurers' Office. The Treasurer then has one (1) business day to deposit funds at the bank.
- Cash must be stored in a safe or other secure place within each department daily.
- Check or credit card transactions will not be cashed or written for more than the amount of purchase.
- Refunds and expenditures must be paid through the appropriate county bank account on a dual signature county generated check.
- All cash collected must be balanced daily, by mode of payment, by comparing the total cash, checks, and credit cards to the computerized accounting reports, to the pre-numbered receipts totals, and to the totals of the money received.

Internal Controls & Responsibilities for Cash Handling

- The cash collection point must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components a majority of the time: collecting, depositing, disbursement, and reconciling.
- All cash must be protected immediately by using a cash drawer, safe or other secure place until deposited with the bank. A secure area for processing and safeguarding cash received is to be provided and restricted to authorized personnel only.

- Unidentified cash receipts must be deposited to a “cash receipt holding” account. All reasonable attempts should be made to identify the correct account and transfer the funds. The first attempt should be to call the individual on the check, the second attempt should be a letter to the individual, and finally if no identity is made to return the deposited funds to the individual with a letter explaining the process followed. These funds should not be held more than 14 days by the County.
- Deposits should be made daily to improve cash management and to ensure proper control over undeposited currency and checks.
- Deposits that fall over/short must be recorded and investigated immediately and resolved to the extent possible.
- Insufficient fund checks must be investigated within 1 business day of notification from the bank. The first attempt should be a phone call to the individual, the second attempt should be a letter and if funds are not collected within 14 days of letter it should be turned over to Law Enforcement Department for issuing a worthless check.
- Management should review receipting, reconciling, and depositing transactions on a regular basis for fraud or any suspicious activity.
- All County bank accounts shall be reconciled within five (5) business days of receiving the bank statement.
- Management should plan what to do in the event of an emergency, and that plan should be communicated with employees.