

Town of Truro – Policy & Procedure Manual

Subject: Cash Handling Policy
Policy Number: P100-028
Approval Date: February 5, 2018
Departments: All Departments

PURPOSE

To ensure the Town of Truro follows a proper and consistent cash handling procedure to ensure the cash is managed accordingly.

SCOPE

This policy applies to all employees of the Town of Truro.

DEFINITIONS

“Cash” – may be comprised of, but not limited to, coin, currency, cheques, money orders, debit and credit card transactions, and electronic funds transfers.

“Cash Collection Points” – Departments or other units that handle cash on a regular basis.

POLICY AND PROCEDURES

1. Cash funds must not be left unattended. Cash funds must be stored in a cash box within a register, safe or locked cabinet, to which access is restricted, preferably to the cashier or person in a department acting as a cashier.
2. Delivery of bank deposits to the bank must follow guidelines set out in the cash handling procedure. An extension for deposit may be authorized only at the approval of the Finance Manager and/or Director of Corporate Services.
3. Departments that wish to be named as a cash collection point may make a request to the Director of Corporate Services and demonstrate the ability to follow appropriate cash handling procedures.
4. Other departments or units that occasionally handle cash receipts are also required to follow procedures and guidelines that apply to cash collection points.
5. All Directors and staff responsible for cash handling within each department must sign a copy of this policy stating that they have read and understanding the policy.

GUIDELINES FOR CASH COLLECTION POINTS

1. All cash received must be recorded through a cash register or computerized accounting software program.
2. If a cash register and/or computerized accounting software program is not available, a pre-numbered receipt must be issued to the customer and a duplicate copy retained by the cash collection point.
3. The cash received must be reconciled to the cash register or computerized accounting software program to the pre-numbered receipts daily or on a schedule as agreed to with the Department of Corporate Services.
4. Payments, such as cheques, money orders, must be made payable to Town of Truro.
5. A bank deposit slip must be written for the total amount of the deposit. The cash and deposit slip must be delivered to the Town Hall or the bank directly and on a schedule as per the Cash Handling procedure. Coin included in the deposits must be rolled for the ease of counting.
6. Cash received must be deposited intact and expenses must not be paid from cash receipts.
7. Locations with cash registers and/or computerized accounting software programs will be issued a cash float for the purpose of making change. These cash floats are to be kept for that purpose and are not to be used for personal loans, personal cheque cashing or for payment of expenses.

GUIDELINES FOR PETTY CASH FUNDS

1. It is the responsibility of the Town of Truro staff who maintain petty cash funds to adhere to this policy/guideline.
2. A petty cash fund may be applied for or increased by completing a Petty Cash request form (Schedule A) and forwarded to the Finance Manager, stating reasons for the request, and the amount requested.
3. The petty cash fund must be kept in a safe or locked cabinet under the control of the responsible person within the department. Only the responsible person may have access to the petty cash fund. The responsible person for petty cash must be known and recorded by the Department of Corporate Services. If the responsible person changes, notification must be made to the Finance Manager and a copy of this policy signed.
4. The petty cash fund must at all times contain the authorized amount in cash and/or paid vouchers. The fund may not be used for personal loans, cashing cheques, or for salaries.

5. The cash handling procedure will establish a maximum size for petty cash payments from the petty cash fund.
6. Petty cash should be used as a convenient method to pay small claims and is not intended for larger payments or frequent payments, which should be paid through Accounts Payable.
7. To replenish the petty cash fund, a Petty Cash Reimbursement Form (Schedule B) must be completed. The form would show persons reimbursed, the amounts and the account numbers to be charged. All receipts must be attached with approvals from the signing authority for the account charged.
8. Funds received from any source must not be added to the petty cash fund, but must be processed per the procedures for the cash collection point.

Acknowledgement & Agreement

I, _____, acknowledge that I have read and understand the Cash Handling Policy of the Town of Truro. I agree to adhere to this policy and will ensure that employees working under my direction adhere to this Policy. I understand that if I violate the rules set forth in this Policy, I may face punitive or corrective action up to and including termination of employment.

Name: _____

Signature: _____

Date: _____

Witness: _____

Cash Handling Procedures

Cash Collection Points

- Town Hall, Department of Corporate Services
- Parks, Recreation & Culture
 - Colchester Legion Stadium
 - Douglas Street Recreation Centre
 - Victoria Park Pool (Seasonal)
 - Victoria Park Canteen (Seasonal)
 - Welcome Center (Seasonal)

Departments with Petty Cash

- Town Hall, Department of Corporate Services
- Parks, Recreation & Culture
 - Douglas Street Recreation Centre
- Police Station, Police Department

Cash Register Process

- Prior to the beginning of the day/shift, the cash float should be counted to ensure that the cash float is correct at the beginning of the shift.
- Cash overages and shortages are to be identified and recorded to the Finance Manager to be recorded appropriately. Cash overages are never to be retained to cover shortages made up with cash from other sources.
- Receipts, whether through a cash register, computerized accounting software program or via manual pre numbered receipt source, are to be produced for all cash transactions.

Segregation of Duties

- Staff primarily responsible for receiving and processing payments should not be the same employee responsible for preparing the deposit and reconciling payments. If, due to the size of the cash collection pint, this segregation is not possible, approval must be given by the Finance Manager or the Director of Corporate Services and secondary review for the process will come from the Corporate Services Department.

Bank Deposits

- Bank deposit preparation should be prepared by alternating staff on a random schedule in order to prevent an opportunity for fraudulent activity.
- The process of delivering the bank deposits to the bank should be rotated among staff to prevent a routine schedule.
- Transfer logs should exist recording the name of the person preparing the deposit and the person transferring the deposit.
- Deposits are to be made in a timely manner as per the following guidelines:

Cumulative Deposits	Minimum Frequency of Deposit
Up to \$500	Within 2 business days
Up to \$1000	Next business day
Over \$1000	Same day

- Bank deposits from cash collection points, other than the Town Hall location, should be prepared and delivered to the Town Hall location to be recorded directly to the accounting system and be recorded as part of the Town Hall bank deposit.
- The Victoria Park pool and canteen location will prepare its own bank deposit and transfer the deposit to the bank directly. Backup related to the deposit will be delivered to the Town Hall location for reconciliation purposes.