

CITY OF BROOKLYN, OHIO
Cash Handling/Collection Policy

Purpose:

It is important to establish and document the flow of cash and to provide guidelines for the proper management of monies for those employees responsible for receiving, handling and safeguarding cash and cash equivalents.

Background:

The City maintains several cash collection points that collect several types of payments.

Recreation Department:

- Cash Registers at front desk, pool and concession stands
- Secretary Supervisor

Building Department:

- Secretary

Service Department:

- Dispatcher/Service Director

Police Department:

- Law Enforcement Service Clerk

Mayor's Court:

- Cash Register
- Court Revenue is also received by Police Department during non-court business hours.

Senior Center:

- Cash Register

Front Desk:

- Receptionist

Finance Department:

- Accounts Receivables Clerk
 - Cash
 - ❖ Public
 - ❖ Other Departments
 - Checks
 - ❖ Public
 - ❖ Mail
 - ❖ Other Department
 - EFTS

Policy:

The custodian of every cash collection point is responsible for the integrity of the cash collected. Employees should understand their accountability for all monies which are the property of the City of Brooklyn.

Personal checks from employees or patrons of the City should not be cashed. City funds should not be used for personal banking transactions. Personal checks can be accepted from these individuals for actual fees or services.

The following guidelines are not only for the protection of the City but also those employees charged with cash handling.

Money in any form including currency (coins and bills), check, wire transfer, credit card charge, ACH, direct deposit, and other electronic transfers are all referred to as cash or cash receipts.

Receiving and Receipting City Funds:

All checks for city goods and services are to be made payable to the City of Brooklyn.

The Finance Department provides a receipt to the department upon the deposit of funds unless the department makes deposits directly.

Departments making deposit directly include:

MAYOR'S COURT – Deposits are made daily by the Clerk of Courts separately for Court, Bonds and Parking. Daily deposits are generally made by night drop. Friday deposits are made in person and receipts from nightly deposits are retrieved and verified. If a deposit is in excess of \$5,000 the Clerk is escorted to the bank by an armed officer. In the event of the Clerk's absence, the Mayor's Court deposits are made by the Accounts Receivable Clerk on a daily basis in person.

RECREATION CENTER – Deposits are made daily, in person by maintenance personnel. Receipts are returned to the Recreation Center and a receipt for deposit forwarded to the Finance Department.

In such cases the bank should issue the receipt. These receipts provide an audit trail should payments require research.

All incoming monies should be acknowledged by receipt when accepted or received by mail. Cash must be appropriately

secured in a locked area when unattended. Large sums of cash should be counted and handled out of sight of the general public.

Deposits:

Departments collecting and receipting cash must submit deposits to the finance department or directly to the bank within one business day after collection. The timely deposit of monies received provides for improved control of funds which reduces risk of loss due to errors, carelessness or theft. Any monies held overnight must be secured in some form of locking device such as a safe, locked filing cabinet, locked desk or closet.

Expenditures or refunds of any type must never be made from cash receipts.

It is the responsibility of the departments receiving monies to meet the next business day deposit requirements, provide appropriate and accurate information when presenting deposits to the finance department and safeguarding deposits.

Large Deposits:

Any deposit in the amount of \$5,000 or more shall be considered a large deposit.

Those departments making direct bank deposit shall have a police escort to the bank whenever a deposit is over \$5,000.

Timely Deposits:

All monies received for the day must be turned into the finance department or directly to the bank within 24 hours of receipt.

If a deposit is less than \$1,000 and cannot be made within the 24 hour period it must be secured in a locked location within the control of the finance department for deposit within 48 hours of receipt.

Guidelines for submitting cash and coins to the finance department:

No foreign currency is accepted.

Bills should be “faced” – all facing front and right side up. This allows for more accurate recounts.

Bills should be sorted by denomination and clipped or banded in the following amounts:

- Ones = 25 or \$25
- Fives = 20 or \$100
- Tens = 20 or \$200
- Twenties = 25 or \$500
- Fifties = 20 or \$1,000
- Hundreds = 10 or \$1,000

Coins should be rolled in the following amounts:

- Pennies = 50 or \$.50
- Nickels = 40 or \$2.00
- Dimes = 50 or \$5.00
- Quarters = 40 or \$10.00

Credit card close batch reports should be included with deposits when applicable.

Daily Closing Activities:

By the end of the workday, all City money received should be documented according to this policy. This involves:

- Balancing the cash drawer
- Depositing City Fund (at bank or with Finance Department)
- Placing any remaining cash in a safe or other secure location

Miscellaneous City Cash Maintained by Departments:

Several Departments maintain change tills. These tills should be counted daily. Any discrepancy in the amount of the till shall be reported to the Finance Department immediately.

Change Tills are as follows:

\$700 Recreation Department:

- ❖ Rink Register – \$100 Starting change
- ❖ Pool Register – \$100 Starting change
- ❖ Concession Rink Register – \$50 Starting change
- ❖ Concession Pool Register – \$50 Starting change
- ❖ Hockey - \$400 Starting change

\$200 Mayor's Court:

- ❖ Register – \$200 Starting change

\$200 Service/Building Department (Finance Department):

❖ Cash Box – \$200 Starting change

\$200 Senior Center:

❖ Register - \$10 to start/\$190 maintained office

Petty Cash is maintained by individual departments for incidental purchases. Petty Cash should be verified by individual departments on a weekly basis and an annual, unscheduled verification by a member of the Finance Department.

Petty Cash is maintained as follows:

Police Department - \$200.00

Fire Department - \$200.00

Service Department - \$200.00

Recreation Department - \$150.00

Senior Center - \$100.00

Fraud Prevention:

Credit Cards:

The City and or any employee shall never store any written or copied credit card information. All credit card transactions shall be processed as point of sale transactions. Any employee processing a credit card transaction shall verify by proper identification that the transaction is being completed by the card holder. All credit card transactions follow PCI/DSS compliance standards and are reviewed annually by a third party. All credit card transactions are reconciled monthly.

Online Payments:

Online payments are accepted by the City through third party vendors. All online payments are reconciled monthly.

Questionable Currency:

US Currency has several security features that are easily verified.

1. Security Thread – An embedded polymer strip, positioned in a unique spot for each denomination. The thread itself contains micro-printing with the letters USA, the denomination of the bill and a flag, which can be seen when holding the bill up to a bright light.
2. Micro-printing – Appears in unique places on each denomination. It can only be read with a magnifying glass and becomes blurred when copied.
3. All US Currency is made with linen instead of wood. Red and blue fibers are imbedded into the paper.

New currency contains the following additional security features:

1. Color-Shifting Ink – The ink used in the numeral in the lower right-hand corner on the front of the bill looks copper when viewed straight on but green when viewed at an angle
2. Watermark – created during the paper making process. Watermarks are visible from both sides when held up to a light.

In the event of receipt of questionable currency the Finance Department shall be notified immediately.

Additional Internal Controls:

The Finance Department shall conduct periodic reviews and surprise audits of tills and petty cash. Cash collection procedures shall be reviewed annually.

Monthly bank reconciliations shall be performed in a timely manner reconciling the cash collections to the financial accounting system.

In the event of potential fraud, the employee aware of the situation shall notify the Director of Finance. In the event that the Director of Finance is not available, Accounts Receivable shall be notified, who then will notify the Director of Finance as soon as possible. The Director of Finance shall then take the necessary steps to investigate and remedy the situation.