

## 2400.5 Subject: Cash Handling Policy

### Objective:

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To ensure the accurate and secure receiving, receipting and processing of payments received at various locations throughout the City.

### Authority:

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This policy amended by City Council March 30, 2020, Item A-6.

### Direction:

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The Chief Financial Officer (CFO), as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

### Functions:

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#### 1. Introduction

Strong internal controls for cash collections are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees from inappropriate mishandling of Cash by defining their responsibilities in the cash handling process. The City's management of cash collections requires that areas receiving Cash be approved by the CFO and be designated as Cash Collection Points.

Capitalized terms not otherwise defined herein are defined in Exhibit A attached hereto and incorporated herein, by reference.

#### 2. Policy

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The City shall maintain cash handling practices that ensure the accurate and secure receiving, receipting and processing of payments received at various locations throughout the City. This includes payments that are processed by the City's Cashier's office or any other City department/division, under a manual system or through an automated system. The City's Revenue Collection Unit (RCU) within the Accounting Operations and Control Division offers support and training to City Departments/Divisions and depositing agencies including guidelines and procedures for proper cash receipting. The general purposes for cash handling are:

- a. Streamline any clerical efforts required to handle, process and account for all monies received; and
- b. Maximize the accountability, accuracy, and security for monies received.

It is the responsibility of RCU to resolve deposit discrepancies with the City's main depository account, no matter which department/division made the deposit. Deposit issues occurring within the Venues and Parking respective depository accounts are to be resolved by those respective departments/divisions.

Department/Division managers/supervisors are responsible for the safekeeping of Cash that is received by their department/division and the prompt transfer (next business day) of these funds to the armored car service or bank. All Cash received by any office of the City must be deposited into the bank on or before the next regular business day following the day of receipt. The only exceptions allowed are:

- a. When a scheduled, prearranged service contract is in force with an armored car service.
- b. If the CFO granted a special exemption, on a case by case basis, due to unusual circumstances that dictate the need to do so.

Departments/Divisions are expected to keep their employees informed of all City receipt policies and procedures. Each department/division shall prepare and maintain a fully documented procedure manual

concerning all aspects of its cash handling procedures. All employees involved in the handling of cash are expected to be properly trained so they are accurate and efficient when processing customer payments, including making change and accepting payments by check or credit cards.

Departments/divisions are also expected to safeguard City funds against loss, and to establish and maintain exceptional customer relations. All personnel that work in a cashiering function must certify in writing that they have read and understand this Cash Handling Policy upon commencement of their cash handling responsibilities, and annually thereafter. The department will maintain the certification for five years. RCU will have periodic site audits to ensure departments are in compliance with the policy.

All Cash received must be deposited in the same amount in which it was received. Cash received must not be used to pay bills or be used in any other type of transaction. No City official or employee of the City of Orlando is allowed to cash checks from public funds. This section is not intended to stop the acceptance of personal checks in payment of obligations due the City of Orlando. However, in no event shall a check be accepted in an amount where the face value of the check and the amount owed the City of Orlando differs, requiring the return of cash to the maker.

### 3. Responsibilities

#### a. Responsibility of Revenue Collection Unit

- i. Routinely audit the Cash Collection Points, as well as “Indirect” Deposit locations to ensure the timely deposit of all Cash received by cashiers.
- ii. Update the required cash postings in the City’s financial reporting system.
- iii. Maintain a list of all Cash Collection Points and the primary contact person at each.

- iv. Keep a copy of each Department/Division's operational and cash collections procedures on file in the Office of Business and Financial Services offices.
  - v. Maintain the master listing of each of the City's credit card terminal machines.
- b. Responsibility of Each Employee Working in or Supervising a Cash Collection Point
- i. Each Cash Collection Point employee will be responsible for the Change Fund assigned to them and any additional Cash collected.
  - ii. Assume responsibility for accurate and complete reporting of all transactions processed at the Cash Collection Point.
  - iii. Follow any approved Departmental/Divisional policies, procedures, and directives when accepting payments on behalf of the City of Orlando.
  - iv. A supervisor will make reasonable efforts to ensure that any employee who handles Cash follows this policy.
  - v. Failure by any individual involved in the collection, safekeeping, recording or depositing of Cash to comply with these procedures may be cause for disciplinary action.
  - vi. Annually review the City's policies and procedures and the departmental directives related to cash management.
- c. Responsibility of the Cash Collection Points' Departments/Divisions
- i. Each Cash Collection Point that receives Indirect Deposits shall promptly deposit Cash received with the Revenue Collection Unit.

- ii. Each Cash Collection Point that receives Direct Deposits shall promptly deposit Cash received into the respective depository account.
- iii. Each Cash Collection Point shall:
  - 1. Ensure adequate supervision of all cash handling activities so that all funds received are properly recorded and deposited.
  - 2. Maintain complete and proper records and make any required entries promptly and accurately.
  - 3. Assume responsibility for reconciling Cash received and ensuring that Cash remains balanced.
  - 4. Ensure that all Cash received is adequately safeguarded.
  - 5. Be responsible for collecting payments and fees due from Bank Returned Checks.
  - 6. Conduct periodic reviews of their cash handling activities to ensure that the operation is functioning as intended and that all approved procedures are being followed.
- d. Each Cash Collection Point will be responsible for conducting training on the use and application of this policy with all employees who handle Cash.

Each Custodian is required to sign the Employee Acknowledgement of Cash Handling Policy Form (Exhibit B)

- e. Cash Collection Points

All Departments/Divisions acting as or desiring to become a Cash Collection Point must establish a separation of duties. A single individual must not collect Cash, prepare deposits, and

reconcile activity. If staffing is inadequate to accomplish this goal, contact RCU for alternative procedures.

- i. Departments/Divisions acting as or desiring to become Cash Collection Points must also establish, at a minimum, the following directives:
  1. Opening Procedures
  2. Change Funds
  3. Closing Procedures
  4. Integrity and Storage of Cash Drawers
  5. Cash Receiving Procedures
  6. Daily Deposit Procedures
  7. Check Procedures
  8. Credit Card Procedures
  9. Balancing Procedures
  10. Daily Reconciliation Procedures
  11. Void Procedures
  12. Robbery Prevention Procedures

RCU can provide assistance in developing the required directives upon request.

#### f. Balancing

All Custodians assigned to a Cash Drawer are responsible for balancing their end of day Cash Drawer to their Point of Sale Application totals, at the end of each shift. Any balancing discrepancies, either over or short, are to be reported to the supervisor on the day that the overage/shortage occurs.

If the discrepancy is greater than \$20 but less than \$50, the Fiscal Manager/Coordinator must be notified.

If the discrepancy is greater than \$50, the Revenue Collection Manager must be notified.

If errors cannot be reconciled, the adjustment will be made by the cashier to record the out-of-balance on the same day.

**Force balancing (i.e. voiding or creating entries, removing or adding funds) in all circumstances will be considered a manipulation of funds and will lead to corrective action being issued, up to, and including termination.**

#### 4. Forms of Payment

##### a. Monies

##### b. Checks

- i. Personal Checks – Must include the maker’s name, address and telephone number on the check. No cash back may be given for a personal check transaction.

Persons making payments shall be advised to make checks payable to the City of Orlando. Cash is never to be given back as change to a customer for a personal check.

- ii. Business Checks – Many business checks have special instructions printed on them such as “two signatures required”. These instructions must be followed to assure that the payment is truly authorized. Cash is never to be given back as change to a customer for a business check. Failure to follow these instructions may expose the City to loss.
- iii. Cashier’s Checks – The payee must be “City of Orlando,” and no change shall be given.

- iv. Traveler's Checks – When paying with a traveler's check at a City facility, the customer must countersign and write in the payee in the presence of the cashier. Change may be provided, if applicable.
- v. Personal Money Orders – The customer must fill in the date, the payer, and the payee's name and address. Cash is never to be given back as change to a customer for a money order.
- vi. Foreign Items – No foreign items including checks, money orders, and traveler's checks should be accepted unless the words "U.S. Funds" or "U.S. Dollars" appear on the item, and a Federal Reserve routing number is MICR encoded at the bottom of the item.

The Federal Reserve routing number is a nine (9) digit number appearing on the lower left of the item. Generally, this number allows the item to be processed through the bank system. Without this code, the item is subject to bank collection charges, which, in many cases, exceed the value of the payment. If there is any doubt about the item, contact the Revenue Collection Manager for guidance.

If a foreign item is accepted the detailed procedure must be followed and copies forwarded to the Revenue Collection Manager.

**Do not include foreign checks in your regular deposit without specific authorization from the RCU.**

(Any collection fees incurred for converting the item to U.S. dollars will be charged to the Department/Division.)

- vii. Endorsements – All checks must be endorsed "City of Orlando" upon receipt. The endorsement is written or stamped in the area indicated on the back of the check.

c. Credit Cards



Departments/Divisions, upon approval by RCU, may accept Discover, MasterCard, American Express and VISA. The Department/Division/activity accepting credit cards will be charged the monthly credit card fees associated with the card transactions.

Departments/Divisions processing credit cards using the web, mail, telephone, fax or walk-in must be aware of several issues distinct to this type of payment. Some of these issues include authentication, security, retention, and the Payment Card Industry/Payment Application Data Security Standards (PCI/PADSS) compliance.

Departments/Divisions not complying in any of these areas will forfeit their right to process credit cards.

All Cash Collection Points processing bank cards must comply with the PCI/PADSS. These standards include requirements for security management, policies, procedures, network architecture, software design, and other critical protective measures.

City Departments/Divisions processing credit card transactions have contractual obligations to fulfill the data security standards established by the payment card industry which include yearly questionnaires and quarterly vulnerability scans. Because of the volume of credit card transactions and regulations imposed by external agencies, more detailed information is provided in the Credit Card Merchants Guide. Please note that the Payment Card Industry (PCI) Security Standards change periodically.

## 5. Cashier Robbery Procedures

In the event of a robbery (either armed or unarmed) employees should:

- a. Offer no resistance.

- b. Give the perpetrator what they are asking for so that they will exit the premises as quickly as possible. The safety of our employees and the public is our paramount goal.
  - c. Follow Department/Division robbery directives.
6. Disaster Preparedness and Recovery Procedures

Prior to complying with a mandatory evacuation order, cashiers/Custodians MUST take the following steps to ensure that Cash Drawers and/or safes are secured:

- a. Finish transaction with current customer.
  - b. Inform the remaining customers that the building is required to evacuate.
  - c. Comply with department/division disaster procedures.
7. Administration

Administration of the policy may include the following:

- a. Surprise on-site inspections and audits.
- b. Restricting the authority to handle Cash of anyone who fails to comply.
- c. Disciplinary action up to and including termination for an employee's failure to comply with their Departmental/Divisional and City policies, procedures, or directives.

## Forms:

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Employee Acknowledgement of Cash Handling Policy 2400.5 Form

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**Committee Responsibilities:**

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None.

**Reference:**

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This policy adopted by City Council March 30, 2020, Item A-6.

**Effective Date:**

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This policy effective March 30, 2020.

**Exhibit A****Definitions**

The following terms and phrases shall have the attached meanings as used in the context of the Cash Handling Policy and any procedures related thereto:

1. Bank – a City authorized depository banking institution.
2. Bank Returned Checks - (ex. NSF, Refer to Maker, Unable to Collect)
3. Cash – U.S. currency and coin, checks drawn on U.S. banks and written in U.S. dollar values (including travelers, cashiers, and certified checks), money orders, credit and debit card sales drafts. Foreign currency or checks will not be accepted.
4. Cash Collection Point – a location which collects cash belonging to the City or for which the City acts as a temporary holding point (i.e. confiscated cash).
5. Cash Drawer – Any physical object used for the temporary storage of cash during periods of time when transactions are being conducted.
6. Change Fund – a fund of cash established to provide cash for making change as part of the collection activities of a cash collection point.
7. City – the City of Orlando and its departments, divisions, administrative offices and affiliated organizations.
8. Custodian – the employee bearing responsibility for the cash drawer/safe and its contents.
9. “Direct” Deposit – a deposit prepared onsite at an authorized cash collection point and picked up for direct delivery to the Bank.
10. Financial Reporting System – Workday or its successor.
11. Imprest Cash – change funds or petty cash funds authorized by the Controller and maintained by City departments/divisions under the guidelines set forth in this Cash Collection Point Procedures document.
12. “Indirect” Deposit – a deposit prepared by an authorized Cash Collection Point and delivered to the Revenue Collection Unit at City Hall who assumes responsibility for delivering it to the bank.
13. Internal Controls – the policies and procedures that an organization establishes to ensure that it operates in accordance with management's intentions and that accountability is maintained for all transactions. This includes methods to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.



Office of Business and Financial Services  
Accounting Operations and Control

Section 2400.5

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14. Monies – U.S. issued paper dollar bills and U.S. issued coins.
15. Point of Sale Application – Electronic equipment and/or software that performs sales transactions and processes different forms of payments.



**Exhibit B**

**City of Orlando  
Employee Acknowledgement of Cash Handling Policy 2400.5 Form**

**Name:** \_\_\_\_\_

**Department/Division:** \_\_\_\_\_

**Job Title:** \_\_\_\_\_

**I have read the Cash Handling Policy and Procedure 2400.5, and agree to abide by the provisions contained therein. I understand that violation of the provisions stated in said document may warrant disciplinary action, up to and including dismissal.**

\_\_\_\_\_  
**Employee Signature** **Date**

\_\_\_\_\_  
**Employee Printed Name**

\_\_\_\_\_  
**Supervisor Signature** **Date**

\_\_\_\_\_  
**Supervisor Printed Name**

\_\_\_\_\_  
**Division Manager's Signature** **Date**

\_\_\_\_\_  
**Division Manager's Printed Name**