

Internal Operations Manual

SUBJECT: Receiving and Handling Money NUMBER: 107-03-050

DIVISION: Operations Division **EFFECTIVE DATE:** 04/10/02

Office of Business Administration

APPROVED: Original signature on file with the Office of Business Administration

POLICY/

To establish written procedures that will insure internal cash accountability including:

PURPOSE:

Efficient cash collection

Proper handling of cash receipts

Accurate recording of cash transactionsTimely bank depositing of cash collected

AUTHORITY: Oregon Accounting Manual (OAM); ORS 293.265; ORS 293.270; ORS 297.120

APPLICABILITY: All Department of Administrative Services employees

ATTACHMENTS: Exhibit A: OBA Batch Form

GUIDELINES:

- I. Oregon Accounting Manual Section 10 20 11.PR.101 states that each agency having the power to collect state money must have written procedures for internal control of cash (cash includes all negotiable instruments such as cash, checks, money orders and cashier's checks). The procedures in this policy establish the efficient flow of cash, documents, controls over cash and the recording of cash transactions.
- II. No one individual is to have complete control in the processing of cash. Specifically, there is to be a separation of duties in the actual handling and processing of cash, recording the transactions, and reconciling bank accounts. Cash received may be recorded on a prenumbered receipt form, a summary of permits issued, a cash register tape/adding machine tape, a mailroom listing, a computer generated sales journal, or some other remittance advice depending on the nature of the division's revenues.
- **III.** When accepting a check or money order as payment for goods or services, check for the following information:
 - **a.** That the date on check is the current date and not the posted date.
 - b. Check or money order is made out to Department of Administrative Services or DAS. Checks or money orders are never to be made out to the person accepting the payment, nor are they to be left blank to be filled out later. Restrictive endorsements should be made on all checks as soon as they are received.
 - **c.** The numerical amount must be exactly the same as the written amount, and both for the correct figure.

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- **d.** The person writing the check or money order signs on the proper line.
- **e.** If a money order or cashier's check is the method of payment, make certain that the individual presenting the payment takes the copy or stub for his/her own records.
- **f.** Request proper identification i.e., driver's license, check guarantee, bank courtesy card, from the person making the payment. Record the information on the face of the check near the payee's name and address.
- **g.** A pre-numbered receipt must be issued to the customer at the time funds are accepted.
- IV. If over \$100, deposit each day's cash receipts intact even if proper disposition of receipts is unknown. If money is received after the deposit is made, or the amount is less than \$100, place in a safe or other secured container. The safe or secured area should have limited access and remain locked when the safe custodian is not present.
 - The \$100 deposit threshold does not apply to the amount in the till. The till funds must be safeguarded at all times. When the cashier is not present, the funds should be in a safe or locked drawer, with the key not accessible to those without authorization.
- V. Proper internal controls over cash and depositing procedures are required. Do not permit any one person to handle money (currency, coins, checks, money orders, or credit card) transactions from beginning to end. The function of receipting and depositing cash should be separated from the function of billing and reconciling. Reconciling refers to the process of reconciling accounting records of cash to the State Treasury account, or other appropriate accounts. Someone not responsible for handling cash should do this each month. If limited staffing does not allow proper segregation of duties contact the Accounting Services Unit for guidance on appropriate procedures.
- VI. Any cash shortage or overage should be accounted for, by employee, and should be investigated if over \$10. Unusual items should be adequately documented and explained. ORS 297.120 requires any cash shortages from or suspected to be from employee dishonesty to be promptly reported in writing to the Manager of the OBA Accounting Services Unit, who may report the incident to the DAS Internal Audit Manager. If there is sufficient evidence of wrong doing, the Internal Audit Manager may report the incident to the Secretary of State, State Police or the Risk Management Division as appropriate.
- VII. Divisions that have average daily deposits of \$1,000 or more must contract with an armored car service for daily deposit pick up. This will alleviate the need for employees being responsible for the transportation of large sums of cash. In circumstances where the armored car service is not required, staff may choose to make deposits to the local bank. If staff will be making the deposits, please call the Revenue Supervisor, Office of Business Administration (OBA), Accounting Services Unit for guidance.

PROCEDURES:

Receiving and Handling Money							
	Step	Responsible Party	<u>Action</u>				
	1.	Division Cashier	Collect and receipt all money. The money is to be totaled documented on a Batch Form (Exhibit A) Balance the till close of each business day.				
	2.	Depositor	Will verify the money and documentation for accuracy to that all the money is accounted for.	ensure			
			Prepare the deposit and hold for pick-up by the armored service.	car			
			Send the following items to DAS Office of Business Admi Attention: Cashier, in a timely manner:	inistration,			

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Will collect the deposit and deposit it with the bank.

b. Customers Receipt from top of the deposit bag

a. Yellow copy of the deposit slip

c. Back-up documentationd. Completed Batch Form

4. OBA Cashier

Receives Batch Form and documentation from divisions. Verifies the amount of deposit with the deposit research screen in R*Stars (Screen 13). Researches discrepancies and enters deposits into R*Stars.



DAS-OBA BATCH INPUT/REVENUE SUMMARY REPORT FORM

		VENDOR # OTHER INFORMATION								
DATE:	YOUR PHONE #:									
		AMOUNT PROJ# PHASE VENDOR NAME								\$0.00
		DEPOSIT #								TOTAL
Z C	NAME	AOBJ								
DIVISION NAME:	YOUR NAME:									
		T-CODE PCA								