

# Cash Handling

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# Establish Your Authority

- Cash Handling is a Treasury function.
  - regardless of where it takes place.
- Take action to safeguard County assets.
- Establish procedures and internal controls.
- Require cash handling training by staff.
- Establish reporting and deposit requirements of all cash.

# **Purpose of the Treasurer's Office**

- Receive and retain funds
- Safeguard and distribute funds
- Invest funds
- Maintain accurate records
- Maintain customer relations

# Daily Operations

- Location Specific Procedures
- Internal Controls
- Cash Audits-Periodic Review

# Workspace Setup

- Location
- Security (doors, cameras, windows, etc.)
- Limited Access
- Vault Access
- Supervision

# Cash Drawer Setup

- Separate cash drawers
- Unique cashier logins
- Arrange currency, coin, checks, and credit card receipts in a consistent manner.
- Verify the dollar amount of beginning cash.
- Establish a 'cash drop' threshold.
- Keep cash drawer locked at all times.
- Lock cash in safe during closed hours.

# Cash Handling

- Receive and distribute money
- Follow established procedures
- Balance and deposit cash daily
- Establish good public relations
- Safeguard assets

# Receiving and Receipting

- Know your cash handlers!
- Mail and dropboxes
- Custodial responsibility
- Loss versus Shortage/Overage



# Counting Cash

- 3 Three Ways to Count
- 2 Two Counts on Each
- 1 One Total

# Hand to Hand Method

- Separate bills
  - all bills facing up
  - smallest denomination on top
- Hold in one hand
- Transfer bills separately to other hand
- Look at each bill
- COUNT AGAIN
- Get two counts that agree!

# Hand to Table Method

- Same as hand to hand
  - pile bills facing up with smallest on top
- Place funds on table not in customer's hand
- Count once into your hand
- Count twice onto the table or counter

# Don't Change - Making Change

- Establish a routine
- Two methods:
  - *cash register calculation*
  - *counting from sale to tendered amount*
- Counting back
  - smallest coin to the largest bill
- Two counts:
  - *(1) from the cash drawer*
  - *(2) to the customer*

# Coin Acceptance

- How much are you willing to take?
- How are you going to take it?
- What happens if it's wrong?



# **Focus, Focus, Focus**

- Keep \$\$ in view of customer
- Complete transaction before securing \$\$
- Verify payment against invoice/bill
- One customer at a time
- Always give a receipt
- Security

# Mutilated Money

- Mutilated currency are any notes which are NOT CLEARLY more than one half of the original note, and/or, in such condition that the value is questionable.
- Financial institution may also have special handling for currency.

# What isn't Mutilated Currency?

- Any badly soiled, dirty, defaced, disintegrated, limp, torn, worn out currency that is CLEARLY MORE than one-half of the original note, and does not require special examination to determine its value.



# Checks and Check Cashing

- A payment on demand financial instrument.
- Check is payable when presented at signer's bank.
- Drawer/Maker
- Drawee
- Payee
- Risk



# Type of Checks

- Personal Checks
- Company Checks
- Cashier Checks
- Personal Money Orders
- Traveler's Checks
- Online Bill Payment Checks

# Seven Check Requirements

- Current Date
- Payee
- Payer
- Dollar Amount – Check numbers and written words.
- Bank
- Signature
- MICR numbers

# Endorsement

- Endorse upon receipt
- Get a stamp or machine to endorse
- Customize where needed

# Check Fraud Precautions

- Matching photo identification
- Non-local banks
  - Google the routing number.
  - use [routingnumbers.org](http://routingnumbers.org).
- Date (accurate, post-dated or stale)
- Legibility
- Drawee bank
- Payable to the City/County
- New account caution

# **Bank Cards - Credit & Debit**

- Reduced fraud
- Convenience for Customers
- Convenience for Municipality
- Accepted for some or all types of transactions.
- Fees can be passed to customers when allowed.

# Credit Card Transactions

- Photo Identification
- Zip Codes and CVV2 Numbers
- Over The Counter Payments
- Telephone Payments
- Mailed In Payments
- PCI Compliance

# **Daily Operations**



# Closing and Balancing

- Documentation of closing and balancing procedures
- All transactions are accounted for.
- All cash activities balanced and reconciled.
- Verification of reconciliation by an outside party
- Segregation of duties

# Locating Cash Differences

- Check the basics first!
- Narrow down the error.
- Search the work area.
- Documentation of Variances
- Honesty and Accountability

# Common Balancing Errors

- Writing Illegibly
- Currency organization
- Data entry errors
- Organization/Record Keeping
- Transposition errors
- Multiple cashiers in one drawer

# Other Causes for Errors

- Sacrificing accuracy for speed
- Not completing a transaction before starting a new one.
- Making change errors
- Doing it 'in your head'
- Distractions during a transaction
- Not noting partial payment on stubs.

# Preparing Deposits

- Segregation of duties
- Duplicate or Triplicate
- Deposit Bags
- Treasurer's Report
- Armored car and night deposits
- Remote Deposit

**Security!**

# Prevention

- Visibility, lights, cameras ...
- Action (visibility and activity)
- Awareness of cashiers
- Inconspicuous transport of funds
- Varied routines
- Cash policies
- Inaccessibility

# Protection

- 'Cash Drops' during the day.
- Locked cash drawers
- Authorized personnel only
- Complete each transaction
- Panic buttons
- Sheriff Department – Risk Assessment
- Passwords, combinations, and locks
- Cameras



# Emergency Procedures

- Robbery
- Fire Alarms
- Bomb Threats
- Weather
- Prepare procedures
- Protect people first
- Secure the cash

# Resources

- APT US&C – Cash Handling Guidelines
- [www.secretservice.gov/money\\_detect.shtml](http://www.secretservice.gov/money_detect.shtml)
  - Detecting Counterfeit Money
- [http://www.secretservice.gov/know\\_your\\_money.shtml](http://www.secretservice.gov/know_your_money.shtml)
  - Information on reporting counterfeit money
  - Many informative tools
- <http://www.bep.treas.gov/>
  - The new \$100 bill

**Questions?**