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## **Section 401**

# **CASH MANAGEMENT**

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### **GENERAL INFORMATION**

The purpose of this section is to provide you with information, both general and specific, as it relates to cash management and your job as a City cashier. Everyone handling City cash - or supervising someone who does - should be familiar with these guidelines.

The guidelines are organized into five sections:

- General Information
- Public Service
- Cash Handling
- Daily Cashier Operations
- Security and Loss Prevention

The information contained in this section is established to create a general performance standard for City employees who collect cash as part of their job.

There are twelve locations handling and receiving City cash: Downtown Association Area (DA offices), Community Development and Finance & IT public counters at City Hall, Golf Course, Parking Administrative Office and collection booths, Police Station, Public Works, Parks & Recreation Administrative Offices, the Recreation Center and the Swim Center.

All locations process transactions through a City owned and maintained cash register. All receipts are issued by the cash register with the exception of the Parks & Recreation Administrative Office, which uses numeric receipt books for youth programs. The receipt books are distributed and monitored by the Parks & Recreation Department secretary to staff as needed.

### **CITY CHARTER**

The primary legal document for the City of San Luis Obispo is the City Charter, which identifies and defines the scope of responsibility of various City departments, particularly the elected offices. This document provides the framework for local governments much as the Constitution does for the United States. Other City officers, employees, and agents accomplish many of the duties and responsibilities assigned to the City Treasurer by the Charter.

### **CITY TREASURER: DIRECTOR OF FINANCE & INFORMATION TECHNOLOGY**

The City Treasurer is also the Director of Finance & Information Technology (IT). As the City's banker, the Finance & IT Department is required to receive, retain and disburse all City revenue and keep detailed records of these transactions.

## **GLOSSARY AND SAMPLE FORMS**

The following glossary and sample forms have been prepared in order to provide guidance in the terminology introduced in this section.

**Bank Check** - (also called Cashier's Check) Check drawn by a bank on itself and signed by an authorized officer.

**Bank Money Order** - Check drawn by a bank on itself. The amount is encoded by the customer's bank, and the customer completes the rest of the check. There is always a maximum limit to a check amount, and sometimes a small service fee.

**Beginning Cash** - Cash in cashier's drawer at the start of the day or shift.

**Cash Drawer** - Metal drawer used to store currency, coin, and checks during cashier's shift when completing transactions. This drawer should always be locked when cashier is away for any reason.

**Check** - Draft or order on a bank, to be drawn upon a deposit of funds for the payment of a certain sum of money to a person named or to a bearer, and payable on demand

**Coin** - A form of metal money used as a medium of exchange authorized by the Federal Reserve Bank of the United States.

**Currency** - A form of paper money used as a medium of exchange authorized by the Federal Reserve Bank of the United States.

**Deposit** - To leave money with a bank for credit to a bank account.

**Deposit Bags** - City issued locked canvas bags for transporting monies and cash transaction documentation to Finance.

**Deposit Slip** - A document used by each cashier location (depositor) listing currency, coin, checks and items for deposit to the bank. (Each department has their name printed on the deposit slip).

**Ending Cash** - Cash in a cashier's drawer at the end of the day or shift.

**Endorsement** – The signature or stamp that is placed on the back of a negotiable instrument according to Federal Regulation CC, which transfers the instrument to another party (Each department name is printed on the endorsement stamp).

**Federal Reserve System** - U.S. central banking system that regulates the money supply.

**Guaranty Deposit** - Money deposited with the City Treasurer and held in trust during a specified period of time. This money is refundable if not needed.

**Identification** - Information piece (such as a valid driver's license) that guarantees that its holder is who he or she claims to be.

**MICR** - Magnetic Ink Character Recognition. Magnetic codes on the bottom of the check that indicate bank account number, check number and dollar amount of check that provides a way for the machine to read the check.

**Money** – Officially issued coins and paper currency that serve as a medium of exchange and may be used as payment for goods and services and for settlement of debts.

**Negotiable Instrument** - Written promise to pay - such as a check, promissory note, draft, or bill of exchange - payable to order or to bearer and transferred by endorsement.

**NSF (Non-sufficient funds)** - Indicates that the drawer's account balance is less than the amount of a check or withdrawal order presented for payment.

**Over/Short Account** - Specific general ledger account that departments can use to document when a deposit is over or short.

**Overage** – The amount by which the actual revenue in the cash drawer exceeds the reported revenue.

**Payee** - Party to whom a check is payable.

**Postdated Check** – A check dated later than the actual date. The check is not payable until the date specified, therefore, a postdated check issued July 1, but dated July 15, is not payable until July 15.

**Return Item** - An item returned unpaid by a payor bank.

**Secure Pouch** - A plastic sealed numerical bank bag used by each department to insert cash, checks, coin and a deposit slip for transmittal to the bank. (Sample Forms 430-1)

**Shortage** - The amount by which the reported revenue exceeds the actual revenue in the cash drawer.

**Stale Dated Check** – A check, which is dated more than 180 days prior to the current date. The bank no longer honors checks that are six months or older.

**Transaction** - A business act whereby money is received by the City for services rendered or fees or taxes imposed.

## **Section 405**

### **PUBLIC SERVICE**

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#### **CITY CASHIER**

There's no such thing as "just" a City cashier. As far as most citizens are concerned, you are the City! When citizens or customers arrive, greet them pleasantly; when customers have questions, answer them expertly; and when customers leave, you are the one they will remember. Just a cashier - think again.

City cashiers are in the front line of public relations for the City of San Luis Obispo. Your use of good judgment will prevent misunderstandings and will promote confidence and goodwill in the services we perform. The City takes pride in the fact that the cashiers conduct themselves in a manner that is a credit to the City displaying neatness, courtesy, and professionalism even under trying circumstances.

It is impossible to foresee every condition that might be encountered while performing your cashier duties, however, we have attempted to present information that will assist you in performing routine functions. The information and procedures outlined in this section have been established to assist cashiers in performing their assignments in a professional, ethical and fair manner.

Our goal will be to provide knowledge, information and skills to ensure that employees are kept informed on current legal, financial, technical and operational changes that directly affect municipal government and more directly the City of San Luis Obispo.

The position of a cashier is a pivotal one in the City. What you do falls into the following distinct yet interrelated areas of responsibility:

- Deliver great customer service
- Pay out and receive money from customers
- Perform operations according to established procedures and to balance cash daily
- Assist in other activities as directed by your supervisor

#### **PERSONAL CONTACT**

You have a major influence on customer attitude toward our City government through your personal contact with the public. If a customer has a favorable and pleasant contact, even under difficult circumstances, he or she will have a positive attitude toward your department and City government as a whole. Customers appreciate a friendly smile, a pleasant greeting, and a helpful attitude in their contacts with the City. Customers deserve and expect these considerations when dealing with all City departments. In addition, the following guidelines should be used when directly assisting a customer:

- The customer's problem, complaint or request for information deserves your undivided attention, interest and concern. Be sure to listen carefully and ask questions.
- The customer needs to have his or her questions answered clearly and in a language they can understand. This means eliminating technical jargon.
- The customer expects to receive information -- accurate, thorough, and complete information -- in a timely fashion. Responding to a customer by saying "I don't know" is preferable to giving wrong or incomplete information, however, you can assist customers by obtaining the correct information for them.
- The customer deserves a prompt response to their questions and requests. Nothing is worse than "passing the buck". If you do not know the answer, accept responsibility for finding the person who does. Refer the customer to another employee only if you do not know the answer and are positive that the employee you are referring the person to will be able to help solve their problem. Some exceptions exist and are better referred to others directly, such as requests for technical department information or detailed questions that will require discussion back and forth.
- The customers expect employees to be neatly dressed and that their work areas will be clean and organized.
- The customers also expect courteous treatment. Not everyone an employee meets in the course of his or her duties will be pleasant, but a part of your job is to maintain good relations in spite of these difficult cases. Do not make an issue into a personal matter -- keep the conversation on the facts and issues (not fault) and on problem solving.
- The customer should feel every attempt has been made to assist them by the time they leave your department.

## **TELEPHONE CONTACTS**

Telephone contacts far outnumber personal contacts and as a result have as much or more impact on customer attitudes than personal contacts. Phone calls from customers should be given the same consideration as personal contacts with respect to individual attention, courtesy, and accuracy of information, promptness and not "passing the buck".

In addition, the following guidelines should be used when speaking with a customer over the phone:

- Answer your phone within three rings. Always be sure that someone is available to answer it when you are away from your desk.
- Smile! Answer the phone with a pleasant and interested tone of voice.
- Identify the office and individual: "Police Department, Ms. Kolec speaking", or "Parks & Recreation Department, Nina speaking".
- Speak directly into the mouthpiece in a quiet, slow and distinct voice and do not carry on a conversation with someone else after answering.

- Keep paper and pencil handy to take notes.
- Don't ask, "Who's calling?" as it implies that if the person calling isn't important enough, his call won't go through. Ask instead, "May I tell (him or her) who's calling?". It is much more polite.
- Keep the call as brief as possible, but don't be abrupt.
- If you need to put the caller on hold, obtain the caller's permission. If you must leave the phone to find the answer or ask a question, explain your absence to the caller. Give callers the option of waiting for the answer or offer to call them back.
- Never state that an employee is on break or lunch. Use a term such as "He or she is not at their desk now, but should be back shortly (or in 15 minutes, etc.) or "He or she is in a meeting right now, can I take a message?".
- In transferring a phone call, provide the name and phone number where you are transferring the call in the event the customer is disconnected. Stay on the line and announce the caller.
- When transferring a call, and the employee is not available, take a message and arrange a callback.

## **TELEPHONE COMPLAINTS**

The following guidelines will assist you in handling a problem or complaint over the phone.

- When handling complaints, be polite and courteous. Be firm but never become angry or argue with complainants, even if they are unreasonable, angry or insulting toward you or the department. You cannot afford to take the comments personally.
- Let complainants talk their problems out. After they have said their piece they will be more likely to listen to your comments.
- Never refer complainants to the Council or CAO. If you cannot solve their problem, refer them to your immediate supervisor. That person may refer them on to the next level. Offer to do what you can to solve the caller's problem. If they want to talk to the Department Director, let them. It is no reflection on your ability and may go far in calming them down.
- Assure the person of the goodwill of your department and when the conversation has ended thank them for calling. Hang up the receiver gently; never slam it into the cradle.
- Be sure to accurately record the nature of any complaints and pass them on to your immediate supervisor. Include name, address, phone number, and your response in handling the complaint. Give your evaluation of whether the customer was satisfied or not and what follow-up is required or planned. An accurate record could save you a lot of time and embarrassment if the customer were to take their complaint on to the CAO or Council.

## **LETTERS**

Letters affect customer's attitude no less than personal and telephone contacts and the same points are important in handling correspondence. Letters originating from your department should:

- Represent a prompt response to verbal and written inquiries
- Cover all the questions asked
- Present ideas clearly
- Have correct spelling, punctuation, and be neat (Be sure to use Spell Check)
- Be concise and to the point

## **Section 410**

### **CASH HANDLING**

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#### **CASH AND CHECK RECOGNITION**

The Federal Reserve Bank of the United States has the responsibility for issuing currency for the United States. The face of the bill contains key elements: denomination amount, Federal Reserve bank seal, serial number, and Treasury Department seal. The reverse side of a bill is similar for all denominations. The value designation differs but also appears in ten places. In the center of the bill, under the words, "*In God We Trust*," appears the Great Seal of the United States.

#### **COUNTING CURRENCY**

To insure consistent accuracy, there are three common ways of counting currency. Each method ensures that no bill is double counted. Whichever method is used, recount the money as many times as necessary to come up with the same total twice. This means you will always count a stack of currency at least two times. Cashiers should establish a set routine for counting money.

##### *1. Hand-to-Hand Method*

Use the hand-to-hand method to receive currency from customers. The hand-to-hand method involves the following steps:

- Separate bills into denominations with all the bills facing up
- If the pile contains more than one denomination, count the largest denomination first
- Place the pile in one hand
- Transfer one bill at a time from your hand to the customer's hand as you count it
- Check each bill, as you count to ensure correct denomination
- Make the hand-to-hand count your second count
- If your totals do not agree, repeat the count until they do
- Stack the pile in order with the highest denomination on bottom and the smallest denomination on top

##### *2. Hand-to-Table Method*

Use the hand-to-table in the same manner as the hand-to-hand method except that instead of placing the currency in the customer's hand you will place it on the table as you count it.

##### *3. Walk-Through Method*

Use the walk-through method to count new money, count pre-packaged money, and count for bundling or packaging. The walk-through method involves the following steps:

- Place the stack of bills on a table face up. For unbound currency, all the bills should be face up and in the same direction. Each stack should contain only one denomination of currency
- Use the thumb and forefinger of one hand to lift back the corner of each bill. Then, use the thumb and forefinger of your other hand to hold back the counted bill
- Check each bill, as you count to ensure correct denomination
- Remain vigilant to the possibility that the corner of a bill of a larger denomination may have been taped onto the corner of a bill of a smaller denomination
- Count the pile twice
- If your totals do not agree, repeat the count until they do
- Stack the pile in order with the highest denomination on bottom and the smallest denomination on top

## COUNTING COINS

As with counting currency, establishing a set routine for counting coins can insure your accuracy as a cashier. Coins are stored in coin wrappers, or rolls, to ensure accurate handling. Each person counting and inserting the coins into wrappers should initial and date the wrappers. When you open a wrapper of coins, always empty the whole package into the coin drawer or coin machine.

Customers paying with coin will need to present to the cashier the coins rolled in the appropriate coin wrappers. Have customers who pay with rolled coin put their name, address and California Driver's License or Identification Card Number on the outside of each roll.

The following page will designate the coin value, coins per wrapper and the value of the rolled coin. Our bank will provide the wrappers for the coin with the established values printed on the wrappers.

<u>Coin</u>	<u>Coins per Wrapper</u>	<u>Value of Wrapper</u>
\$ .01	50	\$ .50
\$ .05	40	\$ 2.00
\$ .10	50	\$ 5.00
\$ .25	40	\$10.00
\$ .50	10	\$ 5.00

## **RECEIVING CURRENCY AND COINS**

The following lists the steps necessary for receiving currency and coins:

- Separate the currency from the coins
- Count the currency before the coins
- Count each currency denomination separately
- Separate coins into denominations
- Count each coin denomination separately
- Count all cash and coins in the presence of the customer
- Verify the grand total against the amount listed on the billing or invoice
- If any discrepancies exist between your total and the customer's total, count the money again. If a discrepancy still exists, ask the customer to count the money.
- Put away all currency and coins from the last transaction before starting a new transaction

## **MAKING CHANGE**

There are two ways to give change back to a customer. One way is for the cash register to automatically calculate the dollar amount to be returned to the customer. The other way is for the cashier to count from the amount of the transaction to the amount tendered. Change should be counted at least two times: once when the cashier counts it out of the cash drawer and a second time when the cashier counts it back to the customer.

## **BUNDLING CURRENCY**

Currency is bundled to assist other employees in keeping accurate counts. Often \$1, \$5, \$10 and \$20 bills are bundled in set amounts. \$1's are placed in bundles of \$25; \$5's are placed in bundles of \$100; \$10's are placed in bundles of \$100 and \$20's in bundles of \$500.

## **HANDLING MUTILATED MONEY**

Your job as a cashier includes removing from circulation all torn, or otherwise mutilated bills. Whenever you receive such a bill, place it aside in your cash drawer to return later to the bank. Our bank, in turn, will return the mutilated money to the Federal Reserve Bank for redemption. Currency is mutilated whenever it is torn, written on, missing a portion, or otherwise damaged. Coins are mutilated whenever they are bent, worn, broken, or otherwise damaged.

## **CHECKS AND CHECK CASHING**

A check is used to transfer funds from one party to another. The term "negotiable instrument" means the check is payable to a person when presented at its signer's bank.

The drawer or maker is the party issuing and signing the check. The drawer may be one or more individuals acting on their own behalf or the drawer may be one or more individuals authorized to act on behalf of a company, corporation, partnership, or municipality. The drawee is the party on whom the check is drawn; the bank or trust company.

### *Personal Checks*

Personal checks are the most common type of check. Personal checks belong to people who maintain demand account balances at banks. The payee should be the City of San Luis Obispo. No cash may be given back for a check transaction because that constitutes an unlawful loan of City funds. No checks drawn on foreign currency should be accepted.

### *Company Checks*

Company checks appear similar to personal checks; however, they may have a carbon strip attached for the company's own bookkeeping system. Company checks may also have stubs or copies attached. Remove strips, stubs or copies and process only the original check.

### *Cashier's Checks*

This is a check drawn by a bank on its own funds. Only the failure of the bank would cause the bank not to honor such checks.

### *Personal Money Orders*

A personal Money Order is a check purchased by a customer from a bank for cash. When issued, it shows the drawee bank and the amount. The purchaser fills in the date, the payor, and the payee's name and address. Banks usually restrict the maximum amount for which they will issue a money order. This amount is usually printed on the face of the Money Order. For example, on the Money Order may be printed the words "Not to exceed \$300.00." Money Orders are accepted the same as currency.

### *Traveler's Checks*

These checks are designed for use by persons on business or vacation, but are also used in other situations. They are signed on the face of the check when purchased and countersigned when cashed, either on the face or on the back. When using a Traveler's check at a City facility, the customer must countersign and write in the payee in the presence of the cashier. Traveler's checks should be stamped with the endorsement and placed with the other checks. The City of San Luis Obispo cannot accept Traveler's checks drawn on foreign currency.

## **CHECK REFERENCE**

All checks should be referenced upon receipt. The reference should be listed on the face of the check, and should state the purpose for payment (Utility Account Number, Business Tax, Police Report Number, Recreation Program, Green Fees, Thursday Night Activities, etc.)

## **CHECK NEGOTIABILITY**

Several requirements make a check negotiable or valid.

- The check must have a current date.
- The check must have a payee - party paying for a City service.
- The amount must appear twice. It must be both spelled out and printed in numbers. If there is a difference in the spelled out amount versus the printed amount, the written amount is the legal amount.
- The check must be drawn on a bank whose name appears on the check.
- The check must be signed by the maker or drawer.
- Finally, if the MICR numbers are not pre-printed at the bottom of the check, be aware that the check requires special handling by the City's bank.

## **IDENTIFICATION**

At this time there is no citywide policy requiring identification from citizens or customers. If a person buys merchandise or pays fees or services with a check that is later returned by the bank, there is no way to retrieve the merchandise, fees, or service. If the check is returned by the City's bank to Finance every effort will be made to recover the amount. If the check is uncollectible by Finance staff, the check will be forwarded to the District Attorney's Bad Check Recovery Program.

## **Section 415**

# **DAILY CASHIER OPERATIONS**

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### **CASH DRAWER RESPONSIBILITY**

City and state legal provisions give Finance & IT (Treasurer's Office) authority to collect and deposit funds in a timely manner. As a City cashier you should be aware of the two most important legal provisions regarding the timely deposit of City funds.

1. All persons who have custody of money payable to the City in any capacity shall deposit that money with the City Treasurer in exchange for a receipt in a timely manner.
2. Any person who fails to deposit City money with Finance & IT within the prescribed time established between the operating department and Finance & IT shall be liable to the City.

### **CASH DRAWER SETUP**

#### *Opening Activity*

As a City cashier you are responsible for setting up the cash register daily. You should turn on the register, place coin and currency into the divided separate compartments, with the smaller denominations located closer to where you position yourself. The larger denominations are farther away. This setup helps prevent the accidental distribution of incorrect denominations.

Turn on your cash register, key in the current date, verify the dollar amount of your beginning cash and enter the amount in the register if you are prompted to do so (cash register's vary for prompt messages).

During your shift, there are some things you will want to remember about monitoring your cash drawer:

- When your cash drawer begins to get full and/or you have received several large bills, paper clip or rubber band excess currency and transfer that currency from your cash drawer to a safe storage area (varies from department-to-department).
- Lock all cash and coin in the safe or in the cash drawer except when in use
- Never leave your cash drawer open - even if you are in attendance
- Never leave your cash drawer unattended
- Never let anyone touch the cash drawer except authorized staff

The cash operation in which you work should have a permanent collection record, such as a cash register tape, that records all transactions including voids or cancels. This permanent collection record should be retained by your department until transferred to Finance & IT. Records received in Finance & IT are stored by date. These records will be available for audits. All revenue received by Finance & IT before 4:00 P.M. is processed by Finance & IT the same day. After 4:00 P.M. your deposit will be processed the following workday. Finance & IT will process and validate your

deposit and provide a receipt in your return bank bag. Research of information for you will be based on the date of your Finance & IT Receipt.

### *Receiving and Receipting City Funds*

As you are aware, all checks for City transactions should be made payable to the City of San Luis Obispo, ("City of SLO" is acceptable). The written checks need to be legible, dated, and signed.

All checks should have an identification notation made as to what the payment is for (utility account number, business tax account number, name of recreation program, etc). This is important to your department if the check is returned for non-sufficient funds.

All receipts will be issued through a City cash register except as stated for the Parks & Recreation Youth Programs. The City's name, date, transaction type and amount will be listed. The customer should always be given a receipt, especially when paying in cash.

In the event of a power shortage or other emergency, receipt books have been provided to the departments for use. The receipts are in three-part form. The customer should receive the back copy, the issuing department retains the second copy and Finance receives the original copy. When the power or emergency has ended, enter all the transactions into the cash register and forward the original handwritten receipts to Finance with your standard daily paperwork.

### *Overage/Shortage*

An overage or shortage is an unintentional collection mistake such as a change making error. An overage occurs when a cashier has collected too much money and cannot return the excess to a specific customer.

The difference between a "overage/shortage" and a "loss" is when the cashier has obtained custody of money and then due to reasons like negligence, an act of God or an unlawful action cannot deposit that money with Finance. An example of negligence is leaving City money unattended and not properly safeguarding that money from loss.

### *Check Cashing*

The City does not cash checks for customers or employees, including City payroll checks, petty cash checks, travel reimbursement or other City issued checks, or personal checks. Cash may not be given back for a check transaction. The check must be for the amount of the transaction - all money must be applied to the transaction - and a refund request may be made for the overage if required.

### *Closing Activity*

At the end of your workday, you are responsible for documenting all the City money you have received. This involves the balancing of your cash drawer, depositing City funds, removing ending cash to safe or vault and reporting to Finance all monies received. Where cash is concerned, maintaining your accountability and integrity is of vital importance. As a result, all cash that you receive should be verified.

## *Balancing Cash Drawer*

At the end of your shift, all cashiers need to account for all increases and decreases of cash in their cash drawer. This process is referred to as balancing - the accounting of all City funds received that day. Balancing involves completing a Revenue Transmittal by adding currency, coin and checks, determining the dollar total received from the permanent record, subtracting the Beginning Cash and comparing the total money with the total transactions. (Section 430 – Sample Forms) These two dollar amounts should be the same. To protect your safety, your balancing should occur out of public view in a location away from the collection area. As a cashier, you have your own method for balancing your drawer, however, there are several steps that all cashiers have in common:

- Remove all currency, coin and checks from the cash drawer. Count your currency and coin and list by denomination on the Revenue Transmittal. Count the money as many times as it takes to get the same total twice.
- Cashiers should add all checks on adding machine tape (use two-part tape or run two tapes). Use the deposit stamp on the bottom of each tape. Place one copy of the tape around the checks and place the other copy with your cash register transaction tape. All checks should have department deposit endorsement.
- Identification notations must be placed on the front of the check (utility billing account number, business tax number, parking citation number, program name, golf program, etc.) for department identification.
- Add all of your credit card transactions together and balance the total to your credit card report as well as to your cash register tape (report). Note the total on the Revenue Transmittal and fill out a Credit Card Sales form, which must also be included in the canvas deposit bag. (Section 430 – Sample Forms)
- Cashiers should then "buy" from the remaining cash on hand to bring the change fund back to the preferred mix of currency denominations as determined by your department.
- Voids require an explanation for audit control. On the bottom of the Revenue Transmittal Voucher, make notations/explanations for all voids entered.

## *Deposit Slip*

Each department must prepare four (4) copies of the daily deposit slip. The total amount on the deposit slip must be the same amount listed on the Revenue Transmittal (minus any credit card transactions). The deposit slips should be distributed as follows:

- Three copies in the plastic bank pouch. (Section 430 – Sample Forms)
- One copy to Finance & IT

Cashiers insert the day's collected money and the three (3) deposit slips into the tamper proof plastic bank pouch. Make sure the bag is completely sealed and you have removed the numerical identification tag, which will be forwarded to Finance & IT.

### *Revenue Transmittal*

In order to complete the deposit of City funds, cashiers must complete a Revenue Transmittal . The Revenue Transmittal is customized for each department indicating specific account number, but also contains a basic format to be completed. The voucher provides the Finance & IT cashier the account numbers and dollar amounts to record as revenue. (Section 430 – Sample Forms)

A voucher should be submitted for all amounts collected and deposited by your department to insure the moneys are recorded correctly to the appropriate fund.

Completed vouchers include:

- Date (same as the cash register tape)
- Cashier name
- Transaction numbers: FROM\_\_ TO\_\_ (audit control requirement)
- The amount allocated to each account number (as listed on cash register tape)
- Cashier balance distribution (currency, cash, checks and credit cards)
- Overage/shortages
- Comments: (Void or cancels must be explained)

### *Non-City Money*

A number of City facilities collect drop off payments for several utility companies in San Luis Obispo (electric, gas, etc). This money collected as a courtesy to these companies in our drop boxes. We do not process or receipt any of these payments, however, you should handle these payments in the same professional manner you would handle City funds.

### *Deposit of Moneys and Documents*

After you have completed the bank deposit (placing cash, coin, and checks in the plastic bank pouch with 3 copies of the deposit slip) and you have completed the Revenue Transmittal Voucher, you will need to deliver it to Finance & IT.

Place the plastic bank deposit pouch, deposit identification numerical tag, Revenue Transmittal Voucher, the Credit Card Sales form, cash register transaction tape, void slips, and any other document into a color coded, locked deposit bag.

Deliver the locked deposit bag to Finance & IT; depositing the bag in the inter-office deposit drop box. The prior day's bag will be available for pickup at this time.

Finance & IT will return your bag with a copy of the Revenue Transmittal Voucher and a dated receipt inside. If you have any questions regarding the receipts, please call Extension 124 (Cashier) or Extension 129 (Supervisor).

## REFUNDS

The City does not process refunds out of the cash drawer at any of its payment locations. All refunds must be made by Accounts Payable check or, if the original payment was made using a credit card, a credit card refund must be generated. Refunds of up to \$500 can be approved by an employee who is otherwise authorized to approve payments. Refunds between \$500 and \$5,000 can be approved by the Department Head; and refunds in excess of this amount must be approved by the Director of Finance & IT. Upon request by the customer, the City will refund any amount that is due. However, due to the cost of refunding small amounts, departments should only pro-actively initiate refunds if the amount is \$10 or more.

- *Check Refunds:* All payments made by cash or check must be refunded by a City Accounts Payable check. A Refund Request Form (Section 430 – Sample Forms) or voucher must be prepared, approved and sent to Accounts Payable for processing. These refund requests must include proof of payment, the date paid, amount paid, the purpose of the payment, and the General Ledger account number the payment was credited to. A brief explanation of why the money is being refunded must also be indicated on the form. All refund requests will be processed in accordance with the regular Accounts Payable schedule.
- *Credit Card Refunds:* All payments received by credit card must be refunded to the same credit card that made the initial payment. If a refund is due to a customer during the same day that the credit card transaction took place, the transaction can be voided and documented on the daily Revenue Transmittal. However, if a refund is due based on a prior day's transaction a credit card refund must be issued. An entry should not be made into the cash register, only the credit card terminal, because the refund does not affect your current day's cash. You will also need to fill out a Credit Card Return form (Section 430 – Sample Forms), which includes your name, the department's name, the date of the refund, the amount, the General Ledger account number that the payment was originally credited to and the reason for the refund. The form must also be signed indicating that approval was given for the refund. This form must be included with your daily Revenue Transmittal when the daily deposit is submitted to Finance & IT.

Any amount owed to a customer should be pro-actively placed as a credit on that customer's account; if they have an account with the City. The credit can later be refunded based on the criteria above.

## **Section 420**

### **PETTY CASH**

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#### **PURPOSE**

To provide guidelines for the establishment, use, and safeguarding of petty cash and to strengthen the City's internal control over petty cash funds.

#### **POLICY**

Petty cash funds are issued to departments, in charge of a custodian, to be used on a revolving basis for the payment of small emergency and incidental expenses. Credit cards can and should be used for small expected, recurrent expenditures. Petty cash funds are established on an imprest basis, which means that a fixed amount is restored to its authorized level at frequent intervals by replenishing the cash in an amount equal to the expenditures. Only those expenditures that a reasonable and prudent person would consider as having a public purpose, being for the benefit of the City of San Luis Obispo and not personal in nature, will be allowed. Employees should use good judgment when expending public funds and should avoid any transaction that may appear inappropriate.

#### **PROCEDURES**

##### **Establishment of Petty Cash Fund**

The establishment of the petty cash fund and the subsequent request for the increase, decrease, or closing of its balance needs the approval and authorization of the Finance Manager.

The Department Head or Fiscal Officer should submit a written request, addressed to the Finance Manager with the following information:

- Reason(s) for establishing, increasing, decreasing, or closing of the petty cash fund.
- Amount requested to be established, increased, decreased, or closed.
- Name of the Department/Division where the petty cash fund will be located.
- Name of the authorized custodian responsible for the petty cash fund.
- Name of employee(s) designated as the custodian's alternate(s).

The custodian and / or the custodian's alternate(s) must be a permanent, full time City employee.

The request will be reviewed. Once approved, the Finance Manager will prepare the Accounts Payable Voucher, which will issue the appropriate funds to the requesting department.

If at any time the custodian or their designated alternate(s) change, the Finance & IT Department's Accounting Supervisor should be notified in writing immediately.

##### **Disbursement of Petty Cash**

###### **Custodian Responsibilities**

- Identify the need for petty cash and make sure that the item to be purchased will be used to support City operations.

- Complete a petty cash advance form (available through Office Depot). Specify the date, payee, description of item(s) to be purchased, general ledger account number, and the amount of cash advance requested. (Sample Form 430-5 or something similar)
- Issue the cash and have the employee/purchaser sign the petty cash advance form. Keep the form with the petty cash fund.
- After the purchase has been made make sure that valid receipt(s) are submitted by the employee/purchaser.
- If the actual purchase price is less than the cash advance, adjust and initial the amount shown on the petty cash advance form to reflect the actual disbursement and ask for the remaining money. If the actual purchase price is more than the cash advance, adjust and initial the amount shown on the petty cash form to reflect the actual disbursement and reimburse the employee/purchaser for the difference.
- Attach the submitted receipt(s) to the petty cash advance form and keep it with the petty cash.

### **Reconciliation of Petty Cash**

The amount of the authorized petty cash account should always be equal to the following:

- Currency (bills and coins) on hand.
- Paid petty cash vouchers/receipts (not yet submitted for replenishment or in transit).
- Petty cash advanced to employee/purchasers.
- Un-cashed replenishment check.
- Other cash items (stamps)

The petty cash should be reconciled every time the custodian requests the replenishment of the petty cash account or when there is a transfer of custody from one person to another.

To reconcile the petty cash, the custodian should perform the following steps:

- Classify, count, and add all the currency (bills and coins) on hand, paid petty cash vouchers/receipts (not yet submitted for replenishment or in transit), petty cash advanced to employee/purchaser, un-cashed replenishment check, and other cash items.
- Compare the above total to the amount of the authorized petty cash fund. The two amounts should be in agreement .
- Prepare a Petty Cash Reconciliation / Voucher (Sample Form 430-6) and have it checked and approved by the department's authorized officer.
- Explain any discrepancies.

### **Replenishment of Petty Cash**

The petty cash fund is usually replenished when the custodian feels that the balance has reached a level that will only last long enough to process the outstanding receipts and receive the reimbursement check. At this point the custodian should prepare a voucher for replenishment of the petty cash by performing the following steps:

- Prepare a Petty Cash Reconciliation (top portion of the Petty Cash Voucher – see Sample Form 430-6).
- Prepare and complete a Petty Cash Voucher, which includes the following information:
  - Department / Division making the request
  - Date of the request

- Account numbers to be charged.
- Amount disbursed
- Total amount to be replenished
- Name and signature of custodian / preparer.
- Name and signature of approving officer
- Submit the completed Petty Cash Reconciliation / Voucher with all the supporting documents (paid petty cash advance forms and receipts) to the authorized officer for review and approval. Receipts must be submitted in order to obtain reimbursement.
- Once approved, send the package to Accounts Payable in the Finance & IT Department. It is recommended that copies of the vouchers be kept in a Petty Cash file for use by the department's Fiscal Officer.
- Upon receipt of the replenishment check, make sure that the name of the payee and the amount of the check are correct before cashing it to replenish the petty cash.

NOTE: The Finance Department Cashier does not cash petty cash replenishment checks.

### **Cash Shortage / Overage**

If the petty cash fund is found to be short due to an error, then the short should be added to the next reimbursement as a charge against Miscellaneous Revenue. If the petty cash fund is found to be in excess due to an error, then the excess should be subtracted from the next reimbursement as a credit to Miscellaneous Revenue. If the short is determined to be due to the negligence of the custodian, the City may choose to require the custodian to replace the funds.

### **Restrictions on the use of Petty Cash**

Since a Petty Cash Fund is established primarily to take care of small City-related expenditures, it **cannot** be used for the following purposes:

- To cash personal or travel advance checks.
- Advance cash (in return for I.O.U. slips) to City employees for temporary or personal use.
- For purchases that are expected and recurrent, and that can be more appropriately managed with the use of a credit card.

### **Security of Petty Cash**

It is the responsibility of the petty cash custodian to make sure that the petty cash box is in a safe and secured place at all times. Only the petty cash custodian and their alternate(s) should have access to the area where the petty cash box is located. In the evening, the petty cash box must be kept in a locked file cabinet, desk drawer, etc., to which only the petty cash custodian and their alternate(s) should have the keys.

### **Review**

The petty cash fund is subject to unannounced review by Finance & IT and external auditors. The petty cash fund, therefore, must consist at all times of cash on hand, receipts on hand, petty cash advance forms, and copies of vouchers for receipts in that are in the process of reimbursement.

## **Training**

Finance & IT will train existing custodians to comply with the provisions of this Policy. All new custodians should be trained by their predecessors or other custodians in their respective departments. The Finance & IT Customer Services Supervisor and Accounting Supervisor are available to assist with training also.

## Section 425

# SECURITY AND LOSS PREVENTION

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### GLOSSARY

The following glossary has been prepared in order to provide guidance in the terminology introduced in this section.

**Altered Currency** - Currency that has been changed or tampered with in order to attain a greater amount for the currency than its face value.

**Collusion** - A secret agreement between two or more people to break a law.

**Counterfeit** - Currency or coins that have been fraudulently manufactured. Creating counterfeit money is a felony.

**Dual Control** - A situation in which two people work together cooperatively in the verification of one another's work. Method of maintaining security whereby two individuals must be present during transactions involving risk. Dual control is accomplished through the proper segregation of key and combination assignments for entry into secured areas.

**Embezzlement** - A fraud committed when an employee steals or assists another to steal. Fraudulent misappropriation of money or property entrusted to one's care.

**Forgery** - The alteration of a document or instrument with fraudulent intent.

**Fraud** - An attempt to obtain funds in other than appropriate and legal means.

**Hold** - The restriction of payment of part or all of the funds in an account.

**Identification** - Procedures in which the true identity of a person is determined.

**Stop Payment** - Notification that a restriction has been placed on one's ability to cash a particular check. If a check has been lost or stolen, or if payment no longer should be made, a stop payment is initiated by the customer.

### PROCEDURES FOR SECURITY AND LOSS PREVENTION

Anytime you handle money in a public place threatening situations can occur that place your personal safety and City funds in danger. This section provides some guidelines in how to prevent and, if necessary, respond in those situations.

The City protects people first and City monies second. Listed are basic guidelines in preventing dangerous and unsuitable situations:

Finance recommends each facility develop an "Assistance Code". City Hall has established a code to be used by office staff in the event a co-worker is threatened or in a dangerous situation and the police should be called. We use the code "**JIM BOND**" and any employee hearing this page will immediately call the Police Department.

**ANYTIME A CITY EMPLOYEE FEELS THEY NEED ASSISTANCE OR A CO-WORKER FEELS ANOTHER EMPLOYEE NEEDS ASSISTANCE, REGARDLESS OF THE SITUATION, IMMEDIATE ATTENTION SHOULD BE GIVEN BY CALLING OTHER CO-WORKERS TO THE AREA, A SUPERVISOR, OR THE POLICE DEPARTMENT FOR IMMEDIATE ASSISTANCE.**

### *Handling Counterfeit Money*

Most counterfeit money will not be detected until it reaches the Federal Reserve Bank. Finance recommends that obvious counterfeit currency such as play money be given back to the customer immediately. Ask the customer for a different bill. Check with Finance if you have any questions regarding procedures to follow when suspecting a bill is counterfeit. The Police Department will also assist in this situation.

The counterfeit policy for the banking industry is as follows:

- Excuse yourself from the customer without indicating a problem
- Show the bill to your supervisor. If he or she confirms your suspicion, telephone the Police Department (**911**).
- Do not return the bill to the passer (customer) and delay the customer if possible. When the police arrive, surrender the counterfeit bill (get a receipt or copy of the police report), describe the customer (if not available) and any companions and, if possible, the license number of a vehicle.

Indications that currency *may be* counterfeit include the following:

- Lines are not sharp, crisp and clear
- Colored silk threads are not apparent
- The bill feels different (i.e. slick, slippery, or with little body)
- Shaded areas, especially the background of the portrait or Great Seal, are not crisp and clear
- The bill is printed crookedly
- The bill is badly spaced

Indications that currency *is* counterfeit include the following:

- Denominations or serial numbers vary on the same bill
- Two or more bills list the same serial number
- The incorrect portrait is printed on the denomination

The correct portraits for each denomination are listed below:

Denomination	Portrait
\$ 1	George Washington
\$ 2	Thomas Jefferson
\$ 5	Abraham Lincoln
\$ 10	Alexander Hamilton
\$ 20	Andrew Jackson
\$ 50	Ulysses S. Grant
\$ 100	Benjamin Franklin

### *Altered Currency*

Altering currency is done by taking a genuine bill, typically a small denomination, and tearing off a corner (or two) and then replacing these corners with the corners of a larger bill such as a \$20 or \$50. The original larger denomination bill is still redeemable at full value. This is the reason all mutilated money should be sent to the bank and not retained in your cash drawer. As a standard practice, Finance recommends to count currency by looking at the face on the bill not at the denomination in the corners.

### *Robbery*

Robbery is the most threatening condition you may experience. You must be informed on how to counteract robbery as well as know the procedures to follow during and after a robbery. The average robbery takes 90 seconds from start to finish so be prepared to react quickly.

### *How to Counteract a Robbery*

Robbery is a confrontation between a cashier and a thief. According to statistics, a thief is less likely to rob locations that:

- Are clearly visible from the street. Thieves look for locations that are private.
- Have numerous people in and around the location. The thief wants to confront as few people as possible.
- Have good lighting both inside and outside the facility. The darker the area, the more privacy and robbery prone the locations.
- Are discreet about cash drawer limits and amount of cash on hand

Do not keep excessive cash in your cash drawer. Your department should have guidelines regarding the cash limits that may be kept in the cash drawer at any one time. Remember, these guidelines:

- All cash should be locked up.
- Never allow unauthorized staff in the cashier area.
- Never leave cash items or other confidential items on your desk or counter when you leave your workstation.

You should also realize that the opening and closing of the daily operations is the most vulnerable time for a robbery. Cashiers should use caution by not allowing customers into the facility during the opening or closing procedures.

#### *Procedures to Follow During a Robbery*

- Always assume there is a weapon even if you do not see one.
- Be polite and accommodating. A nervous person is committing the robbery. Do not upset or antagonize the robber. The calmer you are, the calmer the robber will be.
- Keep talking to the robber. Explain your every movement such as, "Now I'm taking a key out of this drawer to unlock...." Avoid making any quick movements that might alarm the robber.
- Do exactly as the robber asks.
- Do not attempt heroics. You may put the lives of innocent people in jeopardy when you try to be a hero.
- Observe the robber, but do not stare. Try to remember the distinguishing features of the robber. You will be asked to describe the robber at a later time.
- Watch over all evidence left by the robber. Remember everything the robber touches.
- Listen to voice, inflections, names, and slang that the robber(s) uses.
- Do not leave the premises or call 911 until it is safe to do so.

#### *Procedures to Follow After a Robbery*

Once the robber has left the building, follow these steps:

- Close your office and notify your supervisor.
- Call 911 and stay on the line until the police have arrived.
- Speak to no one other than City officials until you have talked to the police and have completed a Police Report.

- You may be asked to take the names and addresses of those who witnessed the robbery.
- No one, except the Police (and perhaps your department officials) should be allowed in the facility after the robbery.

### ***Procedures to Follow for Theft or Shortage***

When balancing the daily cash drawer, if you are unable to account for a cash shortage due to an error, you should notify your supervisor and the Finance Department immediately. A shortage is money (cash, checks, credit cards) that is unaccounted for. From time-to-time a cashier may have a shortage due to making change in error (EXAMPLE: Giving a dime instead of a penny). Minimal shortages are expected on occasion.

If the shortage involves more than change and is not accounted for (entered into the register in error, check not received, etc.), the Police Department and Finance Department should be notified immediately of a theft.

If you are in doubt and unable to determine if there is a shortage rather than a theft contact the Finance Customer Services Supervisor who is available for assistance in policy and procedures regarding your cashier operations.

**Section 430**  
**SAMPLE FORMS**

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AREAS OF YELLOW APPEARING IN GREEN STRIP MAY INDICATE TAMPERING.  
DO NOT OPEN AND NOTIFY SENDER IMMEDIATELY.

\* 0 1 0 7 7 3 3 0 \*

**CLOSURE INSTRUCTIONS:**

- 1.) Work on flat surface.
- 2.) Remove tear-off receipt and keep with copy of deposit documentation.
- 3.) Insert contents into bag; remove trapped air.

**DEPOSIT BAG INSTRUCTIONS:**

- 1.) Remove tear-off receipt and retain for your records.
- 2.) Complete **ALL** information below in **BALL POINT PEN**.
- 3.) Load contents as indicated and seal bag following closure instructions above.

Customer Name	<input type="text"/>	
Store/Location Number	<input type="text"/>	Date <input type="text"/>

<b>DEPOSIT SAID TO CONTAIN</b>		
Deposit to be credited to account subject to detailed verification of contents.		
CASH OR FOOD STAMPS (Coin \$10 Limit only)	\$	<input type="text"/>
CHECKS	\$	<input type="text"/>
TOTAL	\$	<input type="text"/>









**City of San Luis Obispo  
GOLF COURSE / RECREATION DEPT  
Revenue Transmittal**

Prepared by: \_\_\_\_\_ Cashier: \_\_\_\_\_ Date: \_\_\_\_\_ Transactions No.: \_\_\_\_\_ through: \_\_\_\_\_

TRANSACTION SUMMARY	ACCOUNT/FUND	CODE	\$ AMOUNT	\$
1. Green Fees	55120 540	(GC1)	_____	(1)
2. Driving Range	55100	(GC2)	_____	(2)
3. Rentals	55150	(GC3)	_____	(3)
4. Taxable Sales	55140	(GC4)	_____	(4)
5. Food Sales	55110	(GC5)	_____	(5)
6. Lessons	55130	(GC6)	_____	(6)
7. Storage	55160	(GC7)	_____	(7)
8. Other Non-Taxable Revenue	55180	(GC8)	_____	(8)
9. Sales Tax Collected	55190	(GC9)	_____	(9)
10. _____	_____	(GCMISC)	_____	(10)

**TOTAL REVENUE** \_\_\_\_\_

CURRENCY	COIN
\$100 _____	
\$ 50 _____	\$1.00 _____
\$ 20 _____	\$ .50 _____
\$ 10 _____	\$ .25 _____
\$ 5 _____	\$ .10 _____
\$ 2 _____	\$ .05 _____
\$ 1 _____	\$ .01 _____

**TOTAL CURRENCY** \_\_\_\_\_

**TOTAL COIN** \_\_\_\_\_

**SUB-TOTAL CASH** \_\_\_\_\_

**LESS CHANGE FUND** < **100.00** >

**TOTAL CASH** \_\_\_\_\_

**TOTAL CHECKS** \_\_\_\_\_

**TOTAL CREDIT CARDS** \_\_\_\_\_

**TOTAL REVENUE** \_\_\_\_\_

**Over/Shortage (GCOS)** \_\_\_\_\_

**TOTAL CREDIT CARDS** < \_\_\_\_\_ >

**TOTAL DEPOSIT** \_\_\_\_\_

**NOTES:**

# Credit Card Sales

**Attach a copy of all credit card transaction slips to this form.**

**From** \_\_\_\_\_  
(department name)

**Transaction Date** \_\_\_\_\_  
(this is date entered into department cash register)

**Total** \_\_\_\_\_  
(daily total credit card sales)

---

## Finance Department

Finance Cashier: Separate this form from the daily work envelope and send to the account maintenance desk.

**Date** \_\_\_\_\_  
(this is date entered into the finance cash register)

AMOUNT \$ \_\_\_\_\_ NO. \_\_\_\_\_

**RECEIVED OF PETTY CASH**

DATE \_\_\_\_\_

FOR \_\_\_\_\_

CHARGE TO \_\_\_\_\_

APPROVED BY \_\_\_\_\_ RECEIVED BY \_\_\_\_\_

