

## Cash Handling Policy

- I. **POLICY:** This policy governs the handling of Yadkin County cash in accordance to [NC GS 159-32](#)
- II. **PURPOSE:** Employees of Yadkin County are expected to comply with the procedures outlined in this policy. From an internal accounting perspective, funds should always be in balance and cash drawers should balance each business day. Any discrepancy in the cash drawers balance is serious and will be documented. In an effort to improve the efficiency and the accuracy in handling County funds, the following procedures have been established.
- III. **PROCEDURE:**
  - a. Training for all employees that handle cash:
    - i. All employees who will be responsible for maintaining a cash drawer will be required to go through a training with finance personnel. Finance will work with the employee to assure they are aware and understand processing of money, cash handling procedures and the Finance requirements.
    - ii. Depending on the results of the cash audits and the daily cash drawer balancing, it may be required for an employee to participate in a refresher training session with Finance.
  - b. Department Procedures:
    - i. Each department should write their own cash handling procedures consistent with this Cash Handling Policy and approved by the Department Director and Finance Officer.
    - ii. Daily Cashiering Operation:
      1. **Opening Cash Drawer:** Each employee responsible for handling County cash on a reoccurring basis shall maintain an individual drawer, for which they are solely responsible. At the beginning of each day, they shall do the following:
        - a. Arrange coin and currency in a consistent manner. The cash drawer should be divided into separate compartments, staying consistent will help with accidental distribution of incorrect denominations.
        - b. Verify the dollar amount before starting the day. The cash count should be recorded and initialed by the individual making the count.
      2. **Closing Cash Drawer:** At the end of each day/shift the following procedures must be followed:

- a. The collection record must be balanced by reconciling to the cash drawer.
  - b. The amount of money received needs to be verified by a second person, preferably a supervisor if possible.
  - c. All funds must be deposited (taken to the Finance Office) within 24hrs (by 9am the following business day).
  - d. The cash drawer then needs to be secured in a safe (safe like place) that can be locked. (safe like place includes, bank box, fire safe, lock box, high security filing cabinet, or other secure location approved by the Finance Officer.)
3. Cash Drawer Balancing: At the end of each day/shift the cashier needs to account for any loss, shortage or overage of cash. This process accounts for all County funds received by the cashier during the day. To balance the drawer, you need to:
  - a. To complete the cash drawer balancing sheet. Once this is complete the total amount collected and the amount on the financial report should be the same.
  - b. If at all possible, balancing the drawer should be done out of public sight.
4. Hours of Operation: During the hours of operation, the following should be followed to monitor the cash drawer.
  - a. If your cash drawer reaches an excess of cash (dollar amount depending on department), all cash over the minimum drawer amount should be rubber banded and transferred to a safe or another secure location. The Finance Officer may set drawer maximum and minimum limits on a per department basis. These limits are subject to change.
  - b. All cash/coins should be secured in safe (or another comparable location) when not in use.
  - c. Never leave your cash drawer unattended.
  - d. Never let anyone else use your cash drawer.
  - e. Employees who temporarily relieve themselves of cash handling responsibilities during breaks or meals should secure their cash drawer to prevent access by unauthorized persons. If deemed necessary for another employee to temporarily take over cash handling duties during this time, that employee shall have their

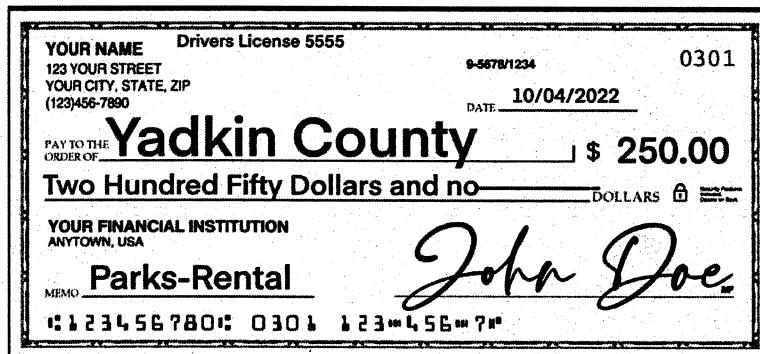
own designated cash drawer and adhere to all requirements of this policy.

- f. Yadkin County cash is never used for the purpose of making change for personal use, cashing personal checks, or providing temporary loans for employees.
- g. You must keep a permanent collection record that logs all transactions including voids, refunds or cancels.

### iii. Checks

#### 1. Checks accepted by Yadkin County must (*example below*):

- a. Include the pre-printed name and address of payer on the check.
- b. Telephone number
- c. The driver's license number
- d. The location/department of where the check was accepted.
- e. Make sure signature on check is the payer.
- f. Review written amount on check



### iv. Departmental/Employee Responsibilities:

1. Any County department that takes money in any capacity should turn in a deposit DAILY to the finance department. This in accordance with NC General Statute 159-32.
2. All deposits should be accompanied with a report detailing the funds received, the daily deposit form and cash drawer balance sheet.

3. All Employees must comply with procedures for handling and processing of the County's funds.
4. Immediately notify the employee's supervisor and the Finance Officer of any loss or theft of County funds. Written notice should be given to the Finance Officer within 24 hours of discovery.
5. All Yadkin County employees will be subject to disciplinary action for failure to comply with this policy, departmental internal controls or any of the duties outlined in this policy.
6. Yadkin County recognizes that some individuals who work under the supervision of elected officials may receive county funds in the course of their duties and are not necessarily subject to all county issued policies and mandates. The county would request that these departments adopt this policy or consult with the Finance Officer in regard to meeting the requirements of the Local Government Commission.

v. Petty cash:

Petty cash funds shall be approved by the Finance Officer and shall be maintained on an impress (reimbursement) basis. Petty cash is not to be used for cashing checks and borrowing from petty cash is also prohibited. Petty cash funds shall be audited at least quarterly by the Accountant for all departments or as deemed necessary. Any deviation from this policy shall result in the department petty cash use being terminated.

Petty cash reimbursements are limited to \$50 or less per drawer. Petty cash is meant for reimbursement of small dollar purchases.

#### **PETTY CASH PROCEDURE:**

An original receipt must be presented for reimbursement of petty cash funds. The department must fill out a petty cash slip with the appropriate budget code, date, amount, and authorized signature for the amount to be reimbursed. The original receipt must be attached.

The amount is reimbursed from the petty cash box that is kept in a secure locked location.

Once the petty cash gets to a level that it needs to be reimbursed as determined by the Department, the Department will complete a check request with all signed receipts and petty cash slips attached. The check request lists all expense account codes to be charged and matches the backup receipts total. The check request must be signed by an authorized signer on the expense accounts.

A check will be issued by the Finance Department to replenish the petty cash fund. The check is made payable to PETTY CASH and includes the department it is for.

**TO OPEN A PETTY CASH FUND:**

A request must be made in writing by the Department Director and approved by the Finance Officer to begin a petty cash fund at an appropriate level.

All other procedures are listed above.

**TO CLOSE A PETTY CASH FUND:**

The Department Head makes a request to close a petty cash fund in writing to the Finance Officer.

The Finance Officer notifies the Accountant of the change and the Accountant goes to the department and verifies the petty cash count.

The petty cash monies are deposited back into cash (debited) and the petty cash account is credited for the same amount by journal entry from the Accountant.

**TO INCREASE/DECREASE A PETTY CASH FUND**

A request is made in writing by the Department Director and approved by the Finance Officer upon justification of the change to petty cash, whether an increase or a decrease.

The Finance Officer notifies the Accountant of the change.

The Accountant prepares a check request if an increase in petty cash is approved. If a decrease is approved then the Accountant goes to the department and verifies the petty cash funds are accurate. The department then completes a deposit form and debits cash and credits petty cash for the same amount.

**Important definitions/distinctions:**

- **County Funds:** any monies, cash, checks, or credit receipts collected by an employee of Yadkin County as per their regular job duties and in administration of services provided, fees, fines, penalties, or exchange of goods that shall be deposited in the official depositories established by the Yadkin County Board of Commissioners in compliance with NCGS 159-31.
- **Shortage:** an unintentional collection error, occurs when the cashier collects less money than what the daily deposit sheet has recorded.

- **Overage:** an unintentional collection error, occurs when the cashier collects more money than what the daily deposit sheet has recorded.
- **Loss:** when for reason such as, negligence, natural disaster, or unlawful actions the funds cannot be deposited.
- **Void:** When the cashier needs to correct a transaction that has been recorded in the financial system.



Kevin Austin, Chairman  
Yadkin County Board of Commissioners