



Memorandum

To: Mayor, Town Council
From: Dawn Brecke
Date: August 6, 2020
Re: **August 12, 2020 Town Council Meeting
Cash Receipting and Deposit Policy**

As you are aware, the Utah State Auditor's Office has begun implementing a Fraud Risk Assessment to assist the governing boards of entities in improving their exposure to fraud. As I work on the implementation of this program for the Town, I will be creating new policies and revising some existing ones.

The Cash Receipting and Deposit Policy is a new policy that sets forth in writing the internal controls, segregation of duties, and procedures involved in the cash receipting process within the Finance/Treasurer's Office. As stated in the policy, this is a working document that will undoubtedly evolve over time with improvements in technology and best practices.

If you have questions regarding the Cash Receipting and Deposit Policy or the Fraud Risk Assessment, please don't hesitate to contact me.

Thank you.



Cash Receipting and Deposit Policy

Scope

This policy establishes a uniform control design for Town of Springdale cash receipting. The policy has been developed by the Treasurer and is approved by the Town Council, who ultimately is responsible for the overall design and implementation of organizational controls. It is expected this policy will be periodically adjusted for changes in systems and organizational structure at which time the Treasurer will propose changes to the Town Council for review and approval.

Cash Receipts

1. The Finance/Treasurer's Department adheres to strict internal controls in handling of receipts, cash, checks, and credit cards. Duties are separated to ensure that no one employee is responsible for all facets of the receipting process.
 - a. All funds received are entered into the accounting system at the time of the transaction. At the end of each day, the person responsible for receiving cash will close out the cash drawer, reconcile the system-generated report to the cash in the drawer, and place currency, coin, and checks received along with a completed GL Deposit Recap in a deposit bag. The deposit bag will be delivered to the Accounting Clerk.
 - b. Upon receipt of the daily deposit with completed GL Deposit Recap, the Accounting Clerk verifies currency, coin, and checks against the GL Deposit Recap and system-generated report, scans the deposit in Laser Fiche, and prepares a bank deposit slip for the currency and coin. The bank deposit is delivered to the front desk and the GL Deposit Recap with receipts and checks are delivered to the Treasurer for check capture and recording.
 - c. The Treasurer deposits checks using a remote check capture scanner, records and files the deposit documentation.
2. Employees posting transactions to the accounting system do not have clearance to make adjustments. Transactions requiring adjustment are done by the Treasurer. The accounting system provides a record of void and adjusted transactions.

3. In accordance with Utah State law, receipts are deposited within three (3) business days of receiving funds. All cash deposits are kept in the safe overnight.
4. The Town of Springdale maintains surveillance systems in the office lobby where funds are received. Surveillance evidence is maintained for 30 days.
5. Mail is logged into a spreadsheet as it is opened. Payments are stamped 'received' and checks endorsed immediately upon receipt.
6. All counter payments are receipted at time of transaction.
7. Credit card payments are made via third-party credit card processors. Credit card numbers are not recorded in any way outside of the third-party payment portals.