1. PURPOSE
This procedure outlines the minimum requirements that County departments shall follow for collecting, recording, and controlling cash. Additionally, this procedure addresses the recording of cash receipt (CR) documents in Advantage. The requirements of this procedure apply only to the areas that regularly accept cash, not to those that infrequently receive a payment.

2. DEFINITIONS
Cash: Payments received by currency, check, or credit card.

Change Fund: The cash kept in a cash drawer for operating purposes.

3. PROCEDURE
A. Collecting, Recording & Controlling Cash

1. The elected official, department director, or designee will authorize certain individuals within a department to receive cash.

2. Cash payment for County provided services may be received over-the-counter, from a department, by mail, or by credit card via the Internet or phone.

3. If feasible, cash receipt duties should be periodically rotated among departmental staff.

4. It is recommended that each cashier be provided a separate cash drawer and the drawer shall be locked during the cashier's absence.

5. Every cashier shall use a separate coding key, user identification code, or other method of identification, that distinguishes each cashier from another performing a similar function.
6. All cash drawers will be subject to periodic and unannounced audits performed either by the department’s supervisor or manager.

7. Procedures relating to the collection, recording, and control of cash receipts are to be developed and formalized by the applicable County department.
   a. These procedures shall include cash register instructions.
   b. Procedures related to the collection, recording and control of checks and credit card receipts shall include instructions on safeguarding personal information by redacting credit card information, expiration dates, and back-up documentation.
   c. Bank account information should be redacted on any copy of a personal check.

8. Departments shall follow the County’s procedures for creating cash receipt (CR) documents in Advantage. Refer to Finance procedures FN-RM-02 Receiving Cash for an Accounts Receivable and FN-RM-03 Receiving Cash for a Point of Sale Transaction.

B. Receiving Payment by Check

1. When an over-the-counter payment is made by personal check, two forms of identification are required from the payer.
   a. At least one form of identification must include a photograph (e.g., driver’s license or military ID) and be documented on the check.
   b. If the driver’s license number is the customer’s social security number, do not write this information on the check.
   c. Personal checks received over-the-counter must have the payer’s full name and street address preprinted on the check.
   d. No countersigned checks will be accepted.
   e. If payment is received by a certified, cashier’s, or traveler’s check, the name of the financial institution must appear on the check.
   f. Checks are to be endorsed “FOR DEPOSIT ONLY” immediately upon receipt. This is usually endorsed with an endorsement deposit stamp.

C. Receiving Payment by Credit Card

1. If payment is received by credit card, proof of identity may be requested but is not a condition of acceptance based on Pima County merchant credit card agreements.
2. If there is suspicion about a transaction or the identity of the cardholder, call the credit card company at the phone number listed on the back of the card and say, “I have a Code 10 authorization request”. Follow the operator’s instructions.

D. Cash Receipts

1. Original receipts are to be issued to the payer. This includes pre-numbered receipt forms, receipts printed from departmental software, and cash register receipts.

2. Receipts or register tapes must identify the cashier handling each transaction.

3. Data that is recorded should at a minimum, include the payer’s name, the date payment is received, the purpose of the payment, the form of payment (cash, check or credit card) and the amount received.

   NOTE: Including the payer’s name on a receipt is not required for high volume cash operations, such as the parking garages.

E. Cash Reconciliation

1. Register tapes or duplicate receipts are to be reconciled to cash received at the end of each day.

2. The cashier’s daily report shall record the cash in the cash drawer, register, or lock box, this includes cash received by mail.

3. The amount of the change fund shall be deducted to arrive at the total cash collections for the day. This amount shall be compared to the cash receipts.

4. Fees collected shall not be adjusted for overages or shortages.

5. Overages, shortages, and corrections are recorded as a separate line item on the cashier’s daily report or Advantage CR document.

6. The cashier’s daily reports are to be reviewed, approved, and signed by a supervisor.

7. Cash overages and shortages are to be promptly investigated and resolved. The supervisor shall review these records in order to identify overage and shortage trends. If misappropriation of funds is suspected, the supervisor must notify upper management, who will determine whether Internal Audit should be involved.

8. There shall be a daily verification of the numerical sequence of receipts, permits, etc., to account for all that have been issued.
F. Segregation of Duties

1. Segregation of duties is to be established among cash receiving, recording and depositing functions. This ensures that an individual does not control all phases of the cash handling process.

2. Access to cash and permanent records should be limited to as few employees as possible.
   a. All non-County employees responsible for handling cash shall be bonded.
   b. A permanent County employee is exempt from the bonding requirement.

G. Documenting Cash Deposits

1. Deposits shall be made with the County Treasurer or with an authorized County bank, in a timely manner (i.e., within two banking days).
   a. Cash and checks are to be kept in a locked cash drawer, lockbox, or vault pending deposit.
   b. If a cash drawer or lockbox is used, it must be kept in a secure location.

2. Cash received must be recorded by creating a CR in Advantage within two banking days of receipt.
   a. If cash received is recorded in department software, a CR must still be created in Advantage.
   b. Separate CR documents must be created for each form of payment (i.e., one CR for cash payments, one CR for checks and one CR for credit card payments.)
   c. When over-the-counter receipts are deposited directly with the County’s servicing bank, a deposit slip or other deposit confirmation notice shall be obtained and filed with the cashier’s daily reports.

   (1) A photocopy of the deposit slip and supporting documentation (e.g., a cashier’s balancing report or summary report) shall be attached to the CR document in Advantage.

   (2) A copy of the CR document must be provided to the Treasurer’s Office within two banking days after the deposit is made.
d. If cash is received infrequently or in small amounts (less than $50), the cash may be collected for several days before a deposit is required. The funds collected shall be secured in a locked cash drawer, lockbox, or vault pending deposit.

e. Departmental cash receipt records are reconciled monthly and reviewed and approved by a supervisor.

f. Supporting documentation for the cash receipt records include, but are not limited to, duplicate receipts, cash register tapes, reconciliation worksheets, cash receipt journals, CR documents, check copies, and deposit slips.

g. Supporting documentation shall be filed in an orderly manner, readily available, and retained for three years.

H. Mail Receipts

1. Employees not responsible for maintaining accounting records should receive mail.

2. When possible, two County employees should be present when opening mail.

3. Receipts must be restrictively endorsed and logged immediately after opening.

4. The mail receipts log should list the name of the payer, purpose, amount, and payment type.

5. The mail receipts log may be used to prepare CR documents and reconciliation of total receipts collected at the end of the day.

I. Non-Sufficient Funds (NSF) Checks

1. Upon the receipt of a returned check, the Treasurer’s Office will create a negative CR, or notify the submitting department to create a negative CR.

   a. The negative CR document reverses the original cash receipt posting.

   b. The original CR document number is included in the document description of the negative CR.

   c. The Treasurer’s Office creates a journal voucher (JVTO) document to recover the NSF fee, charges the department, and forwards the returned check to the submitting department.

2. For a check that liquidated a receivable (RE) document in Advantage, the submitting department creates a replacement RE in the amount of the returned check plus the $25.00 NSF fee.
a. The submitting department contacts the originator with a Notice of Dishonored Check Demand for Payment letter, notifying them that the check was returned and they have incurred an additional NSF fee of $25.00.

(1) A.R.S.§ 13-1808 requires that replacement of the dishonored check and associated costs be in the form of a money order, cashier’s check or cash.

b. If the returned check amount plus NSF fee is not paid after 12 calendar days, the check is forwarded to the County Attorney’s Bad Check Program for further collective action.

(1) Based on the check amount, various forms must be completed and submitted along with the check.

(2) Additional details and a Bad Check Guidebook are provided in the resource center on the County Attorney’s website.

c. The County Attorney’s Office assumes all collection efforts upon accepting the bad check, including the collection of additional costs and attorney’s fees.

d. At this point in the process, the submitting department shall no longer accept payment.

e. The payer must contact the County Attorney’s Office directly to make payment arrangements.

f. If the County Attorney’s Office does not accept the check under the Bad Check Program, the submitting department shall continue collection efforts.

g. After a second occurrence of an individual or company writing an NSF check to a County department, the department may require future payments to be in the form of a money order, cashier’s check or cash.

J. Exceptions

1. Per Arizona Code of Judicial Administration, Part 1, Chapter 4, Section 1-401, the Supreme Court of Arizona adopted Minimum Accounting Standards (MAS) for Arizona Courts. Therefore, County courts must follow the MAS and are exempt from Administrative Procedure 22-5.