

Document Code No.: FIN-15-3-3-EP

Title: Cash Handling, Receipting, and Reconciliation

Affected Agencies: All Executive Branch Agencies

Authorities: RCW 36.29.010, RCW 43.09.185, RCW 43.09.240

Keywords: Cash, Reconciliation, Loss

Sponsoring Agency: Finance and Business Operations Division

Type of Action: Supersedes FIN-15-3-2 (AEP)

Executive signature: _____

Date signed and effective: _____



King County

I. Purpose

This policy establishes requirements for banking, cash handling, receipting, and reconciliation of public funds.

Applicability and Audience This policy applies to all King County Executive Departments, Offices, and Agencies. The audience may include any non-Executive Branch King County departments adopting this policy.

II. Definitions

"Funds" and "Receipts" mean currency, paper money, coin, check, money orders, etc.

"Treasury" means the Treasury Section of the Finance and Business Operations Division.

III. Policy

A. Cash Handling and Reconciliation

1. All King County departments, offices, and agencies that handle "funds" and "receipts" shall establish and maintain cash handling and receipting procedures for the purpose of:

- a. Determining accountability over receipt of public funds.
- b. Supporting an internal control environment for all departments, offices, and agencies.
- c. Ensuring effective safeguards are in place.
- d. Ensuring appropriate cash handling and receipting goals are met, and state and King County code regulations are followed.
- e. Establishing guidelines that ensure the integrity of compliance with King County business and financial reporting.
- f. Ensuring appropriate action is taken when discrepancies or audit findings are identified.
- g. Informing top management of critical cash issues that cross department lines and have broad impacts.

2. Treasury is the signatory on all King County bank accounts opened by any county agency.

3. The number of bank accounts used must be minimized.

- a. All bank accounts opened, and any pricing and/or services subscribed to, must be approved by the Treasury Manager or their designee.
- b. Establishment of all bank accounts will be coordinated with the Banking and Accounting Supervisor.

4. Bank accounts will be reconciled centrally by the Banking and Accounting unit unless approved by the Banking and Accounting Supervisor.
5. Agencies will reconcile their side systems which track cash receipting, investment, or disbursement monthly.
6. For any bank account not reconciled in Banking and Accounting unit, the assigned custodial agency must:
 - a. Record bank activity monthly in Oracle.
 - b. Reconcile bank accounts monthly.
 - c. Submit documentation of the monthly reconciliations to the Banking and Accounting Supervisor on a quarterly basis.
7. All deposits and withdrawals to and from a bank account must be recorded to a cash account except for accounts covered in Executive Policy FIN 10-2-1, Establish and Administer Petty Cash, Imprest and Change Funds or its successor.
8. Deposits and withdrawals made at the bank must match the corresponding General Ledger posting.
9. Neither cash nor checks shall be sent through interoffice mail, under any circumstances.

B. Cash Receipting

1. Cash/checks/coin shall be recorded in a sequential number format. Each transaction shall be logged in duplicate if using a receipt journal or recorded in a point-of-sale system (or similar system). Official King County receipts will be used.
2. All receipts are to be bound and sequentially numbered. The agency retention copy shall not be detached from the receipt book and shall remain intact.
3. Whether transaction is point of sale or manual, a receipt shall always be given to the customer. Receipts shall:
 - a. Specify "King County" and the appropriate department/agency name, and telephone number.
 - b. Be legible, if handwritten.
 - d. Indicate the dollar amount paid.
 - e. Indicate the mode of payment (cash, check, etc.).
 - f. Be signed and dated by a County employee.
4. Void documents shall be marked VOID and all parts saved in numerical sequence.
5. Report directly to FMS Accounts Receivable or via e-mail to the FMS Accounts Receivable Supervisor regarding any funds received that are not identifiable as belonging to your department.
6. Upon receipt, checks shall be restrictively endorsed "For Deposit Only."
7. Cashiers shall not cash personal checks.

C. Loss Reporting

1. Known loss, suspected loss, or theft other than reasonable differences in cash receipting operations, shall be reported immediately to Agency Management, the Agency Human Resources Service Delivery Manager, and King County's Chief Accountant.
 - a. A reasonable over or short in a cash reconciliation is \$20 or less per cashier per day.

- b. Agencies shall record all over and short transactions per cashier per day, and not combine amounts to record the "net".
- c. At least annually, Agencies shall review their over and short activity by cashier and take corrective action on any unusual trends.

D. Exceptions

- 1. Any exceptions to these policies and procedures regarding cash handling, receipting, and/or establishing and reconciling bank accounts must be documented and approved by the Director of the Finance and Business Operations Division or their designee.
- 2. Exceptions to the 24-hour deposit rule will be made in accordance with RCW 43.09.240.

IV. Implementation Plan

- A. This policy becomes effective for Executive Branch agencies on the date that it is signed by the Executive. The Department of Executive Services, Finance and Business Operations Division is responsible for implementation of this policy.
- B. Agency Finance Managers are responsible for communicating this policy to the management structure within their respective agencies and other appropriate parties.

V. Maintenance

- A. This policy will be maintained by the Department of Executive Services, Finance and Business Operations Division, or its successor agency.
- B. This policy will automatically expire five (5) years after its effective date. A new, revised, or renewed policy will be initiated by the Department of Executive Services, Finance and Business Operations Division, or its successor agency prior to the expiration date.

VI. Consequences for Noncompliance

- A. Failure to comply with this policy could result in audit findings, loss of cash, and loss of the public's trust in their government's ability to manage cash.