

TOWN OF SUNAPEE CASH RECEIPTS POLICY

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TOWN OF SUNAPEE

1.0 PURPOSE

To establish the Policy and Procedures for efficient handling and timely deposit of Town moneys collected by departments.

2.0 ORGANIZATIONS AFFECTED

All departments and divisions of the Town.

3.0 DEFINITIONS

Petty Cash - An amount of money assigned to a department, to be used for small purchases and/or as a cash drawer for collection of moneys and making change for customers. The Petty Cash amount remains constant and is represented by cash, checks, coin or receipts for purchases.

4.0 POLICY

4.1 Petty Cash

Petty Cash is for official business only, specifically the making of change to a customer or reimbursement of small amounts for items purchased by employees for business. Such reimbursement will be made only upon presentation of the appropriate paid receipts. No employee shall use Petty Cash for any personal business, even if the intent is to reimburse Petty Cash. There shall be no cashing of personal, third party or Sunapee payroll checks through Petty Cash. Violation of any portion of these policies may lead to disciplinary action, including termination of employment.

4.2 Deposits

When a department has collections in cash, coin, and checks or other negotiable instruments totaling \$500 or more above their Petty Cash level, all moneys, excluding Petty Cash, should be deposited in the bank by 11 AM the next business day. If a department has on hand, collections less than \$500.00, the moneys shall be deposited, at a minimum, once a week. State law requires that all deposits must be made *at least* weekly.

5.0 PROCEDURES:

5.1 Petty Cash

5.1.1 Departments shall keep Petty Cash secure from public access and non-authorized employees.

5.1.2 Only one employee at a time shall be assigned responsibility by a department for access to Petty Cash. A cash register may be used by more than

one employee for collection purposes if the register can report the activity of each individual using the register. Departments shall take steps that minimize the number of employees that have access to a cash register.

5.1.3 Receipt must be obtained for each petty cash expenditure. Such receipts normally include cash register or handwritten vendor receipts, paid vendor invoices, or properly approved "Received of Petty Cash" slips. For each expenditure, the following information must be documented.

- a. Payee (employees who make purchases from personal funds and are reimbursed through petty cash should sign the receipt),
- b. Date of purchase,
- c. Amount,
- d. Purpose or description of purchase.

5.1.4 All employees that have responsibility for Petty Cash shall sign a Petty Cash Policy Statement. These forms will be forwarded and held on file in their personal file.

5.1.5 All reimbursements from Petty Cash for small purchases will be made to employees authorized by the department to make such purchases upon presentation to the department by the employee of the appropriate receipts and a description of the purchases.

5.1.6 Replenishment to departmental Petty Cash for purchases made shall occur by use of a Chest Request which must be authorized by the department head and submitted to the Finance Department for processing. All receipts or other documents supporting the charges shall accompany the invoice. A check for the reimbursement will be issued during the normal processing cycle.

5.1.7 Departments shall submit for Petty Cash reimbursement once a month, at a minimum, for any purchase receipts being held.

5.2 Collection of Moneys

5.2.1 Departments shall insure that the documentation from the receipting process allows for proper final accounting of the moneys, i.e. the revenue or receivable account to be credited.

5.2.2 Refusal of Customer Checks - Departments shall refuse checks from customers appearing on the latest bad check listing issued by the Finance

Department.

5.3 Cash Out

5.3.1 All departments, on a daily basis at a minimum, shall make an accounting of their Petty Cash to assess if the Petty Cash balance is correct and to determine whether a deposit is required.

5.3.2 The employee responsible for the Petty Cash shall fill out a reconciliation sheet proving to the Petty Cash amount.

5.3.3 Any deposit amount under or over the collection amount should be charged to the over/under collection account. The department head or designated employee shall review the reconciliation and initial, signifying the review.

If the variance is later identified, Accounting will process a Journal Entry to correct the accounting.

5.4 Departmental Deposits to the Finance Clerk

5.4.1 When it is ascertained that a deposit is required, the responsible individual will process the receipts and deposit through Point of Sale. All batch reports are to be printed. Receipt copies, batch reports, and yellow deposit slip are stapled together. This paperwork is retained as backup for the deposit. The white deposit slip, cash and checks are sealed in a deposit bag and then delivered to the Bank. All deposits shall be forwarded to the Bank by 11:00 a.m. of the day following the close of business.

5.4.2 When a deposit is made, all moneys for the related collections shall be deposited. No cash items from collections shall remain as part of the Petty Cash balance.

5.4.3 The Finance Department shall report any variance from the deposit procedures to the Town Manager.

5.5 Audit

Departmental Petty Cash, related daily reconciliation sheets or other Petty Cash or deposit related documents shall be available for audit upon demand by the Finance Department or its agents. A random audit of petty cash and compliance to procedures will be done by the Finance Department.

Approved: _____ Date: _____
Donna Nashawaty, Town Manager