

Cobb County

Cash Handling Manual



Finance Department
December 2010

COBB COUNTY CASH HANDLING MANUAL

FORWARD

The contents of this manual are intended to provide Cobb County departments and Elected Offices approved principles for cash handling responsibilities. These instructions and guidelines are intended as tools to provide broad guidelines that will enable Cobb County staff members to preserve cash receipts in a safe & effective manner. The County acknowledges that its day-to-day operations are varied, and that its diverse staff must deal with many different types of revenue, caused by circumstances of environment, equipment, and timing. With these thoughts in mind, it is understood that detailed instructions for specific cash handling responsibilities are to originate from the department manager.

We think the framework for cash handling presented in this Manual, along with its principles, will provide a uniform process for handling County funds. County departments should adhere to these principles by stressing the importance of cash handling to their staff and making sure that all who are associated with cash handling receive this handbook and attend cash handling training.

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For your convenience, copies of the official Cash Handling Policy and Petty Cash Policy are included at the end of this manual.

Chapter One: Introduction & Regulations

Objectives

- ◆ Identify the desired outcomes of this course.
- ◆ Provide fun facts about money.
- ◆ Identify responsibilities for cash management in Cobb County.
- ◆ Describe the performance expectations of cash handlers.
- ◆ Present the general flow of the cash handling procedures.

Introduction

Welcome to the Cash Handling-training manual. The Cobb County Finance Department and the Budget & Internal Audit Department have developed this manual to provide a comprehensive overview of your job as a cash handler. We have included some of the history regarding money as well as new technological information on payment options. Our goal is to provide updated information to this manual on a continuing basis as necessary. We hope you can use this manual as a reference guide when questions arise about cash handling principles.

Desired Outcomes

By the end of this course, cash handlers should be able to:

- ❖ List the different types of financial technologies available.
- ❖ Discuss the County's cash handling policy and principles.
- ❖ Describe why customer service is essential to the cash handler's job.
- ❖ Write down at least three things to do in an emergency.
- ❖ Demonstrate an understanding for banking industry standards relative to currency, checks, and credit cards by participating in the question and answer sessions.

Fun Facts About Money

- The Bureau of Engraving and Printing produces 37 million notes a day with a face value of approximately \$696 million.
- During the Civil War period, the Bureau of Engraving and Printing was called upon to print paper notes in denominations of 3 cents, 5 cents, 10 cents, 25 cents, and 50 cents. The reason for this is that people hoarded coins because of their intrinsic value that created a drastic shortage of circulating coins.
- In 1929, the size of currency was reduced to about 2/3's of its former size when production was converted to 12-subject plates. The familiar portraits and back designs of our currency were also established at that time.
- The approximate weight of a currency note, regardless of denomination is (1) one gram. There are 454 grams in one (1) U.S. pound, therefore, there should be 454 notes in (1) one pound (Avoirdupois system). If the troy system was used, there are (12) twelve ounces in (1) one pound; therefore, if one note weighs approximately (1) one gram, then (1) troy pound contains approximately 375 notes.
- Currency paper is composed of 25% linen and 75% cotton. Red and blue synthetic fibers of various lengths are distributed evenly throughout the paper. Prior to World War I the fibers were made of silk.
- Have you ever wondered how many times you could fold a piece of currency before it would tear? About 4,000 double folds (first forward and then backwards) are required before a note will tear.
- The 100-dollar note has been the largest denomination of currency in circulation since 1969.
- The obverse and reverse of the Great Seal of the United States appeared in a currency design for the first time when the \$1 Silver Certificate, Series 1935, was issued. The Seal dates back to 1782 -- before the Constitution.
- The legend, "In God We Trust," became a part of the design of United States currency in 1957 and has appeared on all currency since 1963.
- The largest note ever printed by the Bureau of Engraving and Printing was the \$100,000 Gold Certificate, Series 1934. These notes were printed from December 18, 1934 through January 9, 1935 and were issued by the Treasurer of the United States to Federal Reserve Banks **only** against an equal amount of gold bullion held by the Treasury. These notes were used for transactions between FRBs and were not circulated among the general public.
- The origin of the "\$" sign has been variously accounted for, however, the most widely accepted explanation is that the symbol is the result of evolution,



independently in different places, of the Mexican or Spanish "P's" for pesos, or piastres, or pieces of eight. The theory, derived from a study of old manuscripts, is that the "S" gradually came to be written over the "P," developing a close equivalent of the "\$" mark. It was widely used before the adoption of the United States dollar in 1785.

- Martha Washington is the only woman whose portrait has appeared on a U.S. currency note. It appeared on the face of the \$1 Silver Certificate of 1886 and 1891, and the back of the \$1 Silver Certificate of 1896.
- During Fiscal Year 2003, it cost approximately 6.0 cents per note to produce 8.2 billion U.S. paper currency notes.

Regulations

You may ask, "I've been handling cash for years, so why do I need this training?" or "Why does the Finance Department set cash handling procedures for my department?" The answer to both these questions is the Official Code of Georgia Annotated (O.C.G.A.) in which legislation has been enacted that defines the County Treasurer's cash handling responsibilities (O.C.G.A. 36-6-14). Accordingly, the Comptroller shall be responsible for collecting diligently from all officers and others all monies due the County.

Cobb County cash handlers account for over \$800 million dollars in revenue every year.

As will be discussed later in this manual, these monies could come in many forms, from currency and checks to electronic payments.



What specific legislation describes the Finance Department's cash handling responsibilities?

The Cobb County Finance Department's Director/Comptroller is authorized to communicate rules in accordance with the Official Code of Cobb County, Georgia 2-47 that states, "The Cobb County comptroller shall be responsible for performing the duties of the treasurer of Cobb County. Said comptroller shall receive all County funds heretofore handled, received and collected by the treasurer of Cobb County, and shall disburse the same as the law now requires County funds to be disbursed by County treasurers."

This means the Finance Department, under the support of the Finance Director/Comptroller, can set up procedures regarding how other County departments will handle cash at their facility.

What other financial services does the Finance Department offer?

The Finance Department is a resource to other County departments as it pertains to financial issues. This includes various types of consulting and training. If you would like a representative to visit your facility to consult on security issues, setting up credit cards, cash handling procedures, physical layout for cash handling operations, or other related topics, please contact the Finance Department.

Why does the Finance Department provide Cash Handling Training?

To protect County assets, the Finance Department has developed basic cash handling procedures. Through training, we hope to enhance the accuracy, timeliness, efficiency, and safety of all County revenues while giving employees the knowledge to provide excellent customer service.

The Finance Department’s Mission Statement

The mission of the Finance Department is “to effectively and efficiently manage the overall financial services area of Cobb County government while maintaining responsibility for the statutory functions of the County Treasurer Georgia Code 36-6-1 through 28 and the County Comptroller Code Sections 2-1-26 through 28, operating under established management principles, and adhering to established policies, procedures, and generally accepted accounting principles (GAAP).”

“Specifically, the responsibility areas include: measuring and reporting on financial position, financial stability, financial liquidity, and financial growth; projection and management of revenues; and the provision of accurate, relevant financial/operational information to user departments on a timely basis.”

Supervisors should limit employees who handle cash to personnel who have proper training.

Performance Expectations of Cash Handlers

Most employees who handle cash for Cobb County do so in addition to many other responsibilities. They may handle cash, serve customers, answer phones, etc. No matter where you work in Cobb County, it’s important to remember that there is no such thing as just a cash handler or cashier. As far as most citizens are concerned, **you are the**

County! You may be their first and only contact with the County. When citizens or customers arrive, serve them expertly and with professional courtesy; when customers leave, you are the one they remember.

The position of cash handler is a pivotal one in the County. What you do falls into the following distinct, yet related areas of responsibility:

- ◆ To receive money from customers
- ◆ To establish and maintain positive customer relations
- ◆ To perform operations according to established procedures and to balance all cash receipts daily
- ◆ To protect the assets of the County through sound loss prevention practices
- ◆ To assist with other cash handling activities as directed by your supervisor

The four essential expectations of cash handlers are:

1. Work accurately, with few if any errors.
2. Perform your work efficiently and cost effectively.
3. Work consistently with County and department policies and procedures.
4. Demonstrate initiative arising from a desire to excel and to contribute to your department's and the County's goals.

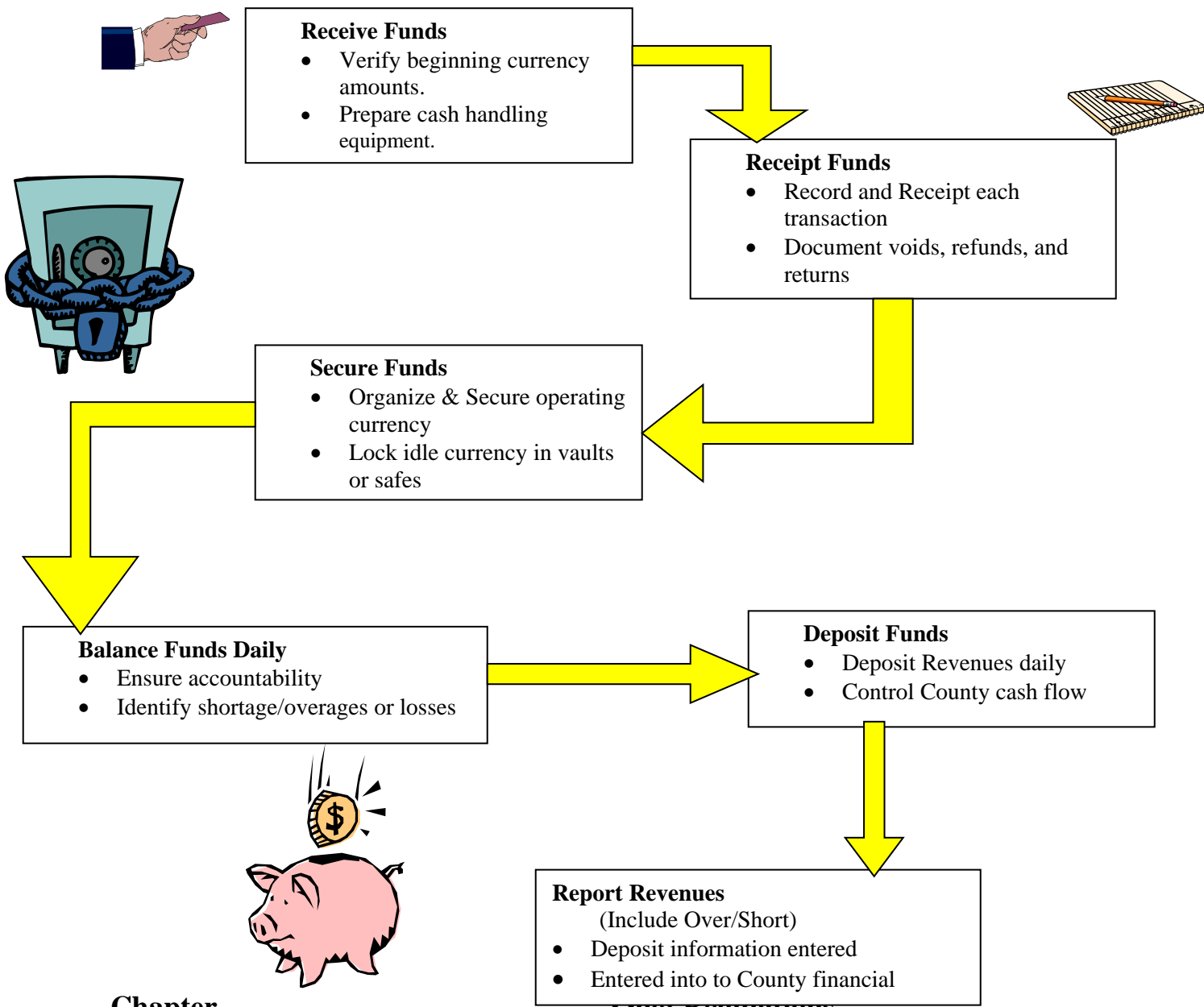
Because of the vast differences between County facilities, the Finance Department has not set precise performance standards for cash handlers. It is difficult to say one standard fits all locations. However, we have established a basic guideline that should be followed in every location and situation. These basic steps insure that accountability for the money is maintained and revenues are properly recorded. When properly followed, these procedures protect both you and the County.

Your department will communicate with you the specific policies for your area. The general performance requirements of the Cobb County Finance Department's Cash Handling Policies and Procedures are as follows:

Cobb County ranks No.1 in the state of Georgia in the educational level of its citizens. Over 42% of all residents 25 years or older have completed at least four years of college.



Basic Cash Handling Policies Summary



Chapter

One: Regulations Questions & Answers

1. Desired outcomes of this course do **not** include which of the following:
 - a. Crowd control.
 - b. Becoming familiar with the County's cash handling policy and principles.
 - c. Learning the importance of customer service.

- d. Becoming familiar with available financial technology.
 - e. How to respond in an emergency.
2. The Cobb County Comptroller is ultimately responsible for cash handling procedures in Cobb County. Which one of the following options is **not** an element of responsible cash handling?
- a. To encourage another employee to receive money.
 - b. To promote positive customer relations.
 - c. To balance cash receipts daily.
 - d. To perform as directed by your supervisor.
 - e. To protect the County's cash.
3. Which one of the following options is **not** one of the four essential qualities expected of a cash handler?
- a. Work accurately
 - b. Perform your work efficiently and cost effectively.
 - c. Work in accordance to stated policies and procedures.
 - d. Keep busy.
 - e. Show initiative.
4. Which of the following steps are a part of normal cash flows in County operations?
- a. Receiving
 - b. Securing funds.
 - c. Balancing funds.
 - d. Depositing and reporting revenues.
 - e. All of the above.

Key: 1. a, 2. a, 3. d, 4. e

Chapter Two: Financial Transactions

Objectives

- ◆ Provide the characteristics of United States currencies
- ◆ Describe methods for counting change
- ◆ Identify common types of checks

- ◆ Determine ways to test checks for their negotiability and provide ways to prevent fraud
- ◆ Describe credit card procedures
- ◆ Introduce other forms and types of “cash” transactions

Financial Transactions

The purpose of this chapter is to discuss types of monetary exchange available to customers and citizens who do business with Cobb County. As County cash handlers you need to be familiar with these different types of monetary exchange and be able to distinguish the negotiable elements of each one. We will issue you updated information as new technological opportunities become available. Much of the information in this chapter comes directly from the banking industry.

Recognizing Currency

The Federal Reserve and the Department of the Treasury are committed to continuous improvement in currency design and aggressive law enforcement to protect the integrity of U.S. currency against counterfeiting.

- ✓ Currency counterfeiting has consistently been kept low for more than 100 years.
- ✓ Despite counterfeiters' increasing use of technology, advanced counterfeit deterrence on the part of the authorities has kept counterfeiting at low levels. Current estimates put the rate of counterfeit \$50 notes in circulation worldwide at less than 1 note for every 25,000 genuine \$50 notes in circulation.
- ✓ The most recent money designs, which were introduced beginning in 1996, included improved security features to make counterfeiting more difficult and to make it easier for financial institutions, professional cash handlers and the general public to check their U.S. currency.

Easy-to-use security features help people check their U.S. money:

Watermark: a faint image, similar to the portrait, which is part of the paper itself and is visible from both sides when held up to the light.

Security thread: also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper and spells out the denomination in tiny print.

Color-shifting ink: the numeral in the lower right corner on the face of the note, indicating its denomination, changes color when the note is tilted. For

the new currency, this color shift is more dramatic. It changes from copper to green, making it even easier for people to check their money.

Because these features are difficult for counterfeiters to reproduce well, they often do not try; they hope that cash handlers and the public will not check their money.

The U.S. Secret Service is working closely with banks and law enforcement agencies worldwide to help suppress counterfeiting activities. Through aggressive law enforcement, authorities seize the vast majority of known counterfeit U.S. dollars before they are passed into circulation. In fiscal year 2003, the U.S. Secret Service and international authorities seized \$63 million in counterfeit notes before they ever made it into circulation. Another \$38 million in counterfeit U.S. currency that had been passed into circulation was detected and removed worldwide. In these cases, innocent victims who received the bogus bills suffered a financial loss. In 2003, the U.S. Secret Service made more than 3,640 arrests in the United States for currency counterfeiting activities. The conviction rate for counterfeiting prosecutions is about 99 percent.

The combined efforts of public education, law enforcement, the changes made to the currency in the late 1990s and increased public awareness have all kept counterfeiting of U.S. currency at a low level.

Common denominations are as follows:

Denomination/Portrait:

- \$ 1.00 George Washington
- \$ 2.00 Thomas Jefferson
- \$ 5.00 Abraham Lincoln
- \$ 10.00 Alexander Hamilton
- \$ 20.00 Andrew Jackson
- \$ 50.00 Ulysses S. Grant
- \$100.00 Benjamin Franklin



One Dollar Note
George Washington

One Dollar Note
Great Seal of the United States



Five Dollar Note
Abraham Lincoln



Five Dollar Note
The Lincoln Memorial



Ten Dollar Note
Alexander Hamilton



Ten Dollar Note
U.S. Treasury



Twenty Dollar Note
Andrew Jackson



Twenty Dollar Note
The White House



Fifty Dollar Note
Ulysses S. Grant



Fifty Dollar Note
U.S. Capitol



One Hundred Dollar Note
Benjamin Franklin



One Hundred Dollar Note
Independence Hall



Mutilated or Altered Currency

Your job as a cash handler includes removing from circulation all torn or mutilated bills. Currency is mutilated whenever it is torn, written on, missing a portion of the bill, or otherwise damaged. Whenever you receive such a bill, place it aside in your cash drawer to return it later to your bank for collection. The redemption bank sorts all the bills and removes all mutilated or counterfeit bills, which is about 1 in 5 bills. The bank will then return the mutilated money to the Federal Reserve Bank.

Specific rules exist for handling mutilated currency. If the bill is more than $\frac{3}{5}$ (60%) intact, which includes the full portrait, the bank will pay its face value. If the bill is less than $\frac{2}{5}$ intact, the bank will not honor its value.

Currency alteration is done by taking a genuine bill and tearing off a corner or two of a smaller bill such as a \$1 or \$5 bill and then replacing these corners with corners of a larger bill such as a \$10, \$20, or \$50 bill. The original larger denomination bill is still redeemed at full value as mutilated money with one or more corners missing.

The Finance Department recommends that you count money by looking at the face on the bill not at the denomination in the corners.

Because all denominations of U.S. currency are the same size with the same color of inks, they are the easiest currency in the world to counterfeit.

Most counterfeit money will not be detected until it reaches the Federal Reserve Bank. The Finance Department recommends that obvious counterfeit currency be given back to the customer immediately and ask the customer for a different bill. Check with your supervisor on the standard to follow when suspecting a bill is counterfeit.

Some indications that a bill may be counterfeit include the following.

- ✓ Lines are not sharp, crisp, or clear.
- ✓ The bill is badly spaced.
- ✓ Colored silk threads are not apparent.
- ✓ The bill is printed badly.
- ✓ The bill feels different (like common bond paper).

- ✓ Shaded areas are not crisp and clear.

Indications that currency is counterfeit include the following:

- ❖ Denominations or serial numbers vary on the same bill.
- ❖ Two or more bills list the same serial number.
- ❖ The incorrect portrait is printed on the denomination.
- ❖ Federal Reserve District number and corresponding letter of the alphabet do not relate to each other.

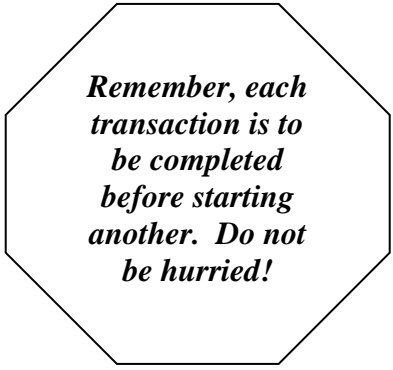
Counting Change

Think about how the clerk at the grocery store or the teller at your bank gives back your change. Do they count it back to you or just drop it into your hand? Do you take a moment to count your change or do you just drop it into a pocket, wallet, or purse? Did you realize that errors in counting could be detected many times by simply counting out loud?

There are two common ways of counting change. Each method seeks to ensure that the amount returned is double counted. Whichever method you use, recount the money as many times as necessary to come up with the correct change. This means that you will always count any change at least twice. As a cash handler, you should establish a set routine for how you count cash and then use that method consistently.

Method one: Hand-to-Hand

1. Separate bills into denominations with all bills facing up.
2. Stack the pile of bills with the highest denomination on the bottom and the smallest denomination on top.
3. Making the hand-to-hand exchange the second count, place the change in one of the patron's hands. Transfer all coins to bring the amount paid to an even dollar amount, and then count up from singles through larger denominations of bills until the amount tendered is reached. Transfer one bill at a time from your hand to the patron's hand as you count it. Check each bill as you count to verify correct denomination. If your totals do not agree, repeat the count.
4. Count it out loud to the patron.



Remember, each transaction is to be completed before starting another. Do not be hurried!

Method Two: Hand-to-Table

This is the same as the hand-to-hand method except that instead of placing the currency in the patron's hand you place it on the table or counter as you count it (make the hand-to-table count your second count). If your totals disagree, repeat the count. Count it out loud to the patron.

Types of Checks

A check is a substitute for paying with cash and is a “promise to pay” from one person or entity to another person or entity. Certain information must be included on the check so that it can be routed correctly. A check is used to transfer funds from one party to another. The term “negotiable instrument” means the check is payable to a person when presented at the signer’s bank.

Check

The “drawer” or “payer” is the party issuing and signing the check. The drawer may be one or more individuals acting on their own behalf, or the drawer may be one or more individuals authorized to act on behalf of a company, corporation, partnership, or government. Satisfactory picture identification of the drawer is recommended before a cash handler accepts a check. The “drawee” is the party on whom the check is drawn; usually the drawee is a bank, trust company, or other financial institution.

The “payee” is the party being paid. The check can be payable to one or more individuals; to a business, corporation, or partnership; or government agency. Upon accepting a check, it is recommended that the cash handler immediately endorse it to Cobb County including the department name and bank account number.

In the course of your work as a cash handler for the County, you will see different types of checks. To help you distinguish between these “negotiable instruments,” the different types of checks are listed here.

❑ **Personal Checks:**

Personal checks are the most common type of checks. Personal checks belong to people who maintain demand account balances at banks. The payee should be: ***Cobb County***.

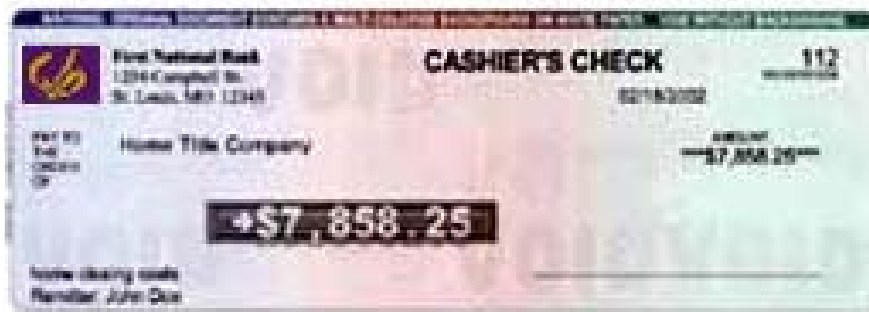
No cash back may be given for a personal check transaction because that constitutes an unlawful loan of County funds. No County employee’s personal checks are to be cashed. No checks drawn on foreign (non-U.S.) currency are to be accepted.

❑ **Company checks:**

Company checks may appear similar to personal checks and may have a carbon paper strip attached for the company’s own bookkeeping system. Company checks may also have stubs or copies attached. Company checks often require multiple signatures (notable by two or more signature lines) and often have stated maximum amounts (“not valid over \$_____”).

❑ **Cashiers’ checks:**

This is a check drawn by a bank on its own funds. The reliability of properly executed cashiers’ checks is extremely high.



❑ **Personal money orders:**

A personal money order is a check purchased by a customer for cash. When issued, it shows the drawee and the amount. The purchaser fills in the date, the payee, and the purchaser's name and address. Issuers usually restrict the maximum amount for which they will issue a money order. This amount is usually printed on the face of the money order (e.g., the following words may be printed on the money order, "Not to exceed \$300.00"). Money orders are also relatively reliable.

❑ **Travelers' checks:**

These checks are designed for use by persons on business or vacation trips, but are also used in other situations. They are signed on the face of the check when purchased and countersigned when cashed, either on the face or on the back.

When using travelers' checks at a County facility, the customer must countersign and write in the payee, Cobb County, in the presence of a cashier. Travelers' checks should be stamped with the endorsement and placed with the other checks. The County will not accept travelers' checks drawn on foreign currency.

Check Endorsements

All checks should be endorsed upon receipt, according to department policy (may be at close of business). The endorsement is stamped in the first 1.5 inches on the back of the check on the trailing edge.

Check Negotiability

There are seven requirements a check needs to meet to be negotiable. Before accepting a check from a customer, you should verify that the check has all of these elements:

1. **Current date:**

The check must have a current date and neither be stale dated or postdated. A stale dated check is a check dated 180 days in the past and a post-dated check is a check dated in the future. The bank will not honor a stale dated check.

2. **Payee:**

The payee is the party that is being paid. The payee is normally **Cobb County** and may include the department name (e.g., Cobb County BOC, Cobb County Water System, Cobb County Parks, Recreation, & Cultural Affairs, Cobb County Tax Commissioner).

3. **Payer:**

The check must have a payer, which is the company or individual paying for a County service. The Finance Department prefers the name and address of the payer be preprinted on the front of the check, but this is not a mandatory requirement for acceptance of the check.

4. **Dollar amount:**

The dollar amount must appear twice. It must be both spelled out and numeric. Always verify that these two amounts are equal. Note that the spelled out words are binding.

5. **Bank:**

The check must be drawn on a bank or financial institution whose name appears on the check.

6. **Signature:**

The payer or drawer must sign the check.

7. **MICR numbers:**

If the magnetic image character recognition (MICR) numbers are not preprinted at the bottom, left-hand corner of the check, please be aware that the check requires special handling.

At this time there is no Countywide policy requiring identification from citizens or customers. The Finance Department suggests that if a County employee is selling “an

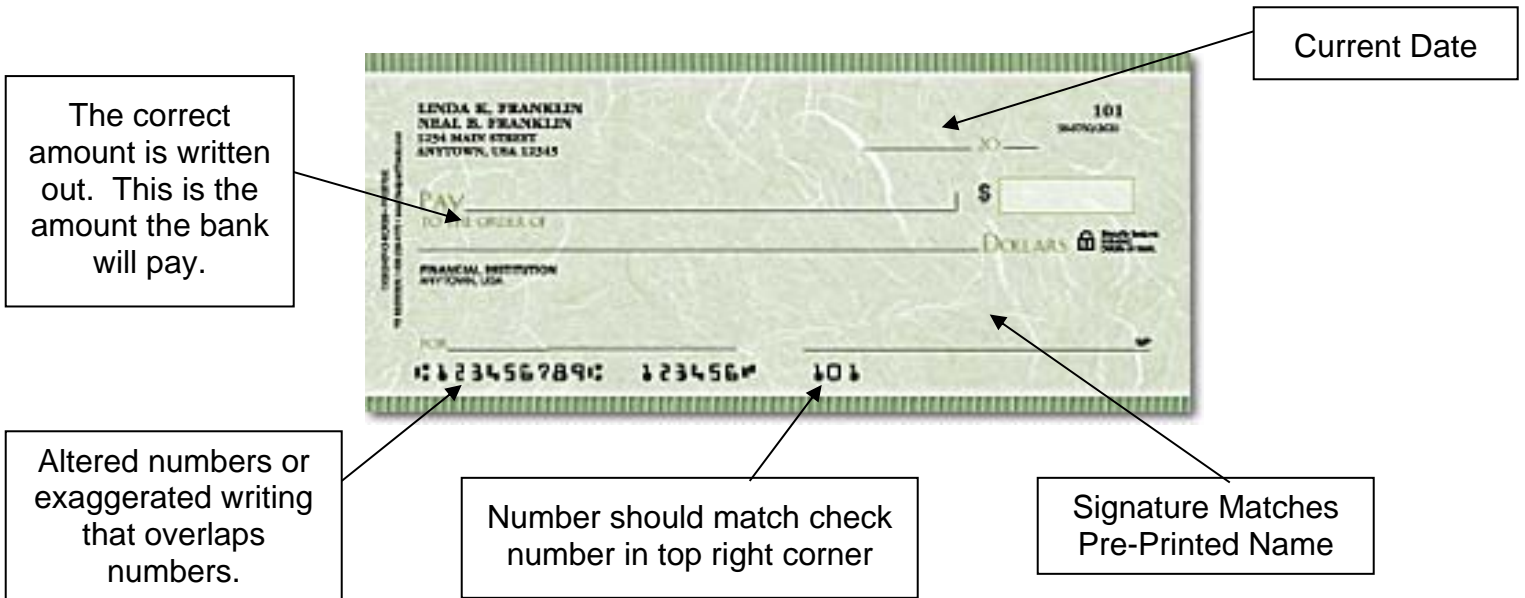
irretrievable item” such as used equipment, there is more risk in taking a check without appropriate identification.

If a citizen pays a utility bill and the check is returned because of insufficient funds, the amount of the check can be charged back to that person’s utility account. If a person buys merchandise with a check that is later returned by the bank, however, it is difficult to retrieve the merchandise.

Check Fraud

Even knowing the parts of a check and taking the time to look at each check does not prevent check fraud from occurring. Fraudulent check crimes are increasing at a dramatic rate. This type of fraud has become a major concern of every part of our society involved with the sale of goods and services, including Cobb County government.

While fraud was once considered to be a normal cost of doing business, losses are now too high to ignore. In order for all of us to win the battle against this type of crime, we need to have knowledge, vigilance, and refined business procedures.



Close examination can often tip you off to a bad check. Examine each check for these key items:

1. If your department has been approved by the Finance Department to accept checks drawn on non-local banks, request identification. List the customer’s local and out-

of-town addresses and phone numbers on the front of the check. The account may be closed or already in non-sufficient fund (NSF) status. Be aware that each department should charge the payer a fee on all returned checks. In some cases it is necessary to accept another check on the same account. This should be done with discretion.

2. Examine the date for accuracy. Do not accept the check if it is undated, post dated, or more than thirty (30) days old.
3. Be sure the check clearly shows the name and state where the bank is located.
4. Confirm that the numerical amount agrees with the written amount. Be especially alert for alterations within the numbers of the written portion of the check. (Example: \$5.00 altered to \$55.00)
5. Do not accept checks that are not legible. The check must be written in ink, signed and must not have any erasures or altered amounts.
6. Have customers make checks payable to include Cobb County. Two-party checks are not acceptable.
7. No payroll checks of any type are to be accepted or cashed.
8. Have the check written out for the exact amount of the sale. Do not get caught in the sale plus cash back scheme. If this check is returned, the extra cash back is considered an unlawful loan of County funds.
9. Your department should determine when funds must be verified in order to accept a check.
10. Be aware of newer accounts. Generally, the lower sequence numbers or starter checks generate the highest number of bad checks.

Credit Cards



Credit cards are now used by over 50 million people in the U.S. to pay for many types of retail purchases. The number and dollar volume of credit card transactions increase each year.

The Board of Commissioners has allowed goods and/or services to be paid by using a VISA, MasterCard, American Express, or Discover credit card. In fact, some departments are already using credit cards in certain areas of their operations. This section of the training manual will be used to discuss various “how-to’s” relative to credit cards.

If your department does not currently accept credit cards, contact the Finance Department for approval and direction.

If approved, training will provide instruction in the following areas:

- ◆ Preparing the sales transaction.
- ◆ Receiving a sales authorization.
- ◆ Preparing a merchant deposit.
- ◆ Completing a credit draft.

Preventing credit card fraud is one way to protect County funds. Credit card fraud costs everybody money. Here are some helpful hints on how to stop credit card fraud:

- ❑ Keep the credit card in your possession until you have a signature and authorization. Always match the signature on the sales form with that on the back of the credit card.
- ❑ Always check the expiration date to be sure the credit card is valid. If two dates appear on the credit card, the credit card is only valid between those two dates.
- ❑ Check the credit card to ensure it has not been altered.
- ❑ Watch the customer’s actions and consider it in terms of unusual behavior. Signs of suspicious behavior include people: who hurry you at quitting time, are unnecessarily talkative, or other behavior that distracts or upsets you, or pulls the credit card out of a pocket rather than a wallet. In the end, it always comes down to a judgment call from you or your manager.

Other Forms of Payments

One way of reducing the amount of fraud is to reduce the number of paper checks accepted. Alternative methods of payment are gaining widespread acceptance nationwide. Methods being explored by the County include the following:

Electronic Data Interchange (EDI):

This is the common language used by businesses to send and receive business documents electronically (computer to computer) in a predetermined standard format.

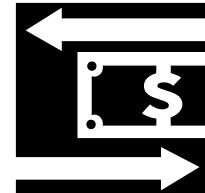
The main function of EDI is to replace paper documents with electronic transmissions. EDI eliminates the need to re-enter data into a computer and increases efficiency by reducing the possibility of errors in the processing of payments. EDI transactions are much more secure than in-person or paper transactions because signatures (and the possibility of forgeries) are eliminated. EDI also eliminates the potential of counterfeit documents and computer tampering.

Automated Clearinghouse (ACH):

These payments are one form of EDI transactions. ACH payments are made from bank-to-bank electronically by computer. Payments can be initiated by the bank's customer, such as the County, for goods or services, and the payer's account is debited (subtracted) on-line while the payee's account is credited (added) on-line. Direct deposit payroll is one form of an ACH transaction with which most people are familiar.

Electronic Fund Transfer (EFT):

This is a common form of ACH transaction in which funds are transferred between customers' bank accounts on-line. EFT's are the well-known debit card transactions in which an ACH is accessed through a credit card service or an automated teller machine (ATM) transaction. The County currently utilizes this type of payment for certain types of goods and services. If you think this method of payment might work for your facility, contact the Finance Department. The Finance Department's banking services provider will come out to your facility to assess your needs and, if appropriate, train you and provide you with the necessary supplies.



Federal Reserve Wire Transfer (FedWire or Wire):

This is an on-line, real-time method of transferring funds and supporting information between two financial institutions using their Federal Reserve accounts. The County makes wire payments for large dollar items due to its speed, absolute security, and high degree of reliability.

Electronic Check Presentment (ECP):

This is the electronic transmission of check information between depositing and paying banks. The check information includes paying bank identification, customer account number, check amount, and check number. This information is captured from the check's Magnetic Image Character Recognition (MICR) line.

Payment information is transmitted electronically, using the Electronic Check Clearing House Organization (ECCHO), and ACH made up of several large banks. Note: Approximately 80% of all checks are drawn on seven financial holding companies, all of whom are ECCHO members.

On-Line Check Verification:

This is the use of networks or databases of major retailers that share information about unaccepted checks. Paper checks can be "tested" on-line to ensure that the payer has no outstanding non-sufficient fund checks previously accepted within the network. This ensures that the payer's account is currently valid, thereby increasing the likelihood of check payment.

Chapter Two: Financial Transactions

Question & Answers

1. Whose portrait is on the face of the \$20 bill?
 - a. Thomas Jefferson
 - b. Alexander Hamilton
 - c. Benjamin Franklin
 - d. William McKinley
 - e. Andrew Jackson

2. Identify the famous American whose portrait is on the face of each of the following bills:

\$1 _____	\$2 _____
\$5 _____	\$10 _____
\$20 _____	\$50 _____
\$100 _____	

3. Which of the following is most important when counting money? (All are good!)
 - a. Count out loud.
 - b. Separate bills into denominations.
 - c. Stack bills with highest denomination on bottom.
 - d. Count as many times as necessary until two counts are equal.
 - e. Only identify bills by their portraits.

4. If someone wanted to pay a \$15 entry fee to a Parks, Recreation, & C.A. Department tournament with a \$20 (Canadian) Traveler's Check, you should...
 - a. Not take the check because you would have to give \$5 change.
 - b. Accept the check and return \$5 in change.
 - c. Not accept the check because it was purchased at a foreign bank.
 - d. Allow the patron to enter because he/she was from out-of-town.
 - e. None of the above.

Chapter Two: Financial Transactions (continued)

5. A “stale dated” check is which of the following:
 - a. A check dated over 180 days after the day presented.
 - b. A check dated over 180 days before the day presented.
 - c. A check dated over 30 days before the day presented.
 - d. A check dated over 30 days after the day presented.
 - e. A check dated on the day after the day presented.

6. Which of the following is the “payer” of the check?
 - a. The bank or financial institution where the check is deposited.
 - b. The drawer’s bank or financial institution.
 - c. The person who has written the check for the service or product.
 - d. All of the above.
 - e. None of the above.

7. Which of the following checks should not be accepted?
 - a. A check where the state in which the bank is located is printed on the check.
 - b. A check that has had the amount altered, but initialed by the payer.
 - c. A check written in ballpoint pen.
 - d. A check written to only Cobb County rather than Cobb County Solid Waste Department.
 - e. A check dated with yesterday’s date.

8. After a credit transaction has been authorized, name the next most important action to determine if a credit card is valid.
 - a. The expiration date of the credit card.
 - b. The “wear and tear” of the card.
 - c. Determining if the cardholder is mad.
 - d. A photo identification of the credit card holder.
 - e. The credit card signature matches the sales slip signature.

Key: 1. e, 2. see pg. 11, 3. e, 4. c, 5. b, 6. c, 7. b, 8. e

Chapter Three: Financial Operations

Objectives

- ◆ Identify County services related to cash management and finance.
- ◆ Provide thoughts for security at your cash handling location, and offer methods for preventing or surviving a robbery, or other emergency.
- ◆ Offer methods that may assist your day-to-day customer service abilities.
- ◆ Provide general cash handling methods that are required by the County. These may vary according to each department, but are the foundation for specific cash handling tasks at your facility.

Financial Operations

This chapter describes the operational aspects of being a County cash handler. We will provide comprehensive information so you can make informed decisions on-the-job. If some of the topics mentioned here are of concern or interest to you, we encourage you to initiate a discussion with your supervisor.

Remember, every step involved in cash handling is important. When you accept money at your facility, that money initiates a cycle of service delivery. From your facility, money goes to the bank. Exact deposit data is entered into the County's financial system to create a Cash Receipt document. The money is invested in short-term instruments, or used to pay for County services such as Police, Fire, Road Maintenance, etc. Time is of the essence when getting the deposit to the bank.

The citizens pay County taxes, make donations, pay fines and user fees. The County also receives Federal and State taxes and grants. This money is received in a variety of ways by County cash handlers and must be funneled to County bank accounts efficiently and effectively.

Financial Services in the County

Accounting: This division in the Finance Department is responsible for producing the County's *Comprehensive Annual Financial Report* (CAFR) and coordinating accounting functions Countywide. This group maintains historical revenue and expenditure data for all County funds, departments, agencies, and divisions. This division provides financial services for all County departments, and the Payroll Section handles payroll processing throughout the County.

Cash Management: It is the duty of the Comptroller of the County to: collect all monies due the County; demand and receive all monies appearing to be due on the minutes and dockets of the different courts of the County; pay all debts; and, record and report all such transactions.

Debt Management: This function in the Finance Department coordinates all debt issuance and management. Responsibilities include coordinating bond purchases financing large capital projects, and working with the County's bond counsel.

Risk Management: This County-wide activity is housed in the Finance Department. The Risk Manager administers the identification, analysis, and mitigation of exposures the County faces in order to reduce liability and protect assets. The County is essentially "self-funded" for many types of losses. Examples of ways this impacts cash handlers include security measures, safety, and providing employee fidelity coverage.

County Budget: Under the County Manager, the Budget side of the Budget & Internal Audit Department is responsible for the preparation of the County's budget. Cobb County is on a biennial budget cycle with review and adjustments during the interim year. The budget cycle begins in January or February and concludes by September when the Chairman of the Board of Commissioners presents the budget for adoption by the Board of Commissioners. The Internal Audit side provides the executive level of County government with an independent, objective source of information regarding any County related activity. Services include management controls and compliance audits, revenue enhancement and fee schedule studies, scheduling and staffing evaluations, feasibility studies, program evaluations, follow-up reports, and other services upon request, all with the intent of enhancing the efficiency and effectiveness of County operations. Outside firms are hired to perform independent financial audits as required by law.



Security & Robbery Prevention

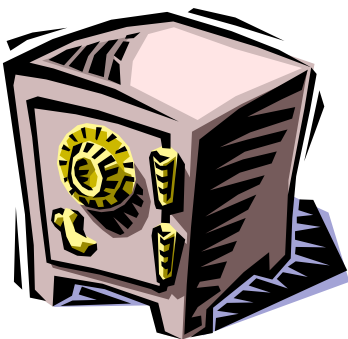
Due to the actual experiences of our co-workers, we pay careful attention to this section emphasizing the word “prevention.” The Finance Department wants you to feel safe at your facility, and safe in taking money from the public.

If you are interested in a security inspection at your facility, call the Finance Department to make an appointment. The Finance Department will consult with you about how to alter equipment and/or procedures to make your facility safer. This may include bringing in Public Safety experts if appropriate.

Being more aware of what makes a facility vulnerable to a potential robbery will help you prevent such an occurrence. As a County cash handler, robbery is one of the most threatening situations you might experience.

The following tips are suggested for your safety:

- Your facility should be clearly visible from the street. Potential robbers look for locations that are private. For example, if you have tall shrubbery around your front entrance, you may want to ask that it be pruned back.
- Because the potential robber wants to confront as few people as possible, numerous people in and around your facility will discourage robbery.
- The darker the area, the more robbery-prone the location. Adequate lighting both inside and outside facilities help correct this.
- Be aware of suspicious people milling in or around the location. Talk with suspicious people because criminals are distracted by conversation.
- If you ever take money to the bank, be sure NOT to carry a bank bag visible to onlookers. This is an invitation to a potential robber that there is money in the bag.



- Again, if you take money to the bank, vary your banking routine as to time and routes taken. Go directly to and return directly from the bank without making any stops en route.
 - Be discreet about cash drawer limits and the amount of cash you have on hand at the facility.
 - Make sure that your department or facility has detailed cash handling standards. If it does not currently have cash handling standards, the Finance Department can guide you through the development process.
- Check to be sure that all security devices are in good working order.
 - Never leave a cash box or cash drawer unattended or unlocked.

- Do not keep excessive cash in your cash drawer. Your department should have rules (included in its cash handling standards) regarding cash limits. If you periodically have a day in which you take in larger sums of cash than usual, plan to remove excess cash from your drawer. Put that cash in a secured place until the “balancing” process (see “Balancing Cash Drawer”).
- Other robbery prevention guidelines include:
 - a. All cash items should be locked up.
 - b. Never allow unauthorized persons in the cashier area.
 - c. Do not leave cash items or other confidential items on the counter when you leave your work area.
 - d. Combinations to safes and vaults are to be changed once per year, or whenever an employee who knows the combination leaves the employment of the County, or is transferred to an unrelated function.
 - e. Control all keys to: the facility, safes, cash registers, and cash boxes.
- The opening and closing of the daily operations are the most vulnerable times for a robbery. Cash handlers should use caution by not allowing customers in the facility during the cash opening and closing.

What to do during and after a robbery.

We hope that you are never in a robbery situation; however, if you are, there are a few things you should try to keep in mind. The average robbery takes 90 seconds from start to finish so be prepared to react quickly! Always assume there is a weapon even if you do not see one. Be polite and accommodating to the robber. A nervous, highly anxious person is committing the robbery. The calmer you are, the calmer the robber will remain. Do not endanger yourself or anyone else at any time.

Maintain an ongoing dialogue with the robber. Explain every movement to him or her such as “Now I am taking a key out of this drawer to unlock the...” Avoid making any quick movements that might agitate the robber. Always do exactly what the robber asks, no more and no less. If, for example, the robber asks for all your larger bills, \$10 and over, do not give him or her your fives, ones or coins.

Sometimes, in the news you will hear about a bank robbery where a teller attempted heroics and was hurt. Do not attempt a heroic act. Do everything possible to get the robber out of the facility as quickly and calmly as possible. Your objective is to protect your safety, not to stop the robbery!

Observe the robber, but do not stare. Try to remember the distinguishing features of the robber (height, weight, scars, skin color, hair color, and length, etc.) You will be asked to describe the robber. Try to make a note of eyeglasses, jewelry, and other distinguishing characteristics. Listen for the robber's voice inflections, name, and slang.

Once the robber has left the facility, lock the facility, activate the alarm if you have one, and do the following:

1. Allow only police and your department officials in the facility immediately after a robbery.
2. Call 911 and stay on the line until the police arrive. 911 will need to know what happened, who you are, and where your facility is located.
3. Prepare to assist police personnel by taking the names and addresses of those who witnessed the robbery.
4. Close your cashier window and notify your supervisor about the robbery.
5. Speak to no one, other than County officials, until you have completed the holdup description form (if witnesses talk to each other, they may become confused about the robber's description.)

Other Emergency Procedures

Your department or facility should have emergency procedures and drills in case of fire, emergency, or natural disaster. Ask your supervisor or manager what emergency procedures are to be followed at your specific facility. Know where all exits are at your facility.

In the situation of a fire, protecting human life is of greater importance than safekeeping County funds. If there is adequate time, (personal judgement is critical here) secure the money in the safe and then vacate the building.

Customer Service

Customer service is a frequently used phrase in County government and is encouraged by the Customer Service Excellence Award program. But what does customer service mean to County cash handlers? Excellent customer service is a transaction with a customer that is accurate, timely, and courteous. Ensuring accuracy means that the fees are correct. Your job will be easier if you make every effort to eliminate errors prior to any exchange of money. If a mistake occurs, do your best to find out what happened and what to do so it does not happen again.



Customer service is an element woven through all aspects of this training and our work as public sector employees. Positive customer service makes our work easier and less stressful. When we do not have to spend time dealing with negative responses from our customers, we have more time for our other job functions. Time spent serving our customers is time well spent.

A common situation for a County cash handler might be that:

1. you have some cash out,
2. a customer is waiting to be helped, and
3. the phone is ringing.

Sound familiar? In what order do you handle all these activities to ensure everyone is served and that County money is secured? Keeping in mind our attention to good customer service, in what order would you handle the three job functions:

- 1.
- 2.
- 3.

It is important as a service provider to learn how others want to be treated. Use the Golden Rule, which states, “Do unto others as you would have them do unto you.” When you have an angry or unpleasant customer, try to soothe their frustration by acknowledging their feelings and try to remedy the situation as quickly as possible. Choose your language carefully, avoiding phrases such as “you have to,” or “you should have.” You are successful when an angry customer is treated courteously and leaves feeling satisfied. Remember, you may occasionally have to be flexible to provide great customer service.

Your customers are not only the general public. You also work with other County departments or other agencies. Take a moment and think about whom you get information from? Who do you give information to? Make a list under the headings of **From** and **To**.

Information

<u>From:</u>	<u>To:</u>
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

Is it complete? Have you thought of everyone? This list represents your customers. Your role as a County cash handler is part of a much larger system. What you do affects many people throughout the County organization. Remember that to your customers, **"The County" is You!!!** Good customer service makes your job easier and helps to conclude a customer's business quickly and effectively. The County's goal is to have its cash handlers be a step above the norm!

Opening Activity

Before you are ready to accept cash at the beginning of the workday, you will need to complete certain tasks. These tasks will vary according to the facility but may include some of the following:

- **When you receive the beginning till fund, arrange coins and currency in a consistent manner.**
We recommend that you use a cash drawer that is divided into separate compartments for different denominations. In most cases, the smaller denominations are located closer to where you position yourself. The larger denominations are further away. This setup helps prevent putting a bill in the wrong slot. The important thing to consider is that you set up your cash drawer in a consistent manner. All bills should be face up and going in the same direction.
- **Verify the dollar amount of your beginning cash.**
If your beginning cash should be \$100, for example, then make sure that is the amount you have by counting it.
- **Change from change fund.**
Be sure to verify any change you receive or are issued from your departmental change fund.
- **Arrange supplies & equipment.**
Before you begin accepting payments, it helps to make sure you have all supplies needed to accomplish the job and that all equipment is in working condition.

Handling Customer Transactions



During your shift, there are some things you will want to remember about monitoring your cash drawer:

1. Lock up all cash and coins in the safe or in the cash drawer except when in use.
2. Never leave your cash drawer unattended.
3. Do not let anyone else touch your drawer, except under direct supervision.
4. Remember that if your cash drawer begins to get full or you have received several large denomination bills, paper clip or rubber band excess currency and transfer that currency from your cash drawer to a secure place.
5. Do not commingle your personal funds with the County's funds.
6. Do not make change unless necessary.
7. Segregate credit card receipts from cash and checks.
8. Some type of receipt is to be prepared for each transaction. Examples of receipts may include one of the following:
 - a. Cash register tape
 - b. Handwritten receipt
 - c. Computer generated receipt
 - d. Box office ticket

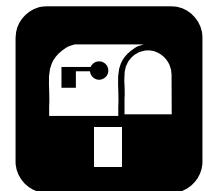
All receipts are to be numbered sequentially and, if applicable, controlled (inventoried) by a responsible person.

9. All types of voids, refunds, and returns are to be immediately documented and verified by a properly authorized employee. The original and correcting entries are to be referenced.



Mail Receipts

The person who opens the mail should be someone other than the employee who handles cash, or has access to payment or accounting records.



A listing of remittances or adding machine tapes should be prepared by the person who opens the mail.

Lists or tapes, or segregated lists or tapes according to types of payments, are to be given to the person who will post the accounting records.

These lists or tapes are to be reconciled to the mail remittance receipts issued.

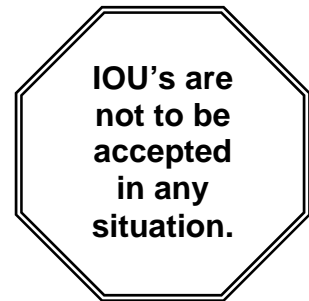
Checks and other negotiable instruments are to be immediately stamped with restrictive endorsements, such as "For Deposit Only," listing the name of the Cobb County department name and account number. **This endorsement stamp is only available from the Finance Department.**

The person who posts accounting records is to recount cash, checks, and other negotiable instruments and resolve discrepancies immediately, before proceeding.

Remittances are to be immediately secured.

Closing Activity

At the end of your work period, document all the County money you received. This involves the balancing of your cash drawer, depositing County funds, securing ending cash, and reporting all cash received. Where cash is concerned, maintaining your accountability and integrity is of vital importance. As a result, the total that you received should be verified by a second person. This dual control can protect you should County funds be subject to loss or shortage.



Cash receipts are to be reconciled daily to "Z" tapes, receipt books, computer generated reports, or some other method that records types and amounts of sales.

All cash activity is to be reconciled daily. Reconciliations are a verification of cash on hand to either the total collections recorded on cash registers, or the total receipts issued for the period.

An explanation of all losses, shortages or overages of cash and cash equivalents are to be immediately reported to the department head.

24-Hour Deposit Policy



Getting the deposit to the bank is very crucial for investments. In support of this effort, County policy states that a County officer or employee who receives monies that total \$100 in cash or \$300 in total receipts belonging to the County in the scope

and course of his or her duties shall make a deposit within twenty-four (24) hours after receipt. Cumulative receipts of less than \$300 will be deposited in the bank in no more than five working days.

Daily balancing must be completed regardless of a daily deposit.

The sooner County monies are received by the bank, the sooner that money can start earning interest as a result of short-term investments. We need to put money to work as quickly as possible. By depositing within 24-hours, excluding holidays and weekends, the County can account for all funds received and make more money from investments.



Balancing Your Cash Drawer

At the end of your shift, you are to account for all increases and decreases of cash in your cash drawer. This process is referred to as balancing, or the accounting of all County funds received that day.

Balancing involves: adding currency, coins, credit card sales slips, and checks; and determining the dollar total from the permanent record (receipt total) versus the total funds received. These two dollar amounts should be the same. To protect your safety, your balancing should occur out of public view in a secure location away from the collection area.

As a cash handler, you have your own method for balancing your drawer; however, these are several common steps:

1. Remove all currency, coins, credit card sales slips, and checks from the cash drawer. Count your currency and list by denomination on a daily cash count sheet designed by your department or facility. You should count the money as many times as it takes to get the same (balanced) total **twice**.
2. Cash handlers should list all credit card drafts and checks on two (2) separate adding machine tapes. The total of the tapes and the number of drafts and checks are to be transferred to the respective deposit slips and to the daily cash count sheet for reconciliation.
3. Cash handlers should then prepare the till fund balance from the remaining cash on hand to bring the change fund back to the preferred mix of currency denominations as determined by your department.

Loss or Shortage/Overage

The Finance Department makes a clear distinction between a "shortage" and a "loss" of County money. The key difference is determined by the cash handler's ability to obtain physical custody of the money and how a person safeguards the money. A shortage is an unintentional collection error such as a change making error. The cashier either did

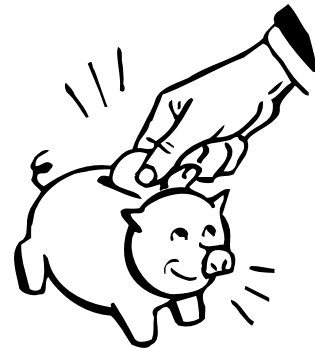
not collect enough money from the customer or gave back more money than was due. An overage occurs when a cash handler collects too much money and cannot immediately return the excess to a specific customer or returns too little change.

A "loss" of County money occurs when a cash handler has obtained physical custody of the money and then due to reasons such as negligence, act of God, or an unlawful action, cannot deposit the money. Examples of negligence are leaving County money unattended, or not following departmental standards so money is lost or stolen.

Bank Deposit

Bank deposit slips are valuable, and should be secured in the same manner as cash receipts and cash. Their availability is to be limited only to authorized persons.

Bank deposit slips are to be prepared in a manner that will allow the deposit composition to be reconciled including the number of checks. Copies of checks are acceptable records.



The Finance Department suggests that cash handlers fill out an original and at least two copies of the deposit slip. Deposit slips should be legible and completed in pen only.

These deposit slips should be distributed as follows:

- ❖ The original deposit slip and one copy go with the cash to the bank.
- ❖ The bank verified receipt (a fax copy is acceptable) is attached to the Cash Receipt Document that is used to make the entry into the County's computerized financial system, or which is sent to the Finance Department for entry. The computerized accounting system will indicate that an entry has occurred and will verify the documentation has been received.
- ❖ The department for its internal records retains one or more copies of the deposit slip.

Armored Car

Below are the steps to follow should an armored car pick up your daily deposits:

1. The cash handler or another designated County employee prepares a receipt that lists each item or group of items to be picked up.

2. Armored car personnel will sign the receipt in acceptance of the deposit and provide a copy of that receipt to the department. This receipt should include the pick up date and the number(s) impressed on the deposit bag(s).
3. Cash handlers are encouraged to identify armored car personnel by requesting to see their identification and comparing the ID against the armored car company's authorization list.
4. Attach the "tear off" strip from the tamper-proof deposit bag to your copy of the armored car receipt and keep this receipt on file for 90 days.

Night Deposits

Some County facilities prefer to remove all County money from their collection or receiving location by depositing them nightly at an approved location. All night deposits are to be contained in the tamper proof deposit bags. The Finance Department strongly recommends that whenever possible two people should take these deposits to the bank.

Deposit Responsibility

Each department is responsible for recording, reporting, and confirming all revenue activity and making all deposits-day, night, weekend, and holiday. This includes armored car or any other deposit methods.

Cash Receipt Document

The Cash Receipt Document (CR) is an important form in the cash receipting process.

In order to complete the deposit of County funds, cash handlers and/or other designated department employees are to complete a deposit slip, and a Cash Receipt Document (CR). A CR is a document entered into the County financial system that records the deposit as County revenue. The revenue will be reflected in the Advantage Financial System only after a CR has been submitted and approved.

Summary

Remember there are several different steps in cash handling from Receiving funds, Receipting funds, Securing funds, Depositing funds, Balancing funds, and Reporting funds. In order to ensure accountability, we need all these steps to be completed diligently, accurately, and efficiently.

We would like to know what ideas you may have for improving either the content or the format of this manual. We also would like to hear your cash handling success stories. Give us a call or send us a memo.

OK, so now it is your turn to put all this information together by participating in the questions and answers exercise. If you forget some detail, do not hesitate to look it up in this manual.

Chapter Three: Financial Operations

Questions & Answers

1. If your cash handling location is remote and has a limited amount of patrons, which of the following actions should **not** be considered to deter robberies?
 - a. Discontinue operations.
 - b. Trim shrubbery.
 - c. Add street/yard lights.
 - d. Display a weapon.
 - e. Keep alarms in good working order.

2. Changing combinations to safes (vaults) at least once per year will best assist Cobb County in which of the following?
 - a. Keep the locksmith familiar with Cobb County locations.
 - b. Keep employees who use the safe alert.
 - c. Give management something to do.
 - d. Help prevent robbery.
 - e. None of the above.

3. What should be done first when faced with a robbery?
 - a. Run.
 - b. Prepare to react quickly.
 - c. Get mad.
 - d. Tell the robber to go away.
 - e. Call your supervisor.

4. Which of the following actions is out of sequence immediately after a robbery?
 - a. Lock the facility and activate the alarm.
 - b. Call 911.
 - c. Call your supervisor.
 - d. Make notes on the robbery information.
 - e. Visit the restroom.

Chapter Three: Financial Operations (continued)

5. Which of the following is **not** a responsibility of a competent cash handler?
- Assist with other cash handling.
 - Balance all cash receipts daily.
 - Treat customers as you would want to be treated.
 - Stop a robbery.
 - None of the above.
6. Opening cash activities should include which of the following:
- Getting a cup of coffee.
 - Arriving on time.
 - Visiting the restroom.
 - Turning on the lights.
 - Confirming the correct amount of money assigned to you.
7. Which of the following is **not** a receipt?
- Cash register tape.
 - Computer data.
 - Parking ticket.
 - Box office ticket.
 - None of the above.
8. Which is the best method of monitoring a cash drawer?
- Keep it locked when not in use.
 - Document all refunds.
 - Transfer excess currency to a secure place.
 - Do not commingle personal funds with County funds.
 - All of the above.
9. Shortage and loss are two terms that explain causes for incorrect amounts of money being reconciled. Differences between shortage and loss can be explained by all but one of the following. Which one is **not** an acceptable explanation of shortage or loss?
- Unintentional collecting error.
 - Unintentional change making error.
 - Act of God.
 - An illegal action.
 - None of the above.

Chapter Three: Financial Operations (continued)

10. What time period best describes the amount of time that cannot be exceeded for making a deposit, after more than \$100 in cash has been received?
- a. 48 hours.
 - b. 36 hours.
 - c. 24 hours.
 - d. Once per week.
 - e. After each work period.



Key: 1. d, 2. d, 3. b, 4. d, 5. d, 6. e, 7. c, 8. e, 9. e, 10. c

VOCABULARY

Altered currency: Currency that has been changed or tampered with in order to attain a greater amount for the currency than its face value.

Bank check (also called treasurer's check, official check, or cashier's check): Check drawn by a bank on itself and signed by an authorized officer.

Bank money order: Check drawn by a bank on itself. The amount is encoded by the customer's bank, and the customer completes the rest of the check. There is always a maximum limit to a check amount, and sometimes a small service fee.

Beginning cash: Cash in cash handlers' drawer at the start of the day or shift.

Cashier (cash handler): An employee, contractor, or volunteer who handles cash transactions for any of the various operations of Cobb County.

Cash drawer: Drawer used to store currency, credit card sales slips and checks during cash handler's shift when completing transactions. This drawer should always be locked when the cash handler is away for any reason.

Cash receipt document (CR): The County's computerized financial system document that records revenues/deposits for a specific department.

Check: Draft or order on a bank, to be drawn upon a deposit of funds for the payment of a certain sum of money to a person named or to a bearer, and payable on demand.

Counterfeit: Currency or coins that have been fraudulently manufactured. Creating counterfeit money is a felony.

Currency: Any form of money in actual use as a medium of exchange.

Deposit: To leave money with a bank for credit to a bank account.

Deposit slip: A paper form on which a depositor lists cash and items deposited.

Drawee: The bank or financial institution from which a check or payment of money is drawn.

Drawer (Payer): The party who is issuing and signing the check.

VOCABULARY

Dual control: A situation in which two people work together cooperatively in the verification of one another's work. Method of maintaining security whereby two individuals must be present during transactions involving risk. Dual control is accomplished through the proper segregation of key and combination assignments for entry into secured areas.

Ending cash: Cash in a cash handler's drawer at the end of the day or shift.

Endorsement: Signature is placed on the back on the reserves document to make it payable, to approve it, or to comment on it. No foreign currency is to be accepted by County operations for goods or services, including checks, money orders, and travelers' checks.

Forgery: The alteration of a document or instrument with fraudulent intent.

Fraud: An attempt to obtain funds in other than appropriate and legal means.

Hold: The restriction of payment of part or all of the funds in an account.

Identification: Information piece that guarantees that its holder is truly who he or she claims to be, and who is detailed on the information piece.

Legal tender: Currency that may be offered in payment of a debt and that a creditor must accept.

Loss: A cash handler obtains physical custody of money and then, due to negligence, theft or natural disaster cannot deliver that money for bank deposit.

MICR (Magnetic Ink Character Recognition): Magnetic codes on the bottom of the check that indicate bank account number, check number and dollar amount of check that provides a way for the machine to read the check.

Money: A commodity that is legally established as an exchangeable equivalent of all other commodities and is used as a measure of their comparative values on the market.

Negotiable instrument: Written promise to pay – such as a check, promissory note, draft, or bill of exchange – payable to order or bearer and transferred by endorsement.

NSF (Non-sufficient funds): Indicates that the drawer's account balance is less than the amount of a check or withdrawal order presented for payment.

VOCABULARY

Overage: Amount by which cash or its equivalent exceeds the proper balance.

Over/short account (6593): Specific financial management account that departments use to document when accountable funds are over or short.

Payee: Party to whom a check is payable. Checks should be made payable to Cobb County.

Payer (Drawer): Party who is issuing and signing the check.

Postdated check: Check dated ahead. It is not payable until the date specified. Thus, a postdated check issued July 1, but dated July 15, is not payable until July 15.

Returned item: An item returned unpaid by a payer bank.

Shortage: An unintentional collection error made by a cash handler, such as, not obtaining physical custody of money, or making an error when change was made.

Stale dated check: Check is for a prior date 180 days or more before today's date. Bank will no longer honor check.

Stop payment: Notification that a restriction has been placed on one's ability to cash a particular check. If a check has been lost or stolen, or if payment no longer should be made, a stop payment is initiated by the customer.

Till fund: Moneys (funds) used as a basis for performing business transactions, and contained in a drawer, small safe, or compartment.

Travelers' check: A check that has been purchased by a customer for cash, usually used by persons on business or vacation trips.

The Outline...

- I. Receive Funds
- II. Receipt Funds
- III. Secure Funds
- IV. Balance Funds Daily
- V. Deposit Funds
- VI. Report Revenues

The Outline...

I. Receive Funds

A. Opening Activity/Cash Drawer Setup

1. Each cashier is to be assigned his/her own cash drawer, and be held responsible for the funds contained in it.
2. The beginning cash amount of the cash drawer is to be verified at the start of each cashier's work period. If the beginning cash should be \$100, then it should be counted to ensure that is the amount in the drawer.
3. Needed adequate change is to be "bought" not loaned from the departmental change fund, as needed.
4. Coins and currency are to be arranged in a consistent manner. Smaller denominations are to be located closer to where the cashier is positioned, larger denominations are to be farther away.
5. Ensure you have an adequate quantity of supplies you need and that all equipment is in working condition.

6. Test alarms on a periodic basis, if they are in place, to verify they are functional.

B. Operational Activity of Receiving Funds.

1. Security
 - a. Cashier personnel access is to be limited.
 - b. Cashiers are to control keys to their cash drawers.
 - c. All legal tender is to be secured in cash drawer, lock box, or register.
2. Current price lists for goods and services are to be readily available and in use for computing billing amounts.
3. General cash handling guidelines are as follows:
 - a. Employee personal checks are prohibited.
 - b. No payroll checks are to be cashed.
 - c. No IOU's are to be accepted.
 - d. Personal funds are not to be commingled with County funds.
 - e. Each transaction is to be completed before starting another.
 - f. All cash returned as change is to be counted twice in the presence of the customer.
 - g. Keep the amounts of cash in cash drawers to a minimum.
4. Checks
 - a. Are limited to those payable to "Cobb County".
 - b. Recommend satisfactory identification.
 - c. Are to be endorsed immediately, unless the department policy is to endorse at the end of each work period.

5. Credit cards
 - a. Are to be immediately authorized, electronically or by telephone if necessary.
 - b. Signatures on the credit card sales slips are to be immediately compared with credit card signatures.
 - c. Credit card sales slips are to be separated from cash and checks in cash drawers.

6. Refunds, Voids, and Returns
 - a. Are to be immediately documented.
 - b. Are to be immediately verified by an authorized person.
 - c. The original entry and the correcting entry are to be referenced.

The Outline...

II. Receipt Funds

- A. A receipt of some fashion is to be prepared and distributed to each customer for every transaction. A reciprocal or complimentary copy is to be maintained by the issuer. A sample of a handwritten receipt is shown in Appendix C.

- B. Examples of receipts are: cash register tape, handwritten receipt, computer-generated receipt, and box office ticket.

- C. Receipts are to be controlled by imprinted numbers, and inventoried. Blocks of pre-numbered receipts are to be issued in numerical sequence.

- D. Mail receipts
 1. The person who opens the mail should be someone other than the employee designated as the cash handler, or the one who has access to payment or accounting records.

2. Remittances or adding machine tapes of the remittances are to be prepared by the person who opens the mail.
3. Lists or tapes, or segregated lists or tapes, according to types of payments, are to be given to the person who will post the accounting records.
4. The list(s) or tape(s) are to be reconciled to the mail remittance receipts issued.
5. Checks and other negotiable instruments are to be immediately stamped with restrictive endorsements, such as "For Deposit Only", listing the department's name and bank account number.
6. Proper cash handling procedures should preclude the distribution of checks or money orders to other operating elements of the organization before they are presented to a cashier of the department.
7. The cashier should recount the cash, checks, and other negotiable instruments and make the results known to the presenter of the mail remittances.
8. Discrepancies should be resolved before the remittances are accepted and a receipt posted.
9. The cashier is to prepare a separate receipt for each group of remittances received and credit each account as appropriate.
10. Cashier should inspect the negotiable instruments to ensure that they are restrictively endorsed.

III. Secure Funds

- A. All funds are to be secured when in use, or when held for future use or deposit.
- B. Combinations to safes and vaults are to be changed once a year, or whenever an employee who knows the combination leaves the employment of the County, or is transferred to an unrelated function.

IV. Balance Funds Daily

- A. Activity of each cashier is to be reconciled at the end of her/his work period. All cash overages, shortages, or losses are to be identified.

- B. Balance a cash drawer using the steps listed below.
1. Remove and count all the cash drawer's currency, credit card receipts, and checks, at least twice. Count as many times as needed to get the same total twice. Bundle the bills and wrap the coins when possible.
 2. List all monetary counts by type on either an adding machine tape or a deposit slip and transfer the number of items and the total amounts to the daily cash count sheet. All monetary instruments are to be restrictively endorsed "For Deposit Only" to Cobb County at this point.
 3. Daily balancing is accomplished by determining a "Total Amount To Be Accounted For" (Net Sales) and comparing this amount to a "Total Amount Accounted For". Currency, checks and credit card sales slips available for deposit should add to the same total amount recorded, assuming beginning and ending till balances are the same, and any change needed for operations is "bought" from department change fund reserves.
 4. An Over (Short) report is to be completed regardless of the amount, as stated in the Cobb County Finance Department Policies and Procedures Manual, Procedure Number AG-430. A sample of the Over (Short) report may be found in Appendix C.

V. Deposit Funds

- A. Bank deposits are to be made daily, when collections on hand exceed \$100 in cash, or \$300 in any currency combination, or at least once per week when amounts are less.
- B. Access to blank deposit forms are to be limited to those persons authorized to make deposits. A sample of a deposit slip may be found in Appendix C.
- C. Bank deposit slips are to be prepared in a manner that will allow the deposit composition to be reconciled, i.e. currency by totals and checks by number of checks, or check number/name. Bank deposits of credit card vouchers are to be made on deposit slips separate from currency/check deposits. Two equal adding machine tapes should be attached to all checks and all credit card sales slips.
- D. Bank deposit slips are to be completed with a ballpoint pen and are to produce carbon copies, i.e. an original and two carbons. The original and

one copy are to be taken to the bank with the deposit. The remaining carbon copy is to remain at the department as its record of the deposit. A bank verified deposit slip is to be attached to the Cash Receipt Form which is forwarded to the Finance Department.

- E. Deposits are to be taken to the bank at different times using alternate routes to ensure that no specific pattern is established.
- F. Depositors should be instructed to go directly to, and return directly from the bank without making any stops en route.
- G. Copies of bank confirmed (verified) deposit tickets returned from the bank are to be used to report revenues into the County's accounting system.

The Outline...

1. The amount on the retained department copy of the deposit slip is to be matched with the bank confirmed (verified) copy amounts.
2. Bank confirmed (verified) deposit information is to be posted to the County's computerized financial system via a Cash Receipts Document (CR) entry.

VI. Report Revenues

- A. The accounting records maintenance function is to be segregated from the collection, and deposit control funds.
- B. All accounting transactions, including bank deposits, are to be entered into the County's computerized financial system by authorized department personnel, or by personnel in the Finance Department. A sample of computer screens may be found in Appendix C.
- C. Information from bank verified deposit slips is entered into the financial system when received. A computerized Cash Receipt Input Form document (CR) is used to enter deposit data, and upon its completion, will generate certain information that is needed to prepare a manual Revenue Cover Sheet that is forwarded to a respective Fund Accountant in the General Accounting Section of the Finance Department.
- D. CR entries and Revenue Cover Sheet data are to be completed as verified bank deposit slips are returned from the bank. This timing is daily for

those departments that make their deposits in person. There could be a two-day delay on making entries for departments that use armored car services. A sample of the Revenue Cover Sheet may be found in Appendix C.

Here's Just a Sample...

Receipts

The following is a type of receipt that indicates all the data that should be included to complete the receipting step:

RECEIPT	No. 822	
COBB COUNTY, GEORGIA	Date (1) _____, 20____	
Received From (2) _____		
Address (3) _____		
Amount (4) _____		
Dollars (5) \$ _____		
For (6) _____		
Account No. (7)	Amount (8)	
		Finance Department BY: (9) _____

Although each department may have a different type of receipt, the following numbers correspond with the receipt above. All the following information is recommended when completing a receipt.

1. **Date:** The actual date the revenue is received and the receipt is written.
2. **Received From:** The full (first and last) name of the person or organization making the payment.
3. **Address:** The address of the person making the payment (include city, state and zip code).
4. **Amount:** The total amount of revenue received, shown in words.

5. **Dollars \$:** The total amount of revenue received, shown in numbers.
6. **For:** The purpose for which the payment was made.
7. **Account no.:** The Agency/Org./Account where revenue is to be assigned.
8. **Amount:** If the revenue should be split, specify the amounts that are to be assigned to each applicable Fund-Department-Unit-Sun- Unit-Account.
9. **Received By:** Signature (full name) of staff person (employee) receiving the money.

Here's Just A Sample...

REVENUE REPORT	
OVER (SHORT) EXPLANATION	
DEPARTMENT _____	
TOTAL AMOUNT OVER (SHORT) \$ _____	
DATE OF REVENUE REPORT _____	
CAUSE OF OVER (SHORT) AMOUNT _____	

STEPS TAKEN TO INVESTIGATE OVER (SHORT) AMOUNT _____	

STEPS TAKEN TO PREVENT REOCCURENCE _____	

_____	_____
DEPARTMENT HEAD	DATE
<p>Attach this form to the Revenue Report sent in to the Finance Department whenever an over (short) entry is made on the Revenue Report.</p>	

Here's Just A Sample...

Deposit Ticket

One original and two carbon copies.
Use a ballpoint pen, so writing will
be legible on all copies.

1. **Date:** the actual date of deposit
2. **Preparer's Name:** first and last name should be on the deposit ticket.
3. **Cash Total**
4. **Check Total**
5. **Check Number(s)**
6. **Payer**
7. **Amount**
8. **Total at bottom** = Cash plus Check(s)

Reconcile twice and attach two calculator tapes to the deposit slip. The two tapes should reflect the same amount of the deposit on both.

64-22/610
BRANCH 65088

CCBOC-010-GENL/DEPO
0318-FINANCE
100 CHEROKEE ST STE 410
MARIETTA, GA 30090-9610

DEPOSIT TICKET TO BE FILLED IN BY THE DEPOSITOR. THIS TICKET IS NOT VALID UNLESS IT IS ACCOMPANIED BY THE CHECKS AND CASH TO BE DEPOSITED.

⑆5405⑆9527⑆200064850272⑆⑆

WACHOVIA
Wachovia Bank, N.A.
wachovia.com

CASH MANAGEMENT DEPOSIT
TO REORDER CALL 1-888-288-4041

TOTAL ITEMS \$

DATE _____

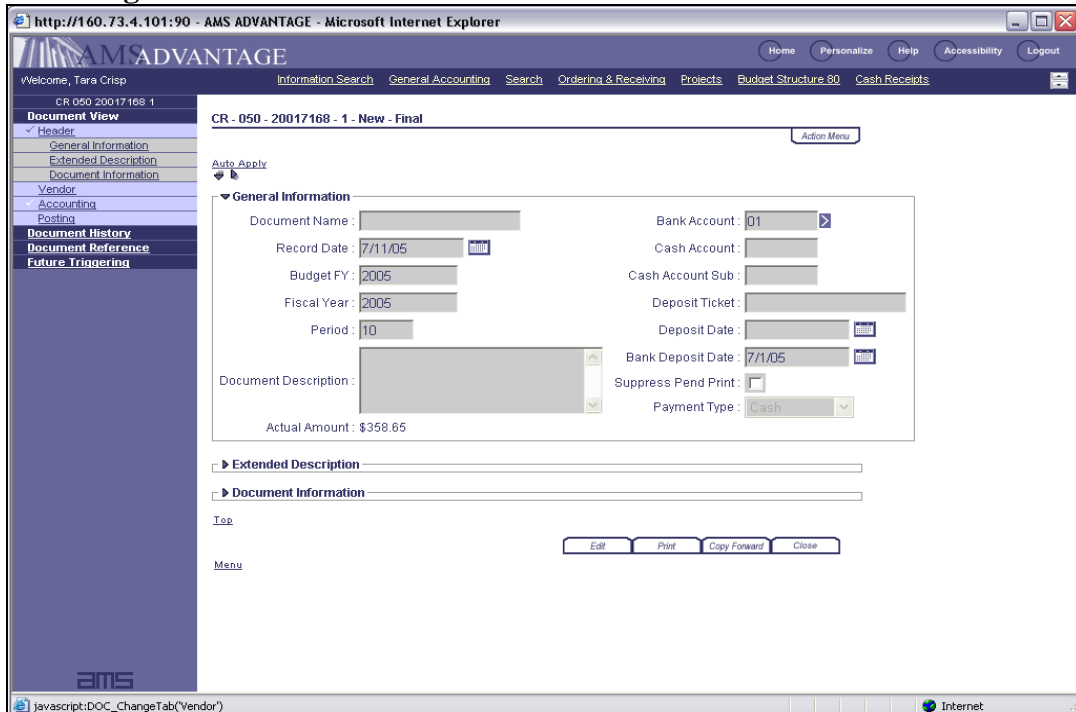
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
ENDORSE & LIST CHECKS SEPARATELY OR ATTACH LIST

		DOLLARS	CENTS
CURRENCY			
COIN			
TOTAL CASH			
CHECKS			
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
TOTAL FROM ATTACHED LIST			

← CASH ON HAND
→

Here's Just A Sample...

Advantage Financial CR Screen



http://160.73.4.101:90 - AMS ADVANTAGE - Microsoft Internet Explorer

AMS ADVANTAGE Home Personalize Help Accessibility Logout

Welcome, Tara Crisp Information Search General Accounting Search Ordering & Receiving Projects Budget Structure 60 Cash Receipts

CR 050 20017168 1

Document View

- Header
- Vendor
- Accounting
- General Information
- Reference
- Fund Accounting
- Detail Accounting
- Posting
- Document History
- Document Reference
- Future Triggering

CR - 050 - 20017168 - 1 - New - Final Action Menu

Accounting Line	Line Amount	Event Type
1	\$358.65	AR02

Insert New Line Insert Copied Line First Prev Go To Next Last

[Vendor 1](#)

Accounting Details

General Information

Event Type: AR02 Budget FY: 2005
 Line Type: A Fiscal Year: 2005
 Line Type Name: Principal Period: 10
 Accounting Template: 4802 Reason:
 Line Description: pass fares for 06/29/05
 curr/coin/checks Reclassification Date:
 Reclassification Held:
 Line Amount: \$358.65
 Refunded Amount: \$0.00

Reference

Fund Accounting

Fund: 200 Department: 050 OBSA:
 Sub Fund: Unit: 4802 Sub OBSA:
 Object: Sub Unit: 4802 Dept Object:

Here's Just A Sample...

Revenue Cover Sheet



REVENUE COVER SHEET

Department _____

Contact: _____

Phone #: _____

Date to Finance: _____

DOC ID NUMBER	DEPOSIT DATE	DEPOSIT AMOUNT
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
CR	/ /	\$
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CR	/ /	\$
CR	/ /	\$

Here's Just A Sample...

CASH DRAWER CLOSING WORKSHEET

NAME: _____

DATE: _____

DENOMINATION

VALUE

\$0.01 ----- _____

\$0.05 ----- _____

\$0.10 ----- _____

\$0.25 ----- _____

\$0.50 ----- _____

TOTAL COINS _____

\$ 1.00 ----- _____

\$ 5.00 ----- _____

\$ 10.00 ----- _____

\$ 20.00 ----- _____

\$ 50.00 ----- _____

\$100.00 ----- _____

NUMBER OF CHECKS _____

TOTAL CURRENCY _____
TOTAL OF CHECKS _____

MISC. ADJUSTMENTS _____
(Explain on the Other Side)

LESS OPENING TILL (_____)

TOTAL ACCOUNTED FOR _____

TOTAL TO ACCOUNT FOR (Z TAPE TOTAL) _____

OVER/SHORT AMOUNT _____

EMPLOYEE'S SIGNATURE _____

BEGINNING TILL AMOUNT FOR FOLLOWING DAY _____

DOUBLE CHECKED WORK _____ YES _____ NO INITIALS _____

DEPOSIT VERIFIED BY _____

ERRORS NOTED _____

Acknowledgements:

City of Seattle, Washington; Department of Finance

Sources:

**Cash Handling Training Manual, City of Seattle
Cash Handling Policy, Cobb County Finance Department**

Cobb County Government does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.