



SUBJECT

CASH

I. GENERAL CASH POLICIES

There is a relatively high risk associated with transactions involving cash; thus a strong system of internal control is required. Accordingly, the following policies must be adopted and followed:

- A. Segregation of duties must be the first priority of an agency when handling cash receipts and disbursements and record keeping functions.
- B. Cash received must be deposited with the State Treasurer intact and on a timely (daily) basis.
- C. Cash must be properly safeguarded and recorded.
- D. All bank accounts must be approved by the state Treasurer and the Department of Administration and must be reconciled monthly.
- E. Access to cash must be limited to as few employees as possible.
- F. All employees who handle cash must be bonded.
- G. All cash received must be controlled with prenumbered cash receipts or cash register tape may be substituted for prenumbered cash receipts.
- H. All checks received must be restrictively endorsed "For Deposit Only, (Name of Agency)".
- I. All NSF checks and debit and credit memos must be controlled and followed up by individuals independent of the cash function.
- J. All disbursements must be made by State Warrant, except for revolving fund (imprest account) disbursements which are made by check.
- K. All paid invoices must be canceled to prevent duplicate payment.
- L. All safe combinations and keys to cash boxes or files must be restricted to only an essential number of employees.
- M. Personal checks must not be cashed or used as an IOU to replace cash.
- N. Written procedures on all cashiering and cash controls must be maintained by each agency.
- O. For specific questions on cash receipts and cash disbursements, refer to the appropriate Accounting Manual section.