

**CITY OF WEST ALLIS
RESOLUTION R-2021-0458**

**RESOLUTION TO REPEAL AND RECREATE CASH HANDLING POLICY (POLICY
1212)**

NOW THEREFORE, BE IT RESOLVED as follows:

SECTION 1: **REPEAL** “1212 Cash Handling Procedures; Cash Collections; Cash Registers; Cash Receipt Forms; Bank Deposits; Petty Cash Funds; Change Funds” of the City Of West Allis Policies & Procedures is hereby *repealed* as follows:

R E P E A L

~~1212 Cash Handling Procedures; Cash Collections; Cash Registers; Cash Receipt Forms; Bank Deposits; Petty Cash Funds; Change Funds~~ (*Repealed*)

~~GENERAL PROCEDURE~~

1. **PURPOSE:** To provide specific criteria to ensure adequate control over and security of cash handling and banking operations of the City of West Allis including collection, deposit and disbursement. It should be noted that cash and banking operations include all forms of legal tender. These are the minimum procedures to be adopted for cash handling within all City of West Allis operations. Departments may initiate additional requirements as warranted. Additional requirements should be documented in departmental records. The Finance Division will conduct periodic audits of these procedures to ensure compliance and proper implementation
2. **ORGANIZATIONS AFFECTED:** All City of West Allis Departments and Divisions.
3. **OBJECTIVES**
 - a. To ensure:
 - i. Proper handling of cash received by all areas of the City.
 - ii. That adequate records for cash receipts are maintained by the City.
 - iii. That cash handling system changes are not made without prior authorization of the Comptroller.
 - iv. That adequate control exists over the issuance of City receipts.
 - v. The security of all cash funds in the City.
 - vi. The security of funds held for deposit.
4. **POLICY:** It is the policy of the City of West Allis to require the Comptroller’s approval prior to establishment of all cash handling operations whether for cash collections, petty cash funds, change funds, or special events. When approved, the Department/Division becomes responsible for custody of the funds. Any overages or shortages of material dollar amounts will be reported to the Comptroller who will then notify the Common Council if the situation is warranted. The City will not accept claims for lost/stolen money under any circumstances unless approval of the fund was provided by the Comptroller prior to the loss. No bank account is to be established for

the purpose of transacting City business without written authorization of the Comptroller.

5. PROCEDURES:

a. All Departments/Divisions shall:

- i. Utilize cash registers where applicable for cash collection (does not include petty cash funds or change funds).
- ii. Prepare specific, written procedures that are unique to the department/division or which may be necessary beyond the general, overall Cash Handling Policy and Procedure.
- iii. Identify/designate a specified but limited number of staff to handle cash collection.
- iv. Provide individualized training to those employees.
- v. Limit collection of cash by employees “in the field.”
- vi. Any cash collected “in the field” should be run through departmental registers upon the employee’s return to the department.
- vii. Like/kind items may be receipted together in one transaction to eliminate excessive transactions. Such items are usually unique to the operating department and fall under the discretion of the department head. (For example: a nurse may be visiting a school to give flu shots. In such cases, it would be impractical to receipt each individual shot and instead a group of 50 shots might be receipted in as one transaction.)

b. Request for Cash Handling Operations

- i. All cash handling operations shall be requested by a memorandum to the Comptroller.

(1) Cash Collections Operations or Special Events Any requests for such service will state:

- (A) The need for such service;
- (B) The designated employees who will have responsibilities and approvals;
- (C) The estimated volume and size of operation. NOTE: Except where distance, volume or service dictate the necessity of a subsidiary cash collection operation, individual transactions will be handled through the Clerk/Treasurer’s Office in City Hall.

(2) Requests for Petty Cash Funds or Change Funds Any request for such funds will state:

- (A) The need for such fund;
- (B) The name of the fund custodian, and specimen signature;
- (C) The amount of fund required. The request is to be signed by the Department Head. Any request for a change of custodian must also be signed and sent to the Comptroller with a specimen signature of the new custodian.

c. Form Control

- i. The inventory of unused cash transmittal forms, tickets, donation transmittal forms, bank deposit forms or other forms used in the recording of revenue will be retained in a secure location within the Department/Division.
 - ii. No City employee or department may purchase forms (including tickets) or purchase, rent or lease cash registers to be used in the collection of revenue without the prior approval of the Comptroller.
 - iii. The department employee responsible shall ensure that all transmittal forms are used in sequence. All forms received by the department must be accounted for and at least one copy of transmittal form is to be returned to the City Clerk/Treasurer's Office with departmental deposits.
 - d. Transportation of Daily Receipts to Clerk/Treasurer
 - i. For security reasons, the transportation of daily transmittal forms from departments outside of City Hall to the City's Clerk/Treasurer's Office will be made using bank bags authorized by the Comptroller. Such bags will be lockable with keys being held only by the department and the City Clerk/Treasurer. Assuming that the departmental employee transporting the bag is not the department/division head or the normal custodian of the funds, the transporting employee should not have access to a key from the time the funds leave the department/division to the time the transport arrives at the Clerk/Treasurer. The deposit schedule will incorporate the following:
 - (1) The drop-off schedule should be run, if practical, once a day, Monday through Friday.
 - (2) Whenever practical, the drop-off should be made prior to 3:00 p.m. to enable the City Clerk/Treasurer to receive funds and to make bank deposits at the earliest possible time.
 - (3) A method of returning empty deposit bags.
 - ii. Departments within City Hall should hand-deliver deposits and not use Inter-departmental mail.
 - iii. The Treasurer's Office should receipt departmental funds when presented and return receipted transmittal form to department representative. If the Treasurer is unable to receipt the funds immediately and chooses to receipt the funds at a time when a department representative is not present, the department cannot be held responsible for discrepancies in the deposit.

CASH COLLECTIONS

- 1. City Hall, Health, Public Works, Fire, Library, Senior Center
 - a. All cash (including checks and other negotiable instruments) received will be receipted by one of: cash register receipt; cash transmittal form; a permit; a license or other approved form.
 - b. When checks or other negotiable instruments are received, they will be endorsed by the Clerk/Treasurer. The instrument should be stamped or

manually endorsed as follows: "FOR DEPOSIT ONLY TO THE CREDIT OF CITY OF WEST ALLIS"

- c. Generally, third party checks are not acceptable, but under certain circumstances, if an instrument is acceptable and is payable to someone other than City of West Allis, then the payee shall endorse the check as follows: "PAY TO THE ORDER OF CITY OF WEST ALLIS (signed by Payee)"
 - d. Post-dated checks are not to be accepted. Checks should not be accepted for an amount greater than the transaction amount. An exception to this would only be the acceptance of tax escrow checks for the payment of property taxes.
 - e. All checks returned by the bank will be received by the City Clerk/Treasurer who will contact the depositing department for follow-up. Departments may institute their own collections procedures where they feel they are in the best position to collect NSF funds or restrict access to City Services or Programs until such time as NSF funds are collected.
2. Police Department
- a. The Police Department will abide by all the above procedures, except for the return of NSF checks. The Police Department will follow up on any NSF notifications it receives.
 - b. If NSF checks are not made whole and the Police deposit of the NSF funds has been made to the City Clerk/Treasurer, a refund request will be made by an authorized official of the Police Department and a voucher for repayment of NSF funds to the Police Fines account will be submitted to the Finance Office.

~~CASH REGISTERS~~

1. Cash registers shall provide the following:
 - a. Machine reset numbers for control of machine clearings.
 - b. Sales Journal tapes for providing transaction listings.
 - c. If cash register receipts are issued, the name of City of West Allis should be imprinted if possible. The need for a distinct receipt is required for evidence when granting refunds.
 - d. A clearing tape when the machine is closed at the end of the business period.
 - e. A serial number on each machine for control purposes.

Effective Date: 7/5/00

SECTION 2: **ADOPTION** "1212 Cash Handling Policy" of the City Of West Allis Policies & Procedures is hereby *added* as follows:

ADOPTION

1212 Cash Handling Policy(*Added*)

1. PURPOSE

To assist all City departments by defining and communicating what is an acceptable level of control for cash handling operations. These are the minimum procedures to be adopted for cash handling within all City of West Allis operations. Departments may initiate additional requirements as warranted. Additional requirements should be documented in departmental records.

2. ORGANIZATIONS AFFECTED:

All departments and divisions in the City.

3. OBJECTIVES:

The objectives of this policy are to set forth minimum standards to ensure clear and consistent practice within the City for handling of cash and for limiting not only the City's losses, but also the City's involvement in investigations of losses of funds. This policy standardizes a sound system of cash controls within the City as well as to provide guidance to departments on improving cash handler skill and accountability. Overall compliance with this policy will allow the City to prevent or detect losses related to cash handling and to assign responsibility to an individual in a timely manner to minimize losses. Further, the ability to ascertain individual accountability for each loss will reduce the impact of failing to protect honest employees from unnecessary suspicion. A sound system of cash controls should protect and support employees who do their job with integrity. Employees not involved in cash errors and/or irregularities deserve to work in an organization that insists on a control system that can show their innocence when errors and/or irregularities do occur.

This policy is designed to avoid the following types of circumstances:

- a. A loss or losses of funds,
- b. An inability to detect missing funds,
- c. Detection of missing funds when recovery is no longer possible,
- d. An inability to determine who is responsible for a loss or losses, or
- e. An inability to investigate losses.

4. POLICY:

It is the policy of the City to guard carefully any cash received by City employees. Each employee is expected to demonstrate a positive attitude in protecting the assets of the City. A clear responsibility lies with management to install and maintain a cash handling control system that will prevent, detect, or deter fraud.

Each City employee shall follow a clearly written and approved procedures for all areas of their department's cash handling operation. If possible, cash handling functions should be performed by different people within a cash handling operation.

5. PROCEDURES:-

a. DEFINITIONS

- i. "Cash handling" means the receiving, transmitting, safeguarding, and

depositing of all funds of any type received by the City.

ii.

"Cash handler" means any employee whose job description includes responsibility for receiving, receipting/recording, safeguarding, and/or depositing of City funds of any type.

iii. "Cash Over/Short" means a determination that a cash handler made an unintentional collection error such as not obtaining physical custody of money, a change-making error, or collecting too much money and the excess cannot immediately be returned to the customer.

iv. "Loss of City money" means an incident in which a cash handler obtains physical custody of money and then, due to negligence, an act of God (such as fire or flood), or a theft cannot deposit that money with the City.

v. "Segregation of duties" means a standard in which no single person handles a transaction from beginning to end.

b. CONTROL STANDARDS FOR CASH-HANDLING

i. Procedures should be in place which will ensure that all payments received are processed and that any payment may be traced from initial receipt to final disposition. Each cash-handling operation shall include the following controls, as appropriate;

- (1) Maintain strict control over all receipts.
- (2) Use receipts, either manual or cash register generated, for all intakes of money.
- (3) At a minimum, when issuing manual receipts, use triplicate receipts to allow for a customer copy, cash-handler copy, and a copy that remains in the manual receipt book.
- (4) Have a space indicating mode of payment of manual receipt forms.
- (5) Be sure that receipts are signed or initialed by the person issuing. Receipts generated by a cash register should also indicate the person issuing.
- (6) Encourage all customers to obtain receipts for their payments.
- (7) Have a separate cash box/drawer/register for each person taking in money. Funds accepted by cash handlers should be under single control of that individual. Shared drawers or cash registers accessed by more than one individual are not acceptable. Cash handlers should have sole access to their funds.
- (8) Maintain strict control over the access to funds. Never leave cash or checks unsecured.
- (9) Place a restrictive endorsement on checks at the time of receipt.

(10) Use change funds for making change only. No checks of any type may be substituted for cash. Except when appropriately authorized based on City policy SUBSTITUTING or CASHING OF CHECKS USING CITY CASH IS STRICTLY PROHIBITED. The only two exception for the substitution of checks for cash. City of West Allis checks issued to replenish petty cash funds may be substituted for cash in a deposit to replenish the petty cash fund.

(11) Mail Processing Controls

- (A) Mail should be opened daily to expedite processing of payments received.
- (B) All payments received at City Hall should be routed to the centralized processing area of the Customer Service Center (CSC) and to be processed by cash handlers. If the account receiving information is not available at time of receiving payment, the check must be kept in the safe until it can be receipted.
- (C) Procedures should be established to describe how payments which cannot be accounted for upon receipt should be handled, ie., utility payment received without an accompanying utility bill or a parking fine paid without an accompanying ticket.

(12) Cash Processing Controls

- (A) Cash should be counted in view of the customer and tell the customer the amount they have given to the cash handler.
- (B) All denominations of \$20 or greater must be verified for authenticity using a machine or by hand at the time of payment. Training and instructions are available for detecting and handling counterfeit bills.
- (C) Cash needs to be counted twice to verify the total amount matches. If the totals do not agree, repeat the count until they do. If still unsure or not matching, ask supervisor to verify cash total with the cash handler.
- (D) Once the transaction is completed, all cash is to be put into the cash drawer or cash box before starting a new transaction.
- (E) When preparing receipts for deposit, the employee will verify all cash with Supervisor or other authorized employee, certifying that the amount of

cash removed from the cash drawer is equal to the register generated report.

All cash received at City Hall must be handled in the (F) Customer Service Center (CSC) and to be processed by the cash handlers. If the account receiving information is not available at time of receiving payment, the cash must be kept in the safe until it can be receipted.

- c. SAFEGUARDING FUNDS. Strict control must be maintained over the access to funds at all times. Dual control over the processing and storage of all cash funds should be used, where practical. It is the City's policy that access to vaults and safes shall be limited and the following controls over the processing and storage of all cash funds should be used, where practical.
- i. Individuals handling cash should be provided separate and secure work areas. When single control over cash is expected, each individual should be provided space to achieve single control.
 - ii. Private areas should be provided for cash reconciliation and deposit preparation. Only authorized individuals should be allowed in cash handling areas.
 - iii. Each cash handler is responsible to see that their cash drawer, cash bag, or cash box is locked when they leave their station. No funds are to be left unattended and unsecure.
 - iv. During non-business hours and during business periods where access to cash is not required, all funds are required to be stored in a locked vault, safe or approved cash storage drawer.
 - v. Safes, vaults, or storage drawers should be positioned so that they are not visible to the general public. Partitions, rugs, or barriers should be positioned to hide cash storage receptacles.
 - vi. Vault combinations should be limited to the smallest number of individuals practicable, given the business needs of the work unit.
 - vii. When an individual who knows the vault or safe combination leaves the City employment, the safe combination should be changed promptly.
 - viii. Cash handlers are to be in sole possession of their cash drawer, cash bag, or cash box key.

d. TRANSFERRING AND/OR TRANSPORTING FUNDS. It is the City's policy to require witnessed cash counts and reconciliation's whenever City funds change hands. Whether transferring funds between cash handlers within a work unit or transporting funds between locations, individual accountability can only be maintained by protecting the chain of custody

- i. A cash count and reconciliation will occur whenever City funds change hands.
- ii. Whenever transporting funds between locations, both the relinquishing and receiving custodian of the cash will sign off to complete the transfer of funds.
- iii. Transfer of funds between locations or units should be performed under appropriate security. Regular cash deposits in excess of \$1,000 will be transported between departments to the City Treasurer's Office or to the bank by Police Office when possible.
- iv. All transports of cash between locations will be made in locked transport bags or sealed bank security bags. Couriers will not have keys to the transport bags; only the sending and receiving units will have keys.

e. RECONCILING AND DEPOSITING FUNDS AND RECORDING TRANSACTIONS

- i. Any daily funds or accumulation of funds in excess of \$1,000 must be deposited daily. At a minimum, weekly deposits must be made even when the weekly accumulation of funds does not exceed \$1,000.
- ii. Each cash handler should reconcile on a daily basis. A formal reconciliation should be prepared by the cashier and then approved by a supervisor. A supervisor's review should confirm that the amount of cash indicated on the reconciliation is accurate. Furthermore, the supervisor should ensure that the total receipts equal the cash totals.
- iii. The cash handling and accounts receivable functions should be separate.
- iv. Independent of the cash handling operation, regular reconciliation of bank accounts should be performed and reconciling items should be identified.
- v. Cash receipts documents should be prepared promptly and should be

dated the same day as the funds are deposited in the bank.
Additionally, the documents should be forwarded to the Treasurer's
Office for prompt recording to the general ledger.

f. HIRING, TRAINING, AND EVALUATING CASH-HANDLING
POSITION.

i. Minimum Hiring Qualifications:

ii. An individual may not serve in a City cash handling capacity with
criminal history record information that reveals a recent (within last
five years) and relevant (theft conviction of any kind) conviction.
Cash Handling Training -All individuals required to handle City funds
should be properly trained to do so.

g. REPORTING REQUIREMENTS

i. Any City employee who handles cash shall report as soon as
practicable to their departmental management or to the City
Treasurer's Office:

(1) Any instance which is deemed to be a serious failure to give
proper care to cash, securities, or other valuables whether or
not such failure has resulted in a loss.

(2) Any instance where a City employee has knowledge or
suspicion of a misapplication or dishonest act by another City
employee.

ii. Department heads shall report any loss of funds to the City Treasurer
within 48 hours of when the loss occurred.

h. TREASURER DUTIES. If the City Treasurer receives a report of a loss, the
City Treasurer shall:

i. Conduct whatever investigations or cash control reviews that are
necessary.

ii. Coordinate and collaborate with West Allis Police Department where
appropriate.

iii. Review the policies and procedures of departments documenting
exceptions to and deviations from this policy.

iv. Upon request, assist departments with developing controls to mitigate
the potential effects of exceptions or deviations from this policy.

PASSED AND ADOPTED BY THE CITY OF WEST ALLIS COUNCIL AUGUST 03,
2021.

	AYE	NAY	ABSENT	ABSTAIN
Ald. Angelito Tenorio	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Vince Vitale	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Ald. Tracy Stefanski	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Marty Weigel	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Suzzette Grisham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Danna Kuehn	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Thomas Lajsic	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Dan Roadt	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Rosalie Reinke	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Ald. Kevin Haass	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

Attest

Presiding Officer

Rebecca Grill

Rebecca Grill, City Clerk, City Of West Allis

Dan Devine

Dan Devine, Mayor City Of West Allis

