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INTRODUCTION

Office of Management & Budget / Business Services – Cash Operations provides the following services:

1. **Fiscal Management** -- It is the goal of the Cash Operations Office to ensure the integrity of all financial banking transactions of Metro Government and to facilitate the financial banking workflow of Metro Agencies while providing accurate and timely information to Metro employees, management and the Office of Management & Budget. This includes the following functions:
 - a. Bank Deposits
 - b. Deposit Reconciliation Audits
 - c. Banking Reports
2. **Safekeeping of Assets** – An extension of Fiscal Management includes the day to day safeguarding of the monetary assets of Metro Government. This oversight function is accomplished by on-going reviews of operations, policies and procedures.
 - a. In that capacity, we provide initial reviews, counts and/or investigations of monetary assets, agencies, individuals, programs or incidents in financial issues.

All Financial policies are driven by the Office of Management & Budget and are subject to change accordingly.

FISCAL MANAGEMENT

Policy

Office of Management & Budget / Business Services – Cash Operations must safeguard Metro's assets and protect Metro's monies from theft and misappropriation through a sound internal control system. Cash Operations employees are responsible for reporting all weaknesses, missing assets or funds, security incidents and possible misuse of Metro funds or assets immediately to Supervisor, Manager, Administrator, Business Administrator, Personnel Supervisor. Once placed on notice of possible weaknesses, missing assets or funds, security incidents and/or possible misuse of Metro funds or assets, an individual is to work with management (Business Services – Cash Operations and/or Personnel, as deemed appropriate) for the correction of the situation. To ensure compliance with Metro Policies, agencies, individuals, programs and/or incidents are subject to review at anytime.

The Cash Operations does not draft forms for agencies programs. However, Cash Operations does review paperwork for programs with revenue streams. Paperwork is checked for proper fiscal management and changes are recommended when problems are noted. All forms must reconcile to their individual purpose, in addition to reconciling to other program documentation and related OMB forms. When conducting audits of the program, the Cash Operations Office may check any or all forms to verify that they tie back to each other. This verification of forms ensures the audit trail of financial activity is sufficient to ensure accountability and adherence to policies and procedures.

HANDLING MONIES

Policy

Monies include currency, checks, money orders, bank drafts, and credit card payment. All monies collected for any purpose at any agency is considered Metro Funds and is to be treated accordingly. If a customer has an outstanding fee (due to an insufficient fund check, an assessed charge for damage of facility, etc), no service may be provided until outstanding fee is paid in full, along with the returned check fee if applicable.

Securing Revenue Payments

Policy

All agencies which routinely handle revenue have been provided with a safe and or locking bank bag, which is to be used for each and every financial transaction. A receipt is to be issued for each and every receipt of revenue. The revenue should immediately be placed in a cash register drawer. Agencies without a cash register should secure the revenue in a locking bank bag that is kept in secured location / safe. Always deposit revenues in their entirety.

Under no circumstance can monies be used for expenditures, to supplement petty cash or to cash personal checks.

Checks should not be made payable for an amount greater than the service or goods being paid for, and change is not to be disbursed for payments made by checks. Credit card payments, where applicable, should not be made payable for an amount greater than the service or goods being paid for, and change is not to be disbursed for payments made by credit cards. Third party checks are not to be accepted. DO NOT leave cash, checks or money orders in a desk or other locations in your office. Under no circumstances may an employee retain a small cash fund on site for incidental purchases or change requests.

Procedures

Safe & Locking Bank Bag Procedure

Safes and Locking Bank Bags have been provided for all revenue collection sites. Keys are necessary for drop safe and bank bag entry; the keys will be issued by the Cash Operations Office. The keys are to be held by the agency manager and drop safe keys also by agency supervisor. The agency manager is responsible for the safeguarding of their keys and the assets held in the cash register, locking bank bag and or safe.

It is the responsibility of the agency manager to make sure that all funds are secured upon receipt and procedures are followed. Managers are the first line of defense in the monitoring of Revenue Procedures. Any questionable behavior or missing cash, checks or receipts should be reported to the Office of Management & Budget / Business Services-Cash Operations immediately.

Accepting payments

Payment for services or goods can be made in the form of currency, checks, money orders, bank drafts and credit card. After issuing the customer a receipt all revenue is then to be immediately put into cash register, locking bank bag and or safe. **Do Not** leave currency, checks, money orders or any negotiable instrument in a desk or other location in your office.

Employees are not allowed to collect payment for goods or services for family members. The payments must be accepted by and a receipt given by another employee. Under no circumstance should an employee collect or write themselves a receipt for funds paid for their family and or children.

Always deposit revenues in their entirety. Under no circumstance can monies be used for expenditures, to supplement petty cash or to cash personal checks. Checks should not be made payable for an amount greater than the service or goods being paid for, and change is not to be disbursed for payments made by check. Credit card payments, where applicable, should not be made payable for an amount greater than the service or goods being paid for, and change is not to be disbursed for payments made by credit cards. Third party checks are not to be accepted. Debit card transactions are not approved at this time. Under no circumstances may an employee retain a small cash fund on site for incidental purchases or change requests.

When accepting payments; currency, checks, money orders or bank drafts the site must review the document for correct information:

1. Verify check date - the document must have the current date, post dated checks are not to be accepted.
2. Verify payable to - the document must be made payable to Louisville Metro Government or a reasonable variation, i.e. Louisville Metro Parks, Louisville Fire, Health Department, etc. Checks for Metro Government services, goods or programs should never be payable to an individual.
3. Third party checks are not to be accepted.
4. Body and Figures - the written amount (body) must agree with the numeric amount, if one of the sections is changed the customer must initial the change. A check with both sections changed must not be accepted.
5. All personal checks, money orders, certified checks must be signed
6. Checks that do not have the account number and account holder name pre-printed on the check can not be accepted.
7. Currency must be American currency

Identification required when paying by check:

- A Driver's License Number
or
- A Personal Identification Card Number
or
- A Social Security Card Number
and
- The Customer's Date Of Birth,
- The Customer's Telephone Number,
and
- The Customer's Name and Address
must be printed on the check

A \$50 FEE WILL BE CHARGED FOR EACH RETURNED CHECK.

**ADDITIONAL ADMINISTRATIVE SERVICE FEES
MAY BE CHARGED BY THE COUNTY ATTORNEY
RELATING TO CHECK COLLECTION.**

Receipts – Cash Register and Three-part, pre-numbered receipts

When a customer enters your agency and pays for a service or goods of any type, he/she must be issued a completed receipt. This receipt will list how the customer has paid for the services or goods, and what services or goods were purchased. Receipts are to be issued in numerical order. The cash register receipt is given to the customer. When Three-part receipts are used the original is given to the customer and a copy of the receipt is immediately secured to be sent with the revenue to the Cash Operations Office and a copy of the receipt should be kept for record at the agency. The revenue is to be immediately secured in the cash register, locking bank bag and or safe. If a receipt is voided, the receipt is marked void. The voided receipt with all copies, MUST be turned into the Cash Operations Office. Write hard when filling out these forms, as the original and both copies must be legible. Never let any employee sign receipts ahead and leave the blank receipts in the book. Receipt books other than necessary for weekly usage should be stored under the manager's control. Managers should closely monitor receipt books for receipts taken out of order or from the back of the book, as these could be signs of an employee misdirecting funds.

A sign must be posted in each location stating that customers will always get a receipt and to notify the Cash Operations Office at 574-3713 if they do not receive a receipt.

How to Complete a Receipt

Receipt

1. All receipts should be dated
2. Every receipt has a pre-designed number and each receipt should be in sequential order—never skipping. If receipt number skips it should be noted and documented with an explanation why.
3. Agency issuing receipt
4. Customer's name – Person/Company for whom the payment is made
5. Payment received From – provide name of person paying for services or goods
6. Numerical dollar amount of funds
7. Written dollar amount of funds
8. Indicate services or goods for payment
9. Indicate the form of payment (cash, check or charge) this section needs to be completed
10. Signature of employee collecting funds.

Revenue Reconciliation Reports, Financial Journals and Deposits

Policy

Agencies must submit deposits in accordance with the scheduled courier pickups to the Cash Operations Office.

Deposits must be made whenever funds total \$1,000.00, but not less than once per week

A Revenue Reconciliation Report (Cash Register Report), Financial (Fee) Journal and supporting documentation must to be submitted to the Cash Operation Office when submitting revenue for deposit. Agencies that deposit revenue directly should submit documentation within 24 hours of the deposit to the Cash Operations Office. Deposit slips, endorsement stamps (for agencies directly depositing revenue), and bank bags are to be requested and supplied through the Business Services - Cash Operations Office.

Financial Journal

Once the receipt is completed and the revenue is deposited into the cash register, locking bank bag and or safe. Agencies without cash register system, the transaction is entered into the financial journal. The customer's name, description of activity, amount paid for the activity, receipt number and Employee collecting payment is required. Items should be added to this form throughout the day as customer's come in, not left until the end of the day. The receipts must be listed in numerical order on the financial journal. The journal should be totaled when completely filled in or when the deposit is made. The journal must reconcile to the deposit slips and your copy of the receipts. The original form is submitted to the Cash Operations Office with copies of the receipts, and all voided receipts. Agencies depositing revenue directly at the bank will need to also submit a copy of the validated deposit ticket and copies of checks and money orders. These items must be submitted to the Cash Operations Office within 24 hours of the deposit. A copy of the financial journal and copies of checks are retained at the site, along with the yellow copies of the receipts.

CASH BOX CLOSING REPORT FOR NAME
ON 1/24/2012 AT ALL LOCATIONS

NAME _____

RECEIPT NO	<u>CASH</u>	<u>+CHECK</u>	<u>+CREDIT</u>	<u>=TENDERED</u>	<u>-CHANGE</u>	<u>=TOTAL</u>	<u>+BALANCE</u>	<u>DUE</u>
R12-001521	0.00	100.00	0.00	100.00	0.00	100.00	0.00	100.00
R12-001523	50.00	83.50	0.00	133.50	0.00	133.50	0.00	133.50
R12-001526	0.00	30.00	0.00	30.00	0.00	30.00	0.00	30.00
TOTALS FOR	50.00	213.50	0.00	263.50	0.00	263.50	0.00	263.50

NAME _____

GRAND TOTAL:	50.00	213.50	0.00	263.50	0.00	263.50	0.00	263.50
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Receipt Count: 3

Cash: \$ _____

Check: \$ _____

Credit Card: \$ _____

Credit Online: \$ _____

tal: \$ _____

Over/Short: \$ _____ Justification: _____

Cashier Signature: _____ Date: _____

Verified By: _____ Date: _____

How to Complete the Form

Financial Journal

- Name of Agency
- Date financial journal was completed
- Customer's name
- Payer-person actually paying for good or service
- Invoice Number if applicable
- Description of activity/event
- Payment method (Payment may be in the form of cash, check, money order or credit card)
 - a. Any Check payments need to reference the check number used to pay for service
 - b. Any Money order payments need to reference the Money order number used to pay for service
- Amount Paid for service
- Receipt number issued to customer
- Signature of individual from agency that collected payment
- Total Cash – Grand total of cash
- Total Check/Money Orders – Grand total of all checks and money orders
- Total Credit Card – Grand total of credit card sales
- Total fund collected
- Total Receipts- Total for cash, check/money orders, credit cards lines.
- Signature of person preparing form
- Signature of agency manager

Deposit

Revenue for deposit should be submitted to Business Services – Cash Operations Office each scheduled courier pick-up secured in the locking bank bags provided by the Cash Operations Office. Upon receipt of the revenue and supporting revenue reconciliation documents Cash Operations will audit the financial documents for accuracy and deposit the revenue into the agency's bank account. Cash is deposited into the bank and checks are scanned directly into the bank by Cash Operations staff. Cash will normally post to the bank account within two business days and checks will post to the bank account the day they are received for deposit. Once the deposit has posted to the bank account all documents received related to the deposit are given the agency's Business Administrator and or Business Accountant for additional processing.

Agencies Utilizing A Drop Safe – The envelope drop safe requires the site supervisor and the site manager to open. If one of the authorized employees is not available, the Business Administrator should be contacted in advance to assist in opening the safe. At no time should the site supervisor or site Manager issue their key to someone else. Once the safe is opened by the Supervisor and Manager, the funds in the safe are to be counted. Be sure that you work up your deposit in a secure location, preferably in an office, away from possible interruptions. Funds in the envelopes should balance to the pink receipt in the same envelope. The check or money order should already be on a completed deposit slip and a completed financial journal. All that should be necessary at this point is to total the financial journal if not already totaled, total the deposit slip, verify that the totals match, and initial the deposit slip. Both parties Supervisor and manager should initial the deposit slip. Deposit is put into a bank bag and immediately taken to the bank. If the site does not have a bank bag, contact the Cash Operations Office. At no time during this process, should the funds be left unattended or out of the sight of both employees.

If the site supervisor is short-handed and unable to leave the site immediately, the manager should take the deposit with him/her and make the deposit immediately. If this happens, the manager is to fill out one of the three part receipts, the manager keeps the white copy with the site, retaining the pink and yellow copies, and this relieves the supervisor of the responsibility of making the deposit. The time of day that the manager took the deposit should be noted on the receipt. The pink copy of the receipt will be written on the weekly financial journal and sent to the Cash Operations Office with that week's deposit. The yellow copy of the receipt will stay with the site records and the white copy will go to the supervisor for his/her personal records.

Under no circumstances, should funds be kept at the site in a desk drawer or file cabinet awaiting deposit. If the manager leaves and the supervisor find that he/she is unable to leave for the bank, the prepared bank deposit should be returned to the envelope drop safe and the manager notified. The manager can then make arrangements to return immediately or the next day for retrieval of the deposit.

Deposit Slip

The deposit ticket should be completed throughout the day as you enter revenue onto the financial journal. Any currency and coin collected should be counted and entered on the currency section of the deposit slip when deposit is made. When counting coin and cash, make sure the amount equals the total entered on the financial journal. The last name of each check/money order writer should be typed, or hand written on the deposit ticket. If the total number of checks is greater than 23 (23 is the maximum number of names that can be listed on the deposit ticket), prepare 2 separate deposit slips. Write hard when filling out these forms, as the original and all copies must be legible. When adding checks for the deposit total, make sure the amount equals or balances with the total entered on the financial journal. A copy of each check must be submitted to the Cash Operations Office with the pink copy of the receipts and the fee journal. Your deposit slip total should equal and balance with your weekly financial journal. The originals are to be forwarded to the Cash Operations Office, along with two duplicate deposit slips. The bank teller processing the deposit must stamp the duplicate deposit slip as a duplicate. The duplicate deposit stamp should also include a legible date, along with bank teller's name and location. This is your receipt from the bank, verifying that you made the deposit. Be sure that this stamp is on your copies. All copies must be submitted to the Business Office within 24 hours of the deposit.

How to Complete the Form Deposit Slip

1. Date of Deposit
2. List total of cash
3. List total of coin
4. List each check separately, put last name of check writer and amount of check, if you have more than 23 checks use two separate deposit slips
5. Total of cash, coin and checks
6. Total of cash, coin and checks
7. Prepare first initial deposit slip

Once Deposit is Complete

The two copies of duplicate deposit slip, copies of all checks/money orders, all pink copies of the receipts, all voided original receipts (the white, yellow and pink copies) and the original financial journal must be turned in to the Cash Operations Office within 24 hours of the deposit. All steps should be followed if additional funds are collected during the week. ***It is the Site Supervisor's responsibility to make sure that the deposits are made on a weekly basis. If funds exceed \$1,000 a deposit should be made daily.*** Each Manager's support by making themselves available at regular intervals is necessary to ensure proper adherence to procedures.

Managers are responsible for checking financial records, journals and receipt books to ascertain that they are handled correctly and that journals reconcile to bank deposits. It is recommended that Managers perform documented reviews and observations of site activity.

Credit Card Transactions

Policy

Metro Government allows credit card processing with pre-approval for the agency by the Office of Management & Budget / Business Services – Cash Operations Office. In approved agencies, employees authorized to handle cash may take credit card transactions for the sale of goods or services in person. Employees authorized to handle cash may take credit card transactions for goods or services by telephone. Credit card transactions over the internet are not approved at this time. Refunds for credit card activity must follow the current refund policy. Credit cards can never be processed for more than the total purchase or fee amount.

Procedure

Processing Credit Card Payments in Person, All Agencies

Employees authorized to handle cash may accept credit card transactions. The employee is responsible for verifying all credit card details before processing the transaction. When a credit card is used for payment on site the employee must look for the following security features to verify authorized use:

1. The back of the card must be signed by the person the card was issued to and the expiration date on the card must be current. If the card is not signed on the back the card holder must present:
 - a. Picture ID for verification
 - b. If the card has an expired date, the card cannot be accepted.
2. The signature on the receipt matches the signature on the back of the card or the ID presented if card is not signed.
3. The card number is embossed on the card exactly the same as the account number that printed on the sales draft and displayed on the terminal.
4. The first four pre-printed numbers in the signature block on the back of the card must match the last four digits of the embossed account number.
5. The first four numbers of the embossed account number must match the four pre-printed numbers below it.

Change must never be given for a credit card transaction; the card can only be accepted for a partial payment (or deposit) on a rental or for the full amount of the purchase or fee. Partial payment of goods is not allowed. The credit card transaction must be processed when the customer is present.

1. Swipe the card through the credit card machine
2. Enter the amount of the purchase
3. The machine will print a 2 part receipt; have the customer sign the receipt.
4. Receipts will print the credit card holder name on the receipt; verify this is the person signing the receipt.
5. Department keeps the original, the customer receives the copy

The card must be swiped through the credit card machine, if the card cannot be read follow the instructions for the machine to manually enter the account information. If a card is manually entered the card must be embossed with the manual imprinter to show the card was present during the transaction.

All credit card information must be kept confidential, see Security section.

Processing Credit Card Payments-Phone Orders

Credit card transactions over the phone are taken for goods or services, such as permits, rentals, training material, etc. When processing a transaction over the phone the following information must be obtained:

1. Name on credit card
2. Address including zip code the credit card billing is mailed
3. Address of customer if different from above
4. Telephone number including area code
5. Type of card (MasterCard, Visa, etc.)
6. Credit Card Number, repeat number to customer for verification
7. Expiration Date
8. Security code on the back of the credit card

The charge can only be for a partial payment or the full amount of purchase price, never for more than the transaction total. Process the credit card immediately and prepare any paperwork necessary.

Follow the instructions for the machine to manually enter the credit card information. On the signature line write "phone order" the employee processing the transaction must initial the receipt.

The customer must receive a copy of the credit card transaction receipt. This should be given to the customer along with any other paperwork needed. This will either be mailed with any paperwork or held for customer pickup.

Closing Out Credit Card Transactions for the Day

Batching Credit Card transactions

Transactions are not complete until the machine is batched and the transactions are transmitted to the bank. All credit card machines must be batched and closed at the end of day by cashier. Agencies can also choose to batch the transaction during the day between shifts for accountability. See terminal instructions for batching procedures. At the end of the day, or shift, total all credit card transactions. The credit card receipts and a copy of the daily batch receipt must be submitted to the Cash Operations Office with the daily financial reconciliation report or financial journal.

Chargebacks

The bank will notify Metro Government if a chargeback is debited to a agencies merchant's account from a previous sales transaction. A chargeback can be due to:

1. Errors made by the site in the submission of their credit card transactions. For example, an account could inadvertently have been charged twice.
2. Non-authorized transactions, which are any transactions that take place on an account that, are not authorized by the cardholder.
3. Disputes from cardholders, for example, a cardholder could disagree with the amount charged or reason charged (ex. item purchased or rented) on a transaction.

If an agency receives notification of a chargeback they must notify the Cash Operations Office representative.

Security

Credit card transactions must be handled the same as cash or check transactions are handled for agencies. The credit card information must be kept confidential.

Unauthorized use or unnecessary liability for the customer and Metro Government could result in failure to secure the information.

The agency is responsible for maintaining effective controls to protect and secure all credit card information. Under no circumstance is full credit card number to be stored electronically.

All records pertaining to credit card transactions (in person and phone) kept by the agency must be secured in a locked cabinet that can only be accessed by employees responsible for reporting the financial information to the Cash Operations office.

Credit card receipts or any paperwork containing credit card information must be destroyed and not put into a recycling bin. Contact the Cash Operations office for instructions for destroying old credit card information.

Agency Managers are responsible for ensuring all employees who handle financial transactions are:

1. Aware of the importance of protecting the credit card information.
2. Aware of the security features mentioned above and employees are examining these features when processing a credit card transaction.
3. Aware that all credit card information is kept secure and confidential

Returned Checks

Policy

The bank will return any unpaid checks to the Metro Government. Agencies will assess a per check, returned check fee on all returned checks. See Office of Management & Budget web site on internet for current return check fee. Agencies can not waive the fee without prior permission from Office of Management & Budget / Business Services - Executive Administrator

Customers with outstanding returned check balance will not be allowed to conduct business with Metro Government until the checks plus the returned check fee for EACH check is paid.

Procedure:

Upon receipt of an insufficient fund check from the bank the:

Cash Operations Office:

1. Will log all pertinent information into the returned check log
2. Will log the returned check information into appropriate check register. The Cash Operations Office will alert site that repayment and resolution of the returned check issue needs to be paid. The agency must notify the check originator and discontinue accepting checks for services and sell of goods until debt is collected. The originator will not be allowed to conduct business with Metro Government until the check and the returned check fee is paid. Agency should also keep the Cash Operations office informed of communications with payee.
3. The Cash Operations office will make two copies of the returned check: one copy is kept on file in the Cash Operations office with the deposit information; the second copy will be sent to the agency that accepted the payment. The original check will be kept on file in the Cash Operations office until the check and fee is paid, it will then be returned to the originator.