

CITY OF SAN ANTONIO



Administrative Directive	AD 8.1 Cash Handling
Procedural Guidelines	Guidelines to ensure consistent cash handling procedures and controls.
Department/Division	Finance, Revenue Collections Division
Effective Date	March 1, 2007
Revised	February 2, 2018
Last Reviewed	N/A
Project Manager	Finance, Collections Manager

Purpose

This Administrative Directive (“A.D.”) defines and outlines policy with respect to receiving, handling, safeguarding, and depositing of City of San Antonio (“City”) cash and cash equivalents. Cash handling controls, as outlined in this A.D., have been adopted for uniform application in all departments. These internal controls address the decentralized nature of the receipting and depositing process while providing for standardized training and a periodic review of cash collected and reported.

Policy

All employees of the City, including uniformed employees, in positions designated by their respective departments as having cash handling responsibilities (“Cash Handler”) shall attend the City cash handling course and comply with the requirements included in A.D. 8.1 Cash Handling. Cash Handlers in all departments shall also attend training in accordance with rules and guidelines set forth in A.D. 8.13 Credit Card Acceptance and with their respective departmental cash handling procedures. An acknowledgement form is required to be completed/signed by each employee classified as a Cash Handler to ensure they have a full understanding of this policy (Attachment A).

All City departments having cash handling responsibilities shall maintain, review, and update respective departmental cash handling procedures to assure compliance with this A.D. Any deviation from this A.D. must be approved in writing by the Finance Department and detailed in departmental cash handling procedures. Any approved exception to this A.D. must be renewed every three (3) years from the date of approval from the Finance Department.

Policy Applies To

<input type="checkbox"/> External & Internal Applicants	<input checked="" type="checkbox"/> Current Temporary Employees
<input checked="" type="checkbox"/> Current Full-Time Employees	<input checked="" type="checkbox"/> Current Volunteers
<input checked="" type="checkbox"/> Current Part-Time Employees	<input checked="" type="checkbox"/> Current Grant-Funded Employees
<input checked="" type="checkbox"/> Current Paid and Unpaid Interns	<input checked="" type="checkbox"/> Police and Fire Academy Trainees
<input checked="" type="checkbox"/> Uniformed Employees Under Collective Bargaining Agreements	

Definitions	
Cash Equivalents	Coin, currency, checks, money orders, gift certificates, coupons, credit/debit cards, stamps, ticket stock, electronic funds transfers and event tickets.
Cash Handler	All full-time, part-time, seasonal or temporary employees, paid and unpaid interns, and volunteers whose job description includes responsibility for receiving, transmitting, safeguarding, and/or depositing City funds including credit card handling and credit card information.
Cash Handling	The receiving, transmitting, safeguarding, and depositing of all cash and cash equivalents received by the City.
Cash Handling Database	Database maintained by the Human Resources Department ("HR") of City employees designated as Cash Handlers.
Cash Handling Site	Designated City location where cash and cash equivalents are received, transmitted, safeguarded and/or deposited.
Change Fund	A sum of money set aside for the purpose of making change where cash is collected.
Change Order	A request submitted to the City's depository bank for required denominations of currency and coin.
Covert Cash Funds	Funds established by the San Antonio Police Department used to pay confidential informants and for investigative operations such as narcotics vice.
Custodian	Caretaker; the person in charge of maintaining the City's cash and cash equivalents.
Flash Funds	One time funds used in San Antonio Police Department operations to stage and negotiate large narcotic, vice, or other transactions in order to secure indictments for illegal activities.
Fraud	Deliberate deception intended to result in financial or personal gain.
Imprest Fund	A cash fund of a fixed amount established through an advancement of funds to an authorized Imprest Fund Custodian to effect immediate cash payments of refunds from revenue.
Internal Control	System that assures assets that belong to the City are received when tendered, protected while in the custody of the City, and used only for City related purposes. The system of internal control consists of all measures employed by the City for the purpose of (1) safeguarding resources against waste, fraud and inefficiency; (2) promoting accuracy and reliability in accounting and operating data; (3) encouraging and measuring compliance with City policy; and (4) judging the efficiency of operations in all divisions of the City. Internal controls are not designed primarily to detect errors but rather to reduce the opportunity for errors or dishonesty to occur.
Mitigating Control	Compensating measure implemented to identify irregularities after-the-fact, as opposed to primary controls that are intended to prevent fraud or detect human error at the point of its origination (i.e. supervisor reviews a batch of cash receipts at the end of a shift versus approving each transaction as it occurs at the point of sale of cash intake).
Mutilated	Disfigured, bent, destroyed.
Outage	Cash shortage or overage. A Cash Handler has a shortage when a collection error is made such as not obtaining physical custody of money or a change-making error. A Cash Handler has an overage when excess cash is collected and the excess cannot immediately be returned to the customer.
Overridden	When controls are manually or electronically turned off or bypassed.
Petty Cash Fund	A cash fund set aside for minor expenses including purchase of supplies and incidentals up to \$100.00.
Post-dated Check	Future dated check submitted in payment for City services and/or goods.

Remote Capture or Digital Deposits	Remote Capture or Digital Deposits are secure and convenient services that allow the City to make check deposits without physically going to the bank. Digital images of checks received are captured and transmitted to the City's depository bank electronically.
Two-Party Check	A check originally issued to another party ("payee") that is now offered in payment for City goods and/or services.

Policy Guidelines

<u>General Guidelines</u>	<p>A. Background Checks</p> <p>A background check with satisfactory results is a condition of employment for the City. Pursuant to <u>A.D. 4.55 Criminal Background Checks for Employment</u>, a criminal history background check will be conducted on all new hires, transfers, demotions, promotions, and reclassifications into cash handling positions. Interval background checks will be conducted on an on-going basis for those employees in cash handling positions, with timing determined by an assigned risk factor for the position.</p> <p>B. Training</p> <p>All Cash Handlers and Department Fiscal Administrators in user departments are required to successfully complete one (1) four-hour course on cash handling policies. Successful completion of this course is defined as achieving at least a seventy percent (70%) passing grade on a test administered upon completion of the course.</p> <p>Cash Handlers who do not pass the test will have an opportunity to study and re-test a second time. Employees who do not complete required training and/or do not pass the test are subject to termination, transfer and/or other employment action.</p> <p>Departmental specialized cash handling training may also be required (as identified by the department, while consulting with the Finance Department). Such training will be coordinated and conducted by each individual City Department.</p> <p>Individuals who are not certified Cash Handlers and are placed in a position that requires cash handling training may perform the duties but must enroll in the next available cash handling training class immediately after being hired or placed. The department should provide cash handling training in the interim based on their departmental cash handling policies.</p> <p>C. Performance Expectations/Standards</p> <p>All cash handling departments will establish performance standards and success measures for all cash handling positions. When establishing the performance standards, the following shall be considered: the cash handling environment, the average number of cash handling transactions, and the average amount of dollars collected. Departmental performance standards should set monetary limits of outages based on a cumulative outage amount and over a defined period of time and specify the type of disciplinary action which will be taken based on the size and frequency of outages.</p> <p>D. Discipline</p> <p>1. Civilian Employees:</p> <p>Failure to comply with this A.D. will result in disciplinary action in accordance with the Municipal Civil Service Rules of the City of San Antonio, Rule XVII, and Section 2. Discipline will be based upon the number of violations and severity of the incident. The Human Resources Department must be consulted by the respective department when assessing the appropriate level of disciplinary action.</p>
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2. Uniformed Employees:

Failure to comply with this A.D. will result in disciplinary action in accordance with Collective Bargaining Agreements between the City and uniformed personnel. Internal procedures adopted for uniformed personnel of the Police and Fire Departments must conform to the provisions of this Directive.

E. Applicable Federal, State and Local Laws and Regulations:

State law requires that cash collection sites retain original records pertaining to cash handling. Departments should consult the Texas Administrative Code Title 13, Chapter 6, "Records Retention Scheduling Rules" for the current retention requirements regarding cash related records at the following website:
<http://www.tsl.state.tx.us/slr/recordspubs/gr.html>.

Cash Handling Controls

A. General Cash Controls

1. All Departments should maintain clearly written and approved procedures for all areas of their department's cash handling operations and update as necessary.
2. Cash handling sites, with the assistance from their assigned DFA, shall have an individual(s) designated as departmental Custodians, alternates, and approvers for all Petty Cash and Change Funds assigned to their respective departments.
3. The number of employees with access to cash shall be limited for internal control purposes. The physical separation of duties and responsibilities between the cash Custodian and that of the individual or individuals that perform the accounting and recordkeeping function pertaining to cash shall be maintained.
4. Where the separation of responsibility is precluded due to limited available personnel, a supervisor shall perform specific verification steps to ensure sound cash handling controls. Departments must confer with the Finance Department to establish other mitigating controls where separation of responsibility is precluded.
5. Use of a temporary employee will require the employee to be a certified Cash Handler and be under the direct supervision of a certified Cash Handler for the duration of employment. A temporary employee who is not certified is required to have successfully completed a background check and will be allowed to perform the duties but must enroll in the next available cash handling training class immediately after being hired or placed. The department should provide cash handling training in the interim based on their departmental cash handling policies.
6. Departments that allow part-time, seasonal or temporary employees, paid and unpaid interns, and volunteers to work as Cash Handlers shall develop a policy for providing cash handling training for these individuals prior to utilization. It shall be the responsibility of the respective department to provide cash handling training based on their departmental cash handling policies. These individuals are required under all circumstances to be under the direct supervision of a certified Cash Handler while performing these services.
7. The cash handling process shall involve at least two people per cash handling site unless otherwise authorized by the Finance Department.
8. Cash handling duties shall be rotated on a periodic basis if possible as this can make it easier to identify and correct procedural weaknesses and breaches.

9. Cash handling sites should have alarm devices, videotaped surveillance, and/or electronic microphone recording installed if practical.
10. A Cash Handler is prohibited from making any adjustments to an invoice in instances where billing invoices are used.
11. Physical protection of cash through the use of bank facilities, armored vehicles, vaults, locked cash boxes, locked cash bags, or locked drawers shall be practiced at all times.
12. Armored car service will be utilized by all cash handling sites through the City's current Armored Car services provider for transport to the City's depository bank. Use of City personnel for the transport of City deposits is prohibited.
13. Collections of cash and cash equivalents in the field are prohibited unless specifically authorized by the Finance Director.
14. Cash on the premises will be held to a minimum to reduce the amount of idle cash that is available, as well as for cash control purposes. Deposits shall be made within twenty-four (24) hours of receipt. Departments, in conjunction with the Finance Department shall assess the reasonableness, practicality, and security in determining the timing for deposits, especially when deposits exceed the twenty-four (24) hour time requirement noted above. Careful consideration shall be given to the risk involved in holding idle cash and/or cash equivalents in the department versus the cost of making more frequent deposits. Requests for waivers of the requirement for deposits to be made within twenty-four (24) hours of receipt shall be submitted to the Finance Department Revenue Collections Division for consideration by the Finance Director or his designee.
15. The Finance Department and the City Auditor's Office will also conduct random unannounced reviews and/or audits. The Office of Municipal Integrity will conduct investigations as directed by the City Manager's Office.

B. Receipting of Payments

1. Checks, and money orders shall be endorsed as they are received.
2. All Cash Handlers charged with the receipting of cash at the point of sale shall be provided a copy of the current fee and rate schedule as well as the appropriate general ledger account codes by their respective departments. Fees and rates shall be posted in a clear and visible site for the general public's information. Posted information shall also include a contact telephone number for a customer to call if a transaction receipt is not provided to the customer when cash and/or cash equivalents are paid.
3. All handwritten receipts shall be pre-numbered to account for lapses in sequence.
4. All checks shall be made payable to the City of San Antonio and shall be accepted only in the amount of the sale or transaction. Checks may not be written for more than the amount due to the City. Upon receipt of a check, the Cash Handler shall immediately stamp on the back of the check "FOR DEPOSIT ONLY-CITY OF SAN ANTONIO – (name of their respective department and the City's General Operating Account number).
5. When accepting a money order for amount due to the City, the cash handler shall not accept a money order older than one (1) year from the purchase date.
6. Departments utilizing Remote Capture or Digital Deposits shall coordinate with FMD for the appropriate check endorsement procedures.
7. Payments received by mail will be processed by two (2) certified Cash Handlers. Mail will be opened immediately and checks and money orders will be processed in accordance with

paragraph 4 above. Checks and money orders will be logged by date received, check number, payee, customer account or document number, and amount tendered. If payment is received after due date or grace period, envelope must be retained with payment to validate whether any additional fees shall be imposed.

8. When accepting a personal check while in the presence of the customer for amounts due the City, the Cash Handler shall capture the following payee information and note same at the top of the check: (1) address; (2) telephone number; and (3) driver's license number. No temporary checks are to be accepted by Cash Handlers.
9. Post-dated or two-party checks will not be accepted.
10. Foreign cash will not be accepted. Foreign checks and credit/debit cards will not be accepted unless approved by the Finance Department.
11. Cash utilized for change ("Change Funds") and un-deposited receipts shall not be used for Petty Cash purchases, loans, advances, or check cashing (except for the Finance Department's Change Fund, where the practice includes cashing City employees' personal checks in accordance with Section I. 4).
12. Change Funds are not to be commingled with any other funds.
13. With the exception of the Revenue Collections Division, no checks shall be cashed from cash receipts.
14. All departments with cash and cash equivalents shall maintain a collection record within the required retention period, such as a cash register tape, that has the record of all transactions including voids, refunds and cancellations. All revenues collected shall have a receipt or other proof of sale issued to the customer at the point of sale or collection whether handwritten or electronically generated.

C. Deposits

1. The general operating standard for deposit of cash and cash equivalents with the depository bank shall be within twenty-four (24) hours of receipt. This includes the counting and balancing of cash receipts for each shift and depositing such receipts intact (i.e. a deposit for each shift). Departments, in conjunction with the Finance Department, shall assess the reasonableness, practicality, and security in determining the timing for the deposits where deposits exceed the abovementioned twenty-four (24) hour requirement.
2. Deposits of cash and cash equivalents must be placed in a sealed tamper resistant plastic deposit bank bag and arrangements must be made with the City's current Armored Car provider for transport to the City's depository bank. Use of City personnel for the transport of City deposits is prohibited. Departments, in conjunction with the Finance Department, shall assess the reasonableness, practicality, and security in determining the use of the City's Armored Car services provider.
3. Requests for waivers of the twenty-four (24) hour deposit requirement and/or the use of the City's Armored Car provider services shall be submitted to the Revenue Collections Division for consideration by the Finance Director or his designee. Any waivers to this A.D. must be renewed every one (1) year from the date of approval from the Finance Department. All amounts that are not deposited on a daily basis shall be secured in a safe, vault, or locked drawer.
4. Discrepancies between deposited amounts when compared to written receipts, cash register, or computer system generated receipts, shall be recorded along with documentation from the responsible Cash Handler. Deposit outages shall not be replenished from Change Funds, Petty Cash Funds, or any other funds. A supervisor shall review, on a daily basis, such

documentation and follow up with the appropriate corrective action, if needed. Department Directors have the ultimate responsibility to ensure discrepancies are identified and corrective measures are taken.

5. Un-deposited receipts are not to be used for loans, advances, or check cashing.
6. Deposit check amounts shall not be modified or adjusted. The depository bank will not accept any modification of a check unless made by the check writer.
7. Departments are responsible for tracking their respective deposit slip orders. Slips from the deposit book shall be used in number sequence. Deposit slips no longer needed shall be destroyed by shredding. Unused deposit slips should not be recycled and/or utilized at other locations or departments.
8. Departments utilizing Remote Capture or Digital Deposits shall process deposits by 3:00 p.m. and at the end of the business day. Any deviation from this requirement must be approved in writing by the Finance Department.
9. Security and bid deposits received by departments in cash and/or negotiable instruments shall be processed as follows:
 - a. Departments shall open bid documents and log all cash and/or cash equivalents received in a surety document.
 - b. For unsuccessful bids/proposals (where it is immediately clear that the bidder/respondent will not be eligible for contract award), the cash and/or negotiable instrument can either be returned by the department to the bidder/respondent that day, or forwarded to the Revenue Collections Division to be deposited.
 - c. Departments are required to document on surety document log the receipt and release of the cash and/or negotiable instrument, as noted by the bidder/respondent's signature.
 - d. Any remaining cash and/or negotiable instrument held at the end of the day for either unsuccessful or successful bidders/respondents, along with the surety document log, must be sent to the Accounts Receivable Section for recording in SAP and then must be deposited by the Revenue Collection Division.
 - e. Departments are required to provide the Finance Department's- General Ledger Section a Release of Funds Request Form for remaining unsuccessful bidders/respondents anytime subsequent to the date funds are sent to the Finance Department for deposit.

D. Cash Advances

1. Cash advances for Special Events shall be processed as follows:
 - a. An event liaison on behalf of an event promoter shall submit a cash advance request in writing to the Revenue Collections Division which includes required denominations.
 - b. The fiscal office of the department responsible for the Special Event will verify the liability and customer account for the Special Event. If there are sufficient funds in the liability and customer account, the department will request a check for the required amount which will be payable to the City's depository bank. The cash advance request must not exceed 50% of revenue from ticket sales.
 - c. The Revenue Collections Division will coordinate with the department responsible for the Special Event and the department will call the depository bank's automated system to request the cash advance and provide the required denominations and delivery date. A

confirmation number will be received for the cash advance delivery.

- d. The cash advance check will be delivered to the Revenue Collections Division who will deliver the check to the City's depository bank through the City's Armored Car services provider with instructions to deliver the cash advance to the department responsible for the Special Event.
 - e. Once the cash advance is received by the department responsible for the Special Event, the department will secure the funds in a safe until needed.
 - f. On the day of the event, the event promoter will coordinate with the department responsible for the Special Event. The event promoter will sign documentation provided by the department and the cash advance will be released.
2. Cash advances for Covert Cash Funds, Flash Funds, and funding of newly established Petty Cash and Change Funds to include temporary Change Funds, or for an increase to existing funds shall be processed as follows:
 - a. If a Cash Handler in the department does not have an assigned PIN to make the request through the City's depository bank's automated system, the department should contact the Revenue Collection Division to request a form to authorize the assignment of a PIN. The Revenue Collection Division will coordinate the request and get approval from an authorized signatory. The request will be sent to the City's depository bank and the location profile will be updated to include the Cash Handler and designated PIN. The Revenue Collections Division will review the list of authorized City employees with PINs annually.
 - b. Once the Cash Handler in the department has an assigned PIN, they will call the City's depository bank's Automated System to request the Cash Advance. A confirmation number will be received by the department for the Cash Advance delivery.
 - c. The department requiring the Cash Advance will initiate the process for generating a Cash Advance check payable to the City's depository bank. The check will be delivered to the Revenue Collections Division who will deliver the check to the City's depository bank through the City's Armored Car services provider with instructions to deliver the cash advance to the applicable department.

E. Change Orders

1. If a Cash Handler in the department does not have an assigned PIN to make the request through the City's depository bank's automated system, the department should contact the Revenue Collection Division to request a form to authorize the assignment of a PIN. The Revenue Collection Division will coordinate the request and get approval from an authorized signatory. The request will be sent to the City's depository bank and the location profile will be updated to include the Cash Handler and designated PIN.
2. Once the Cash Handler in the department has a PIN, they will call the City's depository bank's automated system to request the Change Order and provide the required denominations and delivery date. A confirmation number will be received by the department for the Cash Order delivery.
3. The department requiring the Change Order will send cash in a sealed deposit bank bag through armored car services to cover the Change Order.

F. Covert Cash Funds

1. Covert Cash Funds will be used to pay confidential informants and for investigative operations and will not be subject to the maximum dollar amount for purchases as defined under A.D. 8.5

Petty Cash Handling.

2. In order to maintain the confidentiality of cash transactions associated with covert and investigative operations, supporting documentation will be maintained by the San Antonio Police Department. The case number should be used when recording cash transactions in SAP.
3. Covert Cash Funds shall be established with the Finance Department's approval and controlled in the same manner as Petty Cash Funds.
4. The San Antonio Police Department's Petty Cash Custodian will be responsible for the oversight and control of Covert Cash Funds.

G. Flash Funds

1. One time funds used in San Antonio Police Department operations to stage and negotiate large narcotic, vice, or other transactions in order to secure indictments for illegal activities will not be subject to the maximum dollar amount for purchases as defined under A.D. 8.5 Petty Cash Handling.
2. The Chief of Police or designee will request the use of Flash Funds from the Finance Director and the Finance Director or designee will be required to approve the distribution and will also serve as the signatory for the disbursement.
3. The check will be delivered to the Revenue Collections Division who will deliver the check to the City's depository bank through armored car services with instructions to deliver the Flash Funds to the San Antonio Police Department.
4. Upon disbursement, the San Antonio Police Department will be responsible for the oversight, control and safeguarding of Flash Funds.
5. Flash Funds are to be returned to the San Antonio Police Department's Petty Cash Custodian and deposited within two (2) working days of disbursement.

H. Petty Cash

1. Petty Cash and or Imprest Funds shall be established pursuant to A.D. 8.5. Petty Cash Handling. Petty Cash and or Imprest Funds are public funds entrusted to the department for which the fund was established. Petty Cash shall be used to purchase items or services on an emergency and infrequent basis, where it is not feasible or practical to submit a purchase requisition, request for payment, or use a procurement card. Petty Cash will not be used for the purpose of buying food items, to pay for travel expenses or mileage reimbursements. Imprest Funds are to be used for the issuance of refunds.
2. Petty Cash and Imprest Funds shall be verified and reconciled on a weekly basis and this reconciliation shall be documented.
3. Petty Cash and or Imprest Funds that are no longer needed to conduct the business for which they were established shall be deposited at the City's depository bank within forty-eight (48) hours from the time it is determined that the funds are no longer required.

I. Change Funds

1. Change Funds to include temporary Change Funds shall be established with the Finance Department's approval and controlled in the same manner as Petty Cash Funds; however, Change Funds are strictly revolving funds and require no replenishment. Change Funds are established for the purpose of making change where cash is collected.
2. Petty Cash or cash receipts shall not be commingled with Change Funds.

3. Change Funds that are no longer needed to conduct the business for which they were established shall be deposited at the City's depository bank within forty-eight (48) hours from the time it is determined that the funds are no longer required.
4. No checks shall be cashed from a Change Fund (except for the Finance Department's Change Fund, where the practice includes cashing City employees' personal checks, as outlined in Section J. below).

J. City Employee Check Cashing

1. City employee's personal checks in an amount not to exceed \$100.00 may be cashed at the Revenue Collections Division. No more than one (1) personal check may be cashed per day. No personal checks shall be cashed at any other departmental location without the advanced written approval of the Finance Director or his designee. Employee's City phone number and SAP personnel identification number must be provided when cashing a personal check.
2. Photo identification is required for all employees at the discretion of the Revenue Collections Manager.
3. City employees will permanently be prohibited from cashing personal checks after a second (2nd) personal check is returned as outlined in Section K. below.
4. No two-party or post-dated checks shall be accepted.
5. Rebate checks are not to be cashed.
6. The Revenue Collections Division shall only cash City issued checks for the advance and reimbursement of travel expenses or any payroll checks under \$100. Exceptions to this rule may be approved by Finance Director or designee.

K. Returned Checks

1. Occasionally a deposited check may not clear the bank for one of several reasons including but not limited to the following: (1) non-sufficient funds; (2) account closed; (3) stop payment; (4) funds held; (5) stolen check; (6) forgery; and (7) endorsement or signature. Should a check be returned, the Finance Department Billings and Accounts Receivable Section will:
 - a. Generate an invoice for the original amount and the associated processing fee and mail to the customer. The originating department who received the payment will be notified of the returned check and should take appropriate action to collect. Where possible, services should cease until the payment is made and no new checks will be accepted from the customer until the outstanding check is cleared.
 - b. Notify the employee if the check was a personal check cashed at the Revenue Collections Division or a personal check submitted for City services rendered. The employee will be informed that until the check is paid, no other checks should be cashed by the employee. Employee's check cashing privileges are discontinued in accordance with Section J. of this A.D. A written request may be submitted by the respective department director to the Finance Director to request check cashing privileges be reinstated for an employee.
 - c. On a bi-weekly basis, the Finance Department Billings and Accounts Receivable Section will provide a list of City employee(s) who are disallowed to cash personal checks to the Revenue Collections Division.
 - d. If payment is not received within the ten (10) day due date, the Finance Department Billings and Accounts Receivable Section will refer the returned check to the Bexar County District Attorney's Office for prosecution.

L. Refunds

1. Cash refunds are permitted only for transactions occurring the same day as the request for refund and only upon presentation of the original receipt or other proof of purchase issued at the point of sale.
2. Transactions involving use of credit cards will not be under any circumstances given a cash refund but transactions occurring the same day as the request for refund will be processed as a credit utilizing the same credit card as the original transaction.
3. All other refund requests will be processed through SAP and issued a refund check if approved.
4. Departments authorized by the Finance Department to issue cash refunds will maintain a cash refund fund on an imprest basis.
5. Refunds shall be completed by charging the revenue general ledger account that was originally credited.

M. Storage and Safekeeping of Cash Equivalents

1. Access to a cash drawer is limited to one (1) Cash Handler. The cash drawer shall be counted and balanced before a Cash Handler takes possession of the cash drawer. Both parties involved in the cash drawer transfer shall be present when the cash is counted, and a receipt shall be signed by the Cash Handler accepting custody.
2. All areas around the cash handling sites shall be visible and without obstruction.
3. Access to departmental safes or other devices used to store cash on a temporary basis until deposited at the depository bank shall be restricted to a small number of employees. A safe's combination shall be changed within twenty-four (24) hours from the departure of an employee who had access to the safe.
4. Departmental procedures should include a policy for maintaining an inventory of the safe contents and the contents of other devices used to store cash on a daily basis.
5. All funds shall be kept out of public view and shall be available for inspection by authorized representative(s) of the department, the Finance Department, the Office of Municipal Integrity, the City Auditor, or any other authorized personnel as approved by the Finance Department. For money stored in a locked metal box or in a locked desk, the key shall be secured in another location of the office. Only certain assigned personnel shall have access to the key.
6. Departments utilizing Remote Capture or Digital Deposit banking services for processing checks must maintain the original checks in accordance with State law. Departments should consult the Texas Administrative Code Title 13, Chapter 6, "Records Retention Scheduling Rules" for the current retention requirements regarding cash related records (see website <http://www.tsl.state.tx.us/slr/recordspubs/gr.html>). After processing, original checks must be stored in a secure area or locked cabinet to safeguard the checks for the required retention period.
7. Departments that maintain gift cards, gift certificates, ticket stock, event tickets, and other similar Cash Equivalents must develop and maintain written policies and procedures to safeguard and account for these assets which must include the following minimum requirements:
 - a. The items must be numbered and maintained in a controlled area or safe.
 - b. Logs must be kept to determine the quantity ordered, received, in inventory, issued, and

returned.

- c. A chain of custody trail for issuance, delivery, and receipt must be maintained and documented.
- d. Inventories or reconciliations must be completed and documented in a report each month.

N. Foreign and Mutilated Coin/Currency

1. Foreign coin and currency shall not be accepted (except for international sites/offices). Only coins and currency issued by the United States Federal Reserve Board are legal tender.
2. Torn, bent, and/or mutilated coin and currency shall not be accepted.

O. Depository Bank Guidelines

1. All communication with the City's depository bank shall be coordinated through FMD. FMD is solely responsible for maintaining the City's banking relationship with the City's depository bank.
2. Departments shall coordinate with FMD for procedures on requesting to obtain and/or release the City's sensitive bank account information.
3. The City's bank account information is sensitive information that should not be posted publicly. In order to protect the security of the City's bank account information, do not provide the City's bank account information in request for proposal documents or contracts, which are subject to open records. Once the contract has been awarded and approved by City Council, this information can be released to conduct business matters.
4. Department DFA must notify Revenue Collection Division within twenty-four (24) hours from the departure of an employee (Cash Handler) who has an assigned PIN to access the depository bank's automated line for cash advances and Change Orders and FMD will provide further procedural instruction as needed.
5. Under no circumstances should departmental personnel authorized to call in change orders share assigned PIN numbers or utilize obsolete PIN numbers from individuals who have separated from the City or have changed functions/positions which no longer require access.
6. The City's bank account should never be accessed by unauthorized personnel. Cash Handlers should never obtain cashier's checks or money orders from any of the City's depository bank locations and/or tellers without prior approval by the City's Finance Department.

P. Counterfeit Currency Guidelines

1. Departments shall provide their Cash Handlers with counterfeit detector pens to help with identifying counterfeit currency.
2. All bills in denominations of \$20.00 or greater should be examined using counterfeit detector pens.
3. Cash Handlers shall immediately contact their supervisor if they suspect currency is counterfeit. Supervisors shall contact the San Antonio Police Department.
4. Cash Handlers shall never return suspected counterfeit currency to the passer.
5. Cash Handlers shall attempt to delay the passer if possible.
6. Cash Handlers shall observe the passer's description, as well as that of any companions, and the license plate numbers of any vehicles used.

7. Cash Handlers shall write their initials and the date in the white border areas of the suspected counterfeit currency.
8. Cash Handlers shall limit the handling of the suspected counterfeit currency and should carefully place it in a protective covering, such as an envelope.
9. Suspected counterfeit currency shall be surrendered only to a properly identified San Antonio Police Officer.

Q. Other Guidelines

1. Lost and found cash or its equivalent greater than \$50 shall be deposited in compliance with Texas escheat laws after all reasonable attempts have been made to identify and return the lost and found money or its equivalent to the rightful owner. Amounts \$50 or less shall be deposited to the appropriate fund based on the general ledger coding identified by the Finance Department. If funds are subsequently properly claimed, these funds will be relinquished to the rightful owner through the standard accounts payable process.
2. Departmental controls shall include a practical means for City employees to report instances where system controls are overridden that could be indicative of fraud (i.e. implement an effective "whistle blower's" program).
3. Senior staff shall monitor and reassess, on a periodic basis, any risk areas and adopt appropriate strategies to manage these functions and thereby minimize opportunities for loss. The preceding includes City departments conferring with the Finance Department on an as needed basis.
4. Under no circumstances will City funds be used for the purpose of or during a fundraising event. Collections from fundraising will not be comingled or safeguarded with City funds.
5. Safeguarding of funds during an emergency, evacuation, fire, or bomb threat should be part of each department's cash handling policy. If there is adequate time, funds should be secured in a safe or vault prior to vacating the premises.

Roles & Responsibilities

City Manager's Office

1. Direct the Office of Municipal Integrity to conduct cash handling investigations as deemed necessary.

<p><u>Finance Department</u></p>	<ol style="list-style-type: none"> 1. Safeguard the City’s financial assets and manage its financial resources in accordance with the goals of the City Council, City Manager, and in compliance with applicable laws and generally accepted accounting and financial principals. 2. Establish an adequate internal control system over cash and cash equivalents. 3. The Financial Management Division (“FMD”) shall maintain the City’s depository banking relationship and facilitate all communication with the City’s depository. 4. The Revenue Collections Division shall approve the establishment of Petty Cash and Change Funds, including review and approval of the amount of the funds. 5. Conduct unannounced reviews of City wide cash handling operations, as necessary to determine compliance with this A.D. and issue reports with observations and recommendations. 6. The Finance Department Accounts Receivable Section shall manage the City’s returned check process in accordance with A.D. 8.4. 7. The Finance Director or his designee shall consider any deviation from this A.D. submitted in writing by City departments, and shall approve or reject these requests as necessary and deemed appropriate. 8. Update this A.D. as necessary.
<p><u>Department Directors</u></p>	<ol style="list-style-type: none"> 1. Ensure the safeguarding of cash and cash equivalents. 2. Maintain clearly written and approved procedures for all areas of department’s cash handling operations in compliance with this A.D. 3. Submit any request for waivers to this A.D. in writing to the Finance Department Revenue Collections Division for consideration by the Finance Director or his designee. 4. Implement recommendations from Finance Department cash control reviews to ensure adequate controls are in place. 5. Coordinate the following with the departmental assigned Department Fiscal Administrator (“DFA”): <ol style="list-style-type: none"> a. Annually provide a memo to the Revenue Collections Division by October 1st of each fiscal year detailing the departmental Custodians, Alternates, and Approvers for all Petty Cash and Change Funds assigned to their respective department(s). b. Provide periodic updates, as necessary, for changes of personnel assigned as departmental Custodians, Alternates, and Approvers for all Petty Cash and Change Funds assigned to their respective department(s) to the Revenue Collections Division. c. Provide all requests regarding Petty Cash and Change Funds to the Revenue Collections Division for approval. d. Annually provide Cash Handling Database Change Forms by October 1st of each fiscal year detailing the departmental personnel classified as Cash Handlers to the Revenue Collections Division and their respective departmental Employee Relations Business Partner (“ERBP”). e. Provide periodic updates, as necessary, to the departmental personnel classified as Cash Handlers through the submission of a Cash Handling Database Change Form to the Revenue Collections Division and their respective departmental ERBP.

<p><u>Cash Handler</u></p>	<ol style="list-style-type: none"> 1. Use due diligence in handling City cash and cash equivalents so that reasonable protection is provided of those assets at all times in compliance with this A.D. and A.D. 8.13 Credit Card Acceptance. 2. Report any knowledge or suspicion of fraud by another City employee to their department Director.
<p><u>Office of Municipal Integrity</u></p>	<ol style="list-style-type: none"> 1. Coordinate and collaborate with the San Antonio Police Department on cash handling investigations, where appropriate. 2. Coordinate with FMD to obtain any banking information necessary for the investigation. 3. Provide written reports of internal investigations to the City Manager's Office, the Finance Director, and the City Attorney's Office.
<p><u>City Auditor's Office</u></p>	<ol style="list-style-type: none"> 1. Perform announced or unannounced audits annually to determine compliance with this A.D. 2. Review departmental procedures and guidelines and provide appropriate feedback to the respective department, City Manager's Office, Finance Department, and Human Resources Department.
<p><u>Human Resources Department</u></p>	<ol style="list-style-type: none"> 1. Perform initial background checks for cash handling positions. 2. Provide training and assistance to employees and departments regarding this A.D. 3. Maintain a database of Cash Handlers who have successfully completed training requirements.

Attachments

AD Acknowledgment Form



CITY OF SAN ANTONIO

**EMPLOYEE ACKNOWLEDGMENT FORM
FOR**

**ADMINISTRATIVE DIRECTIVE 8.1
Cash Handling**

Employee:

I acknowledge that on _____, 20____, I received a copy of Administrative Directive 8.1 Cash Handling. I understand if I should have any questions I should contact my Human Resources Representative.

Employee Name (Print)

Department

Employee Signature

Employee SAP ID Number

Attachment A
Personnel File (original)