

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
MANAGEMENT OF PUBLIC FUNDS

Purpose –

This policy establishes procedures for receiving, recording, depositing, and disbursing public funds, and defines functions and responsibilities to establish and strengthen internal controls over these procedures.

In managing public funds, basic internal controls require a clear segregation of duties between persons having custody of funds and/or performing cashiering duties, and those having access to and maintaining accounting records related to those public funds. Segregating these functions protects the employees involved and mitigates the risk of theft, embezzlement, or misuse of public funds through fraudulent record keeping. Supervisory oversight enforces the separation of duties, creates an atmosphere of employee accountability, and strengthens the control environment.

The objective of this policy is to provide effective safeguards, while weighing both the risks to be mitigated and the cost of maintaining controls. Effective internal controls provide reasonable assurance that daily transactions are executed in accordance with applicable statutes, ordinances, and policies and errors, irregularities, and omissions are effectively minimized or detected.

To assist Agency Management and Cashiers in carrying out these procedures, certain forms referred to as “MPF (Management of Public Funds) Forms” are attached as appendices to this document. Agency Management may, at their discretion, modify and edit these forms to meet the needs of their Agency while still requesting the same information as the MPF Forms. These forms can also be obtained from the Auditor’s Office Intranet site.

Scope –

If not otherwise specified by Utah statute, the management of public funds, the designation and duties of cashiers, the accountability for the receipt, deposit, transmittal, or disbursement of funds, including physical security over these activities, shall be regulated by County Ordinances and Countywide policies and procedures adopted by the County Council (the Council). See County Ordinance § 3.64.030.

Any related, Agency-developed policies or procedures used for internal administration shall be consistent with the requirements of this policy. Unless specifically approved by the County Council, Countywide policies and procedures supersede department and/or division policies and procedures relating to the same subject.

1.0 Definitions

1.1 Bank Reconciliation – A comparison of the bank statement balance of an account to the Agency’s general ledger “cash” balance of that bank account, to identify transactions not common to both documented balances. These transactions explain differences between the two balances, and are used to reconcile the Agency’s general-ledger balance by starting with the bank statement balance as a reference point. Items used in the reconciliation include in-transit items. (See definition 1.13.)

- 1.2 **Change Fund** – A cash fund kept on the Agency’s premises and maintained at a fixed amount to provide change for over-the-counter transactions, and other purposes outlined in Countywide Policy #1301, “Acceptance of Checks.”
- 1.3 **County Agency** – Any elected office, executive branch department, division, or other subdivision of County government.
- 1.4 **County Agency Management** – With respect to their own individual elected offices, executive branch departments, or divisions thereof, any of the following or their designees: County Mayor, County Executive Department Directors, County Elected Officials, Division Administrators, or the County Council (as a whole).
- 1.5 **Cashiers** – An employee of the County designated by County Agency Management to receive money from the public or the County, or authorized to receive, advance, or disburse funds.
- 1.6 **Cashier Supervisors** – County Agency employees designated by County Agency Management to oversee and review the work of designated Cashiers.
- 1.7 **Collections** – Funds received from the public or County Agencies as payment for goods, services, fines, fees, taxes, donations, or other transactions in the form of currency, checks, money orders, traveler’s checks, payment-card transactions, electronic fund transfers (EFTs), or other payments made via the Internet.
- 1.8 **Donations** – Monies or other gifts given freely, without consideration, to Salt Lake County for purposes stated by the donor. Acceptance of donations and gifts is subject to the requirements of Countywide Policy #1006, “Gift Policy.” Donations and gifts, when accepted, will be properly receipted and recognized as revenue by the County.
- 1.9 **Employee** – All employees of the County, whether or not of merit status, including volunteers; and all other persons, whether compensated or not, serving on any County special, regular full-time committee, Agency, or board. (See County Ordinance §3.64.020).
- 1.10 **Fiscal Manager** – A County Agency officer whose assigned duties include responsibility for accounting, reconciling, budgeting, security, etc. of public funds or monies in an agency.
- 1.11 **Fund Management Policy Committee** – A committee, chaired by the Treasurer, and established and governed by County Ordinance §3.64.040, “Fund management policy committee.” As provided in the ordinance, the committee shall meet as needed and shall have responsibility for developing, reviewing, and making recommendations to the Council on any proposed fund management policy or procedure or amendment thereto. The committee, through its chair, shall be responsible for providing clarification and guidance with respect to the interpretations of fund management policies. Other committee members are the Auditor, the District Attorney, the Assessor, or their respective designees, and one member designated by the Mayor.
- 1.12 **Imprest Fund Account** – A designated amount of money set aside to pay for small, routine operating expenses, wherein at any point in time, the cash available to disburse, plus the supporting documentation for monies previously disbursed, equals the designated amount, known as the imprest amount. Note that the funds described below are examples of County Imprest Funds.

- 1.12.1 **Imprest Checking Account** – A fixed amount of cash maintained in an account with a Qualified Depository for purposes similar to Petty Cash Funds, but which is generally established in larger imprest amounts. A reasonable portion of the established amount, usually not more than \$200, may be maintained in cash to accommodate small cash transactions.
- 1.12.2 **Operating Checking Account** – Similar to an Imprest Checking Account, but generally established in larger imprest amounts and restricted to serve a specific operating need.
- 1.12.3 **Petty Cash Fund** – A cash fund secured on the Agency's premises and maintained at a fixed amount for making incidental purchases relating to business operations.
- 1.13 **Internal Control** – The plan of organization and all processes and procedures designed for effective protection of County financial resources, proper authorization of transactions, and enhancement of the reliability of financial records.
- 1.14 **In Transit Items** – Deposits and disbursements which, have been recognized (posted to the books) by the Agency but not the financial institution due to time lag. For example, a deposit may be recognized and recorded by the Agency, but not received by the bank.
- 1.15 **Merchant Agreement** – A written agreement between a bank and a merchant (i.e., the County) setting forth the terms, guidelines, and standards whereby the merchant agrees to honor all valid payment cards presented as payment for services, products, or events and the bank agrees to accept valid sales drafts or transaction records presented for payment.
- 1.16 **Off-Line Register** – An automated cash register, which is not operated from a software-based program and not connected electronically with other cash registers through a central server for the sharing of information.
- 1.17 **On-Line Register** – An automated cash register that is operated using a software-based program and linked to other cash registers through a common server. Generally, transactions are viewed on a computer monitor,
- 1.18 **Overages/Shortages** – The difference between the funds actually collected and counted at a certain cutoff date and time, and the amount that should have been collected according to the accounting records maintained by the County Agency.
- 1.19 **Payee** – The person or organization to whom a check, draft, note, or other negotiable instrument is payable. The payee's name follows the words: "Pay to the order of."
- 1.20 **Public Funds and Public Monies** – Money and other funds and accounts, regardless of the source from which these funds and monies are derived, which are owned, held, or administered by the County, its employees, or any of its offices, boards, commissions, departments, divisions, agencies, or other similar instrumentalities. Public monies also include monies, funds, or accounts that have been transferred to a private contract provider of programs or services. Those monies, funds, or accounts maintain the nature of public monies while in the possession of the private entity that has contracted with the County to provide programs or services. See County Ordinance §3.64.020.
- 1.21 **Receipts** – Written confirmation of funds and monies received, usually provided by the recipient to the one making payment at the time the payment is made.
- 1.22 **Revenues** – Any money in the form of taxes, donations, fees, fines, etc., collected by an Agency including monies collected by a County Agency to be held in trust for others.

- 1.23 Suspense Accounts** – Accounts used to temporarily hold deposited revenues from an unidentified source, for example a tax payment on an unknown property. The payment is held in suspense until all data becomes available.
- 1.24 Two-Party Check** – The original Payee indicated on the front of the check is an individual or entity other than Salt Lake County, and the check has been endorsed, on the back, to Salt Lake County.

2.0 General

2.1 Appointment & Training of Cashiers

- 2.1.1 County Agencies shall select and designate employees as Cashiers to perform the duties described in Paragraph 1.5 above. Cashiers hold a position of public trust and shall perform their duties in accordance with the standards outlined in Human Resources Policy #5702, “Standards of Conduct.”
- 2.1.2 Job descriptions of merit employees designated as Cashiers shall clearly identify and outline the cashiering responsibilities set forth in this policy and be updated, when necessary, and properly submitted to County Human Resources in accordance with Salt Lake County Human Resources Policy & Procedure #5200, “Allocation and Classification of Merit Positions,” Section 2.0. A “Classification/Reclassification Request Form” shall be submitted for this purpose. A similar Agency policy may also be adopted for temporary or seasonal employees or volunteers at the discretion of Agency Management.
- 2.1.3 At regularly scheduled times as determined by the Treasurer, or as requested by County Agency Management, the Treasurer will provide oversight for the process of training newly designated Cashiers. The Treasurer or his designees will also be available to provide ongoing assistance to Cashiers regarding day-to-day issues.
- 2.1.4 Newly appointed Cashiers, within a reasonable timeframe, shall read through this policy, attend the Cashier Orientation, and report completion to their Supervisor.

2.2 Supervision of Cashiers

- 2.2.1 Cashiers are subject to the administrative oversight of Cashier Supervisors designated by their respective County Agency Management. Cashier Supervisors are responsible for ensuring compliance with this policy and related internal policies and procedures approved by the Fund Management Policy Committee.
- 2.2.2 Cashier Supervisors will not propose or implement cashiering practices or procedures that would conflict with this policy or properly approved internal policies and procedures.

2.3 Physical Security of Public Funds

- 2.3.1 Based on a cost-benefit analysis addressing adequate security, a locking cashbox, safe, or vault shall be provided by County Agencies. The County Agency’s Fiscal Manager will ensure that individual accountability and effective security is established and maintained for funds entrusted to each Cashier, including compliance with the following:

- 2.3.1.1 If cash is to be stored in a cash box, the box shall have a functioning combination or key-locking device, and the County Agency must provide a lockable desk drawer, file cabinet, or safe where the cash box can be safely secured.
- 2.3.1.2 Where geographically and logistically practical, cash boxes may be stored overnight in the secure vault in the Treasurer's office. Pick up and return of Agency cash boxes is provided by County Protective Services as further explained in Section 4.6.1.2
- 2.3.2 The County Agency Fiscal Manager shall secure each duplicate key and/or copy of a lock combination to all cash boxes, desk drawers, and safes in individually sealed envelopes. The Fiscal Manager and the Cashier shall sign over the seal of each envelope. County Agency Management shall designate employees who may have access to duplicate keys and/or safe combinations. Combinations are confidential and should be known only to Cashiers whose duties and responsibilities require access to the safe.
- 2.3.3 In an emergency, such as when access is needed to conduct regular business and the Cashier(s) with regular access is not available, the cash boxes, desk drawers, and safes may be opened using duplicate keys and/or combinations obtained from the sealed envelopes. However, this should be done with "dual controls" in place, where any two of the following are present when the envelope(s) are unsealed: 1) Agency Management, or their designee, 2) Fiscal Manager, and/or 3) Cashier Supervisor.
- 2.3.4 When a cash box, desk drawer, or safe is opened with a duplicate key and/or combination, those present as described in Section 2.3.3 shall count the coins, currency, and checks (if any), and record the count on MPF Form 7A. The cashier to whom the funds are transferred shall sign the MPF Form 7A. (A copy of MPF Form 7A is attached as Appendix 1.)
- 2.3.5 The combination to a safe, cashbox, or vault shall be changed immediately after any of these has been opened using a duplicate combination in emergency situations. Otherwise, a combination should be changed at least once a year, and/or any time a Cashier or Cashier Supervisor with knowledge of or access to a combination is assigned new duties, transfers to another County Agency, or leaves County employment.
- 2.3.6 When the combination is changed, a new sealed envelope shall be prepared and delivered to the Agency Fiscal Manager.

2.4 Cashiering Equipment

- 2.4.1 Each Agency shall acquire and maintain the systems and equipment necessary for the accurate receipting, recording, accounting, and safekeeping of public money. The type of equipment used should be based on the daily volume of transactions.
 - 2.4.1.1 If total receipts per day are less than \$250, or the number of transactions processed is less than 50, then Agency Management shall provide a secure, lockable cashbox.
 - 2.4.1.2 If total receipts per day are \$250 to \$1,000, or the number of transactions processed is 50 to 100, then Agency Management shall

provide an off-line cash register with a lockable cash drawer that produces both a detail tape and double-receipt tape.

- 2.4.1.3 If total receipts per day exceeds \$1,000, or the number of transactions processed is 100 or more, then Agency Management shall provide an on-line register with the following features:

2.4.1.3.1 A cash drawer for each terminal that automatically opens when a sale or transaction is completed.

2.4.1.3.2 The capability to generate a report of all transactions by amount and transaction number, both by individual cashiering station, and by all cashiering stations combined, and to designate whether funds receipted were in cash, check, or payment card.

2.5 Review of Cash Handling

- 2.5.1 The County Treasurer may review cash-handling practices, books, papers, and accounts of County Agencies to ensure compliance with State Statute, County Ordinances, and this policy, and to identify possible improvements in cash handling.
- 2.5.2 The County Auditor may conduct unannounced audits of County Agencies' compliance with this policy. Additional audits and reviews may be conducted at the request of the County Governing Body or County Agency Management.
- 2.5.3 Fiscal Managers should conduct periodic reviews, at least annually, to assure compliance with this policy, and shall submit a report to Agency Management. This report should document: 1) all funds reviewed, 2) any deviations from this policy noted during the review, and 3) provide conclusions and recommendations, if necessary, to improve compliance with this policy.
- 2.5.4 Losses or thefts discovered in the course of any of the above reviews should be reported in accordance with Section 5.2 of this policy and Countywide Policy #1304, "Discovery and Reporting of Wrongdoing or Criminal Activity."

2.6 Armored Car Service

- 2.6.1 An armored car service may be used for secure transfer and deposit of funds, if deemed necessary by the County Agency. The Treasurer's Office is the Countywide agent for engaging these services and should be contacted to make proper arrangements.
- 2.6.2 All deposits placed in custody of an armored car service shall be documented by an appropriate receipt or manifest signed by the armored car representative to document the chain of custody from the County Agency to the depository bank, including any intermediate custodian.

2.7 Change Fund Establishment, Use, and Security

- 2.7.1 Change Funds shall be established in accordance with guidelines set forth in Countywide Policy #1203, "Petty Cash and Other Imprest Funds."
- 2.7.2 Change Funds shall be maintained at the amount authorized by the Auditor's Office pursuant to Countywide Policy #1203, and shall not be used as a

convenient place for temporarily placing overages or making up shortages due to daily cash-handling errors.

- 2.7.3 Cashiers shall sign an MPF Form 7, Fund Transfer Ledger, or similar log, each time they retrieve the change fund from the safe or lockbox; and return the fund to the safe or lockbox. A copy of MPF Form 7 is attached as Appendix 2.
- 2.7.4 Change funds shall be stored overnight as described in Section 2.3.1.
- 2.7.5 The change fund allocated to an Agency may be divided into separate amounts according to the number of cash registers or other cash collection points.

3.0 Collections

3.1 Receipting of Collections

- 3.1.1 Cashiers are designated to receive and receipt for all remittances described in Section 3.2.1, below.
- 3.1.2 All persons remitting payments in the form of currency, check, money order or other negotiable instrument; or by payment card to Salt Lake County, in person “over-the-counter,” shall be issued a receipt documenting the payment.
- 3.1.3 Persons remitting “over-the-counter” payments by means of personal check shall, be required to provide a valid form of identification unless exempted by Countywide Policy #1301, “Acceptance of Checks,” Section 3.
- 3.1.4 Persons remitting “over-the-counter” payments by means of a payment card may be required to provide a valid form of identification.
 - 3.1.4.1 In addition, the “signature” section of the card shall be checked for a written signature to meet payment card industry (PCI) standards and be in compliance with the Agency’s Merchant Agreement with the payment card processing company. The Agency may refuse to accept a payment card that has not been signed by the cardholder at the time of presentation.
 - 3.1.4.2 Agencies will read and become familiar with the terms of their payment card processing company’s Merchant Agreement.
- 3.1.5 Agency Management and Fiscal Managers shall establish internal control procedures tailored to their operational requirements. These controls should be designed to prevent payments by check through the mail from being lost, stolen, or diverted to personal use.
- 3.1.6 The duties of opening the mail and summarizing the daily receipt of checks should be separated from the duty of posting payments in the cash receipts journal unless Agency Management determines that doing so is operationally burdensome. If operationally burdensome, Agencies shall adopt compensating internal controls to insure that the posting of payments to accounts is consistently overseen and reviewed by Agency Management or Fiscal Managers.

3.2 Forms of Remittances

- 3.2.1 Remittances in the form of negotiable instruments (i.e., cash, checks, money orders, traveler’s checks); and payment cards, electronic funds transfers (EFTs), or payments made via the Internet will be accepted.

3.3 Processing Remittances to Specific Accounts.

3.3.1 Remittances received by Cashiers from remitter, in person

3.3.1.1 When a remitter presents cash, check, or other form of payment, along with the account number(s) to process the remittance, the transaction will be recorded by crediting the amount remitted to the account. Where a validated cash-register receipt cannot be provided to the remitter, a hand-written receipt shall be issued indicating the payee's name, date, amount, and purpose.

3.3.1.2 When a remitter does not provide the account number(s) needed to process the remittance, the transaction will be processed crediting a suspense account. When the account number(s) are determined, a correcting entry will be made charging the suspense account and crediting the appropriate revenue account(s).

3.3.2 Infrequent remittances received by the Auditor's Office.

3.3.2.1 If a County Agency receives infrequent remittances, the Agency shall obtain documented receipt of remittances deposited through the Auditor's Office pursuant to Section 3.3.2.2. Agencies that collect monies on a regular basis should make deposits into their depository accounts established by the Treasurer.

3.3.2.2 The Cashier or Agency Fiscal Manager will review and approve the deposit documentation with the employee taking the funds to the Auditor's Office for receipting. The employee should require a signature from the Auditor on an MPF Form 7A, Fund Transfer Receipt, or other deposit documentation, indicating receipt of funds.

3.3.2.3 Examples of infrequent collections requiring cash receipts issued by the Auditor's Office include copying fees, employees' personal phone-use repayments, Sheriff's auctions receipts, and other miscellaneous funds accruing to the County on an irregular basis.

3.4 Examination of Remittances

3.4.1 Remittances other than by cash, payment card, or EFT, such as checks or other negotiable instruments, will be examined for omissions and irregularities before deposit. Cashiers should ensure the following elements of a check or other negotiable instruments are correctly completed:

- *Date*
- *Pay to the Order of*
- *Amount in Numbers*
- *Written Amount*
- *Signature*

3.4.2 Generally, checks or other negotiable instruments that are not correctly completed should be returned to the remitter. However, in certain limited circumstances, and with Agency Management approval, the following corrections can be made:

- 3.4.2.1 If the payee's name is omitted, the check or other negotiable instrument may be completed by writing the name of the payee-County Agency (for example, *County Clerk*) on the "Pay to the Order of" line.
- 3.4.2.2 If either the written or the numerical amount is omitted, the correct amounts may be recorded on the appropriate lines on the check or other negotiable instrument, with attention to ensure that the amounts recorded match.
- 3.4.2.3 If the date is omitted, the current date may be recorded on the line indicated on the check or other negotiable instrument.
- 3.4.2.4 Any suspicious entries, omissions, or unusual circumstances should be referred to the Agency Fiscal Manager for resolution.
- 3.4.3 Unsigned checks or other negotiable instruments, or any "two-party" checks shall not be accepted by a Cashier. These are not acceptable forms of payment.
- 3.4.4 If a check is received bearing a "conditional" or "restrictive" endorsement, the check shall not be accepted, except as provided under "Paid under protest – Action to recover." §59-1-301 Utah Code Annotated.
- 3.4.5 If a check or other negotiable instrument is made payable to a County Agency and the name is misspelled, or made payable to a different County Agency, the receiving Agency may endorse the check, if the amount is correct and the receiving Agency is the intended recipient of the check.
- 3.4.6 Remittances received that are for credit to the accounts of another County Agency will be forwarded to that Agency for processing and deposit.

3.5 Issuance of Receipts for Remittances

- 3.5.1 Cashiers will prepare a receipt for all remittances made in person "over-the-counter." A receipt will be given to the person tendering payment. The duplicate receipt or electronically stored receipt will be retained on file by the Agency for accounting and auditing purposes.
- 3.5.2 Issuance of a receipt is not required for tax payments received via the mail by the Assessor and Treasurer.
- 3.5.3 If a County Agency uses manual receipts, they shall be pre-numbered and used in numerical order. All remittances shall be receipted in the manner indicated on the prescribed form of pre-numbered receipts. Each receipt shall be filled out completely.
- 3.5.4 The supply of unissued manual receipts shall be secured in a safe, locked drawer, or other secure area. The first and last numbers of receipts should be verified by the Cashier Supervisor and entered into a receipt log maintained by the Agency. As blank receipts are released to Cashiers for use, the log shall be updated, accordingly.
- 3.5.5 Where an Agency uses an on-line cashiering system, a duplicate receipt is typically generated and stored electronically, precluding the need for printing a hard copy for accounting purposes. As with manual receipts, each receipt shall indicate all required information.

- 3.5.6 The online cashiering system shall produce receipts in a sequentially numbered order, and the receipt number shall appear on the receipt issued to the customer.
- 3.5.7 Daily receipts that are tallied for deposit preparation on calculators or automated, off-line systems shall produce a duplicate tape. One copy will be attached to the deposit and the other retained for Agency records.
- 3.5.8 Un-receipted funds discovered on any premises under the control of Salt Lake County, with ownership unknown, will be held by the Agency for 30 days, pending a claim from the rightful owner.
 - 3.5.8.1 If claim is made and ownership established within 30 days, the funds will be released to the owner upon receipt of a signed acknowledgment from the owner. If no claim is made or the Agency cannot otherwise determine the owner of the funds, all funds shall be delivered to the Treasurer with an explanation of the circumstances under which the funds were found. The Treasurer will deposit the funds in a suspense account pending final disposition.
 - 3.5.8.2 If the funds are not claimed and ownership established within one year, the funds will be remitted to the State Treasurer's Unclaimed Property Division, as required by §67-4a-210, Utah Code Annotated.

3.6 Endorsement of Checks and Other Negotiable Instruments

- 3.6.1 All checks and negotiable instruments received by Cashiers shall be restrictively endorsed immediately upon receipt using the Agency's approved restrictive endorsement stamp. This procedure restricts the disposition of the check "for deposit only," to the Agency's authorized bank account.
- 3.6.2 See Countywide Policy #1301, "Acceptance of Checks," for required procedures for acceptance of checks.

3.7 Voided Receipts

- 3.7.1 Cashiers making errors on manually prepared or electronically generated receipts shall not make corrections such as strikeouts, erasures, or alterations of any kind. The erroneous receipt shall be voided by writing "VOID" across the front of the receipt, and a new receipt reflecting the correct information will be issued.
- 3.7.2 All copies will be marked "VOID," including the customer copy, if available. The cashier initiating the voided transaction will document, on the front of the voided receipt, the cause of the voided transaction and its resolution.
- 3.7.3 A supervisor who was not involved with the transaction will review and sign one copy of the voided receipt, along with the cashier who initiated the void. All voided receipts will be attached to the daily cash balance sheet for audit purposes.

3.8 Balancing Procedures

- 3.8.1 All County Agencies should balance collections to cash register (or receipt log) totals and prepare a deposit, using MPF Form 3A, Cash Balance Sheet, or a similar form developed for and produced by the specific Agency. (See Appendix 3 attached). Cash balancing reports generated automatically, if reconciled to the cash count, should provide sufficient balancing documentation. Either a manual

or an automated balancing procedure shall be performed as a step in the preparation of each deposit.

3.8.1.1 If prepared manually on MPF Form 3A, or similar form, the cash balance sheet should be signed by the cashier for each cash register or location where cash is accepted. If a cashier is not required to balance their individual cash drawer, an MPF Form 7A, Fund Transfer Receipt, or similar form shall be completed to document the transfer of funds to the employee performing the balancing procedure.

3.8.1.2 A “master” balance sheet may be prepared to accumulate totals of individual cash balance sheets from each cash register. With any balancing procedure, the cash count total, including the breakdown by cash and check composition, should match the deposit slip total.

3.8.1.3 To complete the balancing process, all recorded receipts shall be summed to arrive at the amount of total collections. A report of total collections may be in the form of an off-line, cash-register generated summary of daily transactions (Z-tape), an online, cash-registering system generated report, or an adding-machine tape of individual receipt copies where, in limited situations, manual receipts are issued.

3.8.1.4 An “over/short” or “no-difference” amount between the cash count (cash and checks only, not payment card amounts), and recorded receipt totals shall be generated by the software application, or manually entered on the designated line of the MPF Form 3A. Payment card totals shall also be generated by the software application or manually entered on the MPF Form 3A, but not used in the calculation of the cash “over/short” or “no-difference” amount.

3.8.1.5 Payment card receipts shall be balanced to the “daily report of electronically transmitted activity” (Daily Report), as explained in Section 7.3.

3.8.2 Change funds should be counted, restored to the established imprest balance, and any daily shortages or overages recognized and recorded on MPF Form 3A, Cash Balance Sheet, and on MPF Form 11, Cash Over/Short Log. These forms shall be retained by the County Agency in accordance with County records retention guidelines. Copies of these forms are located at Appendices 3 and 4.

4.0 Depositing Procedures

4.1 Depository Accounts

4.1.1 The Treasurer shall establish all depository accounts for use by County Agencies, and arrange for such account maintenance services and cash management services as the Treasurer and the Agency deem appropriate. Agencies shall not establish bank accounts except as authorized by the Treasurer’s Office. The Treasurer and/or his designee is the authorized signer on all depository accounts.

4.1.2 As required by §51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but not later than three days after receipt.

4.2 Master Balance Sheet

4.2.1 A “master” balance sheet, as discussed in Section 3.8.1.2, shall correspond and reconcile to the daily deposit and show the:

- Agency Name
- Total Amount of Currency and Coin, by Denomination
- Total Amount of Checks
- Total Amount of the Deposit
- Deposit Preparation Date
- Sealed Deposit-Bag Number (if applicable)

4.2.2 The “master” balance sheet shall be reviewed and reconciled to the bank deposit slip, and signed by another employee designated by Agency Management; and if possible, by an individual with equal or higher authority than the individual who prepared the deposit.

4.3 Deposits

4.3.1 Each deposit should include an original and duplicate copy of the bank deposit slip. Agencies should prepare or make additional copies of bank deposit slips to accommodate Agency record keeping and establish audit trails for reconstructing transactions. A supporting adding-machine tape, or an electronically generated check detail listing, showing the check-deposit total, should be attached to the checks submitted with the deposit. Agencies will submit their daily deposits in a sealed, plastic, tamper-proof deposit bag.

4.4 Deposit Bags

4.4.1 Deposits secured in the sealed deposit bag should have the following recorded on the outside surface of the bag:

- Name of the Depositing Agency
- Date Bag was Sealed
- Depository Bank’s Name
- Total Amount Deposited
- Total Amount of Currency and Coin Enclosed
- Total Amount of Checks Enclosed

4.5 Deposit Records Retention

4.5.1 County records, including the deposit records discussed in this policy, will be retained for the time periods established in the Government Records Access and Management Act, §63G-2-101 et seq., Utah Code Annotated, and in compliance with County Ordinance §2.82, Records Management. Therefore, balance sheets, deposit slip copies, plastic pre-numbered tabs removed from the deposit bag, and any other supporting documents or materials, shall be retained for 7 years from the date of the deposit, either on-site or at the County Records’ storage warehouse.

4.6 Delivery of Deposit Bags

4.6.1 Sealed deposit bags may be delivered either directly to a depository institution approved by the Treasurer, or to the Treasurer’s Office.

4.6.1.1 Deposits delivered directly to a depository institution.

4.6.1.1.1 Multiple deposits may be included in a single sealed bag. The information recorded on the outside of the sealed bag, as outlined in Section 4.4 above, should summarize the information for all individual deposits included in the bag.

4.6.1.1.2 If required by the terms of the County's armored car service contract, all checks included in a daily deposit shall be reconstructable by the County. Accordingly, County Agency Management shall develop internal procedures to account for all checks included in a deposit.

4.6.1.1.3 However, County Agencies are cautioned that making copies of checks by photocopying, microfilming, microficheing, digital imaging, or similar medium that permanently retains an image of a check, places the County at risk related to maintaining the security of personal information and personal identifiers.

4.6.1.2 Deposits transferred to the custody of the Treasurer's Office.

4.6.1.2.1 All Agencies located at the Government Center may secure their cashboxes and deposit bags with the Treasurer's Office, and may use Protective Services for the transport of cash boxes and deposit bags within the Government Center.

4.6.1.2.2 Transfer of cash boxes and deposit bags to Protective Services shall be documented on a Fund Transfer Journal that is retained by Protective Services. Protective Services requires that an Agency employee sign or initial the Fund Transfer Journal to document the chain of custody. Protective Services shall sign a copy of the bank deposit slip and/or the Fund Transfer Journal retained by the Agency to document the transfer of the bank deposit bag(s) and cash boxes to Protective Services.

4.6.1.2.3 Upon receipt of the cashboxes and/or bank deposit bags in the Treasurer's Office, a Treasurer's Office employee will certify the number of deposit bags and cash boxes received by signing their full name on the line of the Fund Transfer Journal indicating that the Treasurer has taken custody.

4.6.1.2.4 At the beginning of the next business day, Protective Services will return the cashboxes to the appropriate Agency using a Fund Transfer Journal to document the return of the cash boxes.

4.6.1.2.5 All Fund Transfer Journals will be maintained on file by Protective Services and archived according to County Records Management guidelines.

4.7 Adjustments and Reconciliations

4.7.1 County Agencies, notified (via receipt of bank account statement(s) issued or by other communication with their depository bank) of deposit errors, returned items, bank charges, and other adjustments to deposits and balances, are responsible for correcting their records for adjustments made by their bank. This

requirement also applies to the Auditor's office with respect to accounts for which they perform Bank Reconciliations.

- 4.7.2 A Bank Reconciliation shall be performed at least monthly by an employee designated by Agency Management. Cashiers or employees who prepare deposits shall not perform the Bank Reconciliation.

5.0 Prevention, Discovery, and Resolution of Overages/Shortages, Losses, Thefts, and Burglaries

5.1 Preventative Measures

- 5.1.1 Preventive measures to discourage burglaries include the following:

5.1.1.1 Insure that all doors and windows are securely locked before leaving the facility.

5.1.1.2 Have all safes bolted to the floor, where feasible and cost effective.

5.1.1.3 Secure all cashboxes in a combination safe, locked filing cabinet or drawer, or transfer them to the Treasurer's Office for overnight storage.

5.2 Discovery of Loss, Theft or Burglary

- 5.2.1 In the event of the discovery of a loss, theft, or burglary of imprest funds or collections, all facts will be immediately gathered and reported pursuant to Countywide Policy #1304, "Discovery and Reporting of Wrongdoing or Criminal Activity." Agency Management shall follow all other requirements outlined in Policy #1304.

- 5.2.1.1 In the case of a burglary, the following additional steps shall be taken:

5.2.1.1.1 Call 911 to dispatch law enforcement to the location of the burglary.

5.2.1.1.2 Notify your immediate supervisor or someone in your chain of command and provide a brief report of the time, nature, and location of the incident.

5.2.1.1.3 Wait outside of the facility for the law enforcement investigators to arrive.

5.2.1.1.4 Stay clear of the crime scene and avoid touching or disturbing anything that would be useful to law enforcement officials in their investigation.

5.2.1.1.5 Cooperate fully and honestly with law enforcement officials on the scene.

- 5.2.1.2 If counterfeit currency is presented for payment, the incident shall be immediately reported to the appropriate law enforcement jurisdiction per Countywide Policy #1304. Cashiers, or other personnel, shall not attempt to physically detain nor accuse individuals of presenting such currency.

5.3 Resolution of Overages/Shortages, Losses, and Thefts

- 5.3.1 All overages and shortages, regardless of the amount, should be recorded daily by each Cashier on MPF Form 11, Cash Over/Short Log. When a significant shortage or a pattern of shortages occurs in the accounts of any Cashier, Agency Management shall conduct an investigation of the circumstances and report their findings to the Auditor's office. This reporting can be accomplished informally by email.
 - 5.3.1.1 All overages shall be deposited into the Agency's depository account and reported on MPF Form 3A, Cash Balance Sheet, MPF Form 11, Cash Over/Short Log, and on the Monthly Report of Cash Receipts.
 - 5.3.1.2 Shortages shall be reflected in the daily deposit to maintain the Change Fund at the authorized level and will be reported on the same forms described above.
 - 5.3.1.3 The MPF Form 11, for each Cashier, shall be signed by the Cashier's immediate supervisor. The MPF Form 11 and the Monthly Report of Cash Receipts shall be retained by the Agency and archived according to County Records Management guidelines.
 - 5.3.1.4 County Agencies shall not maintain a separate, unauthorized fund to temporarily accumulate overages to be used to make up for any shortages in collections.
 - 5.3.1.5 Personal funds of Cashiers or their supervisors shall not be used to cover the difference created by a shortage.
- 5.3.2 When an overage can be identified with a particular transaction, appropriate steps should be taken to refund the overage consistent with the following Countywide Policies: #1202, "Authorization and Processing of Certain Payments," Sections 2.0 and 3.0; #1203, "Petty Cash and Other Imprest Funds," Section 5.2.3; and #1205, "Fee Refunds."
- 5.3.3 At the discretion of County Agency Management, the account of the remitter may be directly credited in lieu of a cash refund. Overages and amounts for which a particular transaction and remitter cannot be determined should be deposited consistent with Section 3.3.1.2, and accounted for as cash over on the MPF Form 3A, Cash Balance Sheet, and MPF Form 11, Cash Over/Short Log.

6.0 Refunds

6.1 Same-day Refunds.

- 6.1.1 Refunds may be issued out of a cash drawer for transactions that originated on the same day and from the same cash drawer from which the refund is requested and made. The original receipt should be obtained from the patron, and the transaction voided. In case of emergencies, such as a swimming pool closure, where a patron receipt was discarded, a cash refund or "rain check" could be issued. The void slip, or other documentation used in the refund transaction, shall be signed by the Cashier and an Agency Supervisor, the reason for the refund recorded on the void documentation, and retained on file at the County Agency
 - 6.1.1.1 If the patron paid with a check, the check shall be removed from the drawer and returned to the patron. If the patron paid with cash, cash shall be returned to the patron.

6.1.1.2 If the patron paid with a credit card, the charges shall be reversed in accordance with Countywide Policy #1210, "Refund of Payments through Debit or Credit Card."

6.1.1.3 Cash shall not be returned for refunding of a credit card transaction or a transaction where a check was involved.

6.1.1.4 If the original form of payment cannot be determined on a same-day transaction because no receipt is available, a voucher for future goods or services shall be offered.

6.2 Refunds Subsequent to Same-Day Transactions.

6.2.1 Where County Agencies operate a retail operation providing goods and/or services to the public, refunds are permitted out of the cash drawer if original payment was by cash, and a receipt is provided by the patron. If no receipt can be produced showing payment by cash, the refund shall be made by Agency check or County general warrant. If payment was made by a payment card, the charge should be reversed. If the original form of payment cannot be determined, an Agency check or County general warrant will be issued. For non-retail operations, no refunds are to be issued out of depository accounts or from cash drawers, unless Agency Management requests an exception to this policy pursuant to Section 9.0 below.

6.2.1.1 Depository accounts shall be restricted in use for depositing revenue, and not for issuing refunds. Refunds should generally be issued through the established procedures outlined in Countywide Policy #'s 1202, 1203, and 1205, previously referenced.

6.2.1.2 Agencies may request that a special Refund Account be established. Refunds authorized by Agency Management may be issued from these special accounts. These refunds shall be made in compliance with this Policy.

6.2.1.2.1 Requests to establish Special Refund Accounts shall be referred to the Auditor's Office for review as to purpose and amount. Requests recommended for approval by the Auditor will then be submitted to the Mayor for final approval.

6.2.1.2.2 Once a Special Refund Account has been approved, the Agency will work with the Treasurer to establish the account.

6.2.1.2.3 The account will be regulated in accordance with established procedures for Imprest Fund Accounts, as outlined in Countywide Policy #1203, "Petty Cash and Other Imprest Funds."

6.2.1.2.4 The County Treasurer's refunding of property taxes, both personal and real, is exempted from the above provisions.

7.0 Payment Card Protocols

7.1 Authorization

7.1.1 Any County Agency seeking authorization to accept payment cards for services, products, or events must contact the County Treasurer for account authorization

and preparation procedures. This process includes the Treasurer's referral to the appropriate merchant services provider to obtain the Merchant Identification Number for the Agency.

7.1.1.1 The Agency is responsible to purchase or lease payment card equipment and to process payment card transactions in accordance with the Merchant Agreement between the Agency and the merchant services provider. Likewise, the accompanying Operating Manual provided by the merchant services provider must be reviewed carefully and complied with fully in order to meet the requirements of Payment Card Industry (PCI) standards and operating guidelines.

7.1.1.2 As determined by the Treasurer, or as requested by County Agency Management, the Treasurer will provide training for all Fiscal Managers, Cashier Supervisors, and Cashiers on PCI standards and operating guidelines. The Treasurer or his designees will be available to provide ongoing assistance to fiscal personnel regarding day-to-day PCI compliance issues.

7.2 Merchant Discounts, Service Provider Fees, and Security of Merchant Copies

7.2.1 Except as permitted by Statute and by merchant services agreement, County Agencies may not charge patrons to recoup merchant discounts and/or fees charged to the Agency by the merchant services provider for use of payment card services.

7.2.2 For security purposes, only the last four digits of the payment-card number shall be printed on the patron's receipt. The signed merchant copy of the receipt shall be placed immediately in the cash drawer and not left exposed on the counter or other work area for other employees or patrons to view. All payment-card merchant copies should be safeguarded in locked containers at all times.

7.3 Reconciliation of Daily Payment Card Receipts

7.3.1 Stand-Alone Payment Card Terminals.

7.3.1.1 The employee preparing a deposit will balance the total payment card receipts to the "daily report of electronically transmitted activity" (Daily Report) produced by a stand-alone payment card terminal, and will compare the totals to the cash register tender-total for payment card activity. All totals should match up. The following documentation procedures should be followed when a stand-alone payment card terminal is used:

7.3.1.2 The original of the Daily Report will be attached to the daily deposit documentation maintained on file at the Agency.

7.3.1.3 Except for procedures in the Treasurer's Office regarding the collection of property taxes, a copy of the Daily Report will be sent to the Agency Fiscal Manager.

7.3.2 Integrated Payment Card Terminals.

7.3.2.1 Where payment card processing is integrated within the cashiering system, reconciliation of individual receipts to cash register payment card activity totals is performed within the system. The reconciliation

shall be printed in hard copy and reviewed and signed daily by the Cashier Supervisor or the Fiscal Manager.

- 7.3.3 Regardless of whether payment card processing is integrated within the system or done through separate payment card terminal, the merchant copies of the payment card receipts will be included with a copy of the Daily Report or system-generated reconciliation, and filed by date. These records shall be maintained by the Agency in accordance with County records retention policies and the requirements of the Merchant Agreement.

7.4 Internet Payments

- 7.4.1 Payments of fees, fines, and taxes transmitted via the Internet shall be transmitted over a secure line using Hyper-Text Transmission Protocol-Secure (HTTPS) with Secure-Socket Layer (SSL) encryption, through a third-party processor. Therefore, payment card numbers and other personal identifiers transmitted through an internet website shall not go directly to a County Agency's server or terminal for subsequent reprocessing through the Agency's card scanning terminal.

8.0 Cash Disbursements

8.1 General

- 8.1.1 All checking accounts used for disbursements shall be reconciled to the bank statement at least monthly. Disbursements out of and receipts into the account shall be recorded, and a running balance shall be maintained. The reconciliation shall be performed by an Agency Management designated employee, rather than the individual(s) who prepares or signs the checks, or maintains the record of the running account balance.
- 8.1.2 Checks shall be voided where errors have occurred, and whiteout shall not be used to alter a check under any circumstances. "VOID" shall be stamped or written across the check portion of the voucher. If a voided check/voucher has been signed, the signature portion of the check must be torn off. A voided check/voucher should be filed numerically with all other checks/vouchers.

8.2 Justice Courts

- 8.2.1 The Justice Courts will disburse jury and witness funds with a Jury/Witness Payment Check/Voucher, MPF Form 12. The Justice Courts' Fiscal Manager will provide these forms to courts as needed, and the issuing court should disperse forms to jurors and witnesses in numerical order. The original receipt is remitted to the juror or witness for their records, and the bottom portion is their check. The white copy is forwarded to the Fiscal Manager of the Justice Courts, and the yellow copy is retained by the issuing court.

9.0 Exceptions

9.1 Internal Policies and Procedures

- 9.1.1 County Agencies finding it necessary to establish their own policies and procedures due to fund management circumstances and internal processes unique to their Agency may do so following the procedures set forth in Countywide

Policy #1000, "Department/Division and/or Section Policy Implementation Procedure."

9.2 Fund Management Policy Committee

- 9.2.1 Exceptions to this policy shall be submitted in writing to the Fund Management Policy Committee. The committee has responsibility for developing, reviewing, and making recommendations to the County Council on any proposed fund management policy or procedure or amendment. If approved, the committee shall forward its recommendation to the County Council for final approval.

APPROVED AND PASSED this 2 day of November, 2010.

SALT LAKE COUNTY COUNCIL

Joe Hatch, Chair

ATTEST:

Sherrie Swensen, County Clerk

Approved as to Form:

District Attorney=s Office

Date

SALT LAKE COUNTY FUND TRANSFER RECEIPT

Date: _____

Agency _____

NAME OF INDIVIDUAL TRANSFERRING FUNDS

AMOUNT TRANSFERRED _____

Loose Coins _____

Currency _____

Checks _____

TRANSFERRED TO:

*Signature**Agency**Original - Depositing Agency**Yellow - Courier**Pink - Transferring Agency**Updated 10/10**(FYI: This form can also be ordered from Printing in two or three-part forms)*

Appendix 1

FUND TRANSFER LEDGER

DATE	PREPARED BY	AGENCY EMPLOYEE (TO)	AMOUNT CHKS/CASH	TOTAL AMOUNT	TIME	PERSON TRANSFERRING FUND

SALT LAKE COUNTY

MPF FORM 3A

CASH BALANCE SHEET

Department _____

Location _____

Name _____

Date _____

<u>CURRENCY</u>	<u>WRAPPED</u>	<u>LOOSE</u>	<u>TOTAL</u>
\$100.00	_____	_____	_____
50.00	_____	_____	_____
20.00	_____	_____	_____
10.00	_____	_____	_____
5.00	_____	_____	_____
2.00	_____	_____	_____
1.00	_____	_____	_____
0.50	_____	_____	_____
0.25	_____	_____	_____
0.10	_____	_____	_____
0.05	_____	_____	_____
TOTAL CURRENCY			\$ _____
Checks			_____
Other			_____
TOTAL CASH ON HAND			\$ _____ 1
TOTAL COLLECTIONS PER REGISTER:			\$ _____ 2
Total cash on hand (from line 1)			_____ 3
Less beginning change fund			_____ 4
Adjusted total (line 3 minus line 4)			_____ 5
Total cash per cash register (from line 2)			_____ 6
Overage or [shortage] (line 5 minus line 6)			\$ _____ 7

COMMENTS:

CASHIER_____
REVIEWED BY

CASH OVER / SHORT LOG

DIVISION _____

EMPLOYEE _____ MONTH / YEAR _____

<u>DAY</u>	<u>AMOUNT OVER / (SHORT)</u>	<u>INITIALS OF CASHIER</u>
1	_____	1 _____
2	_____	2 _____
3	_____	3 _____
4	_____	4 _____
5	_____	5 _____
6	_____	6 _____
7	_____	7 _____
8	_____	8 _____
9	_____	9 _____
10	_____	10 _____
11	_____	11 _____
12	_____	12 _____
13	_____	13 _____
14	_____	14 _____
15	_____	15 _____
16	_____	16 _____
17	_____	17 _____
18	_____	18 _____
19	_____	19 _____
20	_____	20 _____
21	_____	21 _____
22	_____	22 _____
23	_____	23 _____
24	_____	24 _____
25	_____	25 _____
26	_____	26 _____
27	_____	27 _____
28	_____	28 _____
29	_____	29 _____
30	_____	30 _____
31	_____	31 _____

\$ _____ ACCUMULATIVE OVER / (SHORT)

Approved by Agent Cashier

I have reviewed the above log for propriety and certify that any differences between cash receipted and deposited are listed above.

Supervisor's Signature _____ **Title** _____

MPF 11 Updated 10/10

Appendix 4