

## Williamson County Receipting Procedures

### **Purpose**

To establish receipting procedures to safeguard county funds and to protect county employees.

### **References**

TCA 9-2-103 Receipts required

Each state, county, and municipal official who receives any sum or sums in such official's capacity shall issue to the payer thereof a receipt and shall retain a duplicate thereof in the office of such official...

TCA 9-2-104 Issuance, preservation, and numbering of receipts

- (a) The receipt shall be issued in duplicate and a copy thereof shall be retained by the person so receiving such money and shall be available to the state auditors upon demand.
- (b) The receipts shall be in a well-bound book, or a form approved by the comptroller of the treasury, and shall be prenumbered consecutively.

TCA 5-8-207 Three day deposit requirement

(a) (1) Every county official handling public funds shall be required to maintain an official bank account in a bank or banks within this state, and shall, within three (3) days after the receipt by such county official of any public funds, deposit the funds to the credit of such county official's bank account or bank accounts. ...

Williamson County Public Records Commission

Williamson County Policy for the Disposal of Temporary Records and Working Papers

CTAS manual-Records Management for County Government

St of TN Comptroller Office-Division of County Audit

### **Basic Process**

- Receive funds and verify amounts.
- Stamp back of check for deposit only.
- Issue a receipt.
- Any funds received must be deposited within (3) days.
- Prepare Accounting office deposit slip.
- Reconcile Accounting office deposit slip to funds received, receipts and/or related software reports if applicable.
- List any journal entries/voids, deposit adjustments, or over/shorts.
- Take deposit to accounting or bank.

### **Receipt Books / Software**

- Receipt books may be utilized. Receipt books must be bound, prenumbered and have the County Title and/or the County Title and Department name printed on each receipt. Generic receipt books from Wal Mart or like stores should not be used. Receipts should have a place for customer name, date, amount, payment type (cash, check, money order, or credit card) and a place for the name of the person issuing the receipt.
- When utilizing a computerized receipting system, the system should allow for the following : A) Receipts should have the County Title and/or the County Title and Department name printed on each receipt. B) Receipts should have a place for customer name, date, amount, payment type (cash, check, money order, or credit card) and a place for the name of the person issuing the receipt. C) The system must log receipts/transactions in sequential number format. D) Receipts should be in duplicate form, one receipt copy for the customer and one copy for the department. E) The system should log any journal entries or voids. F) The system should have access to daily transaction reports that list the date, customer, amount and payment type receipted (cash, check, credit card, money order), and list the individual issuing the receipt.

### **Issuing Receipts**

- Receive funds, verify amounts and issue a receipt to the customer. Upon issuance of the receipt, checks should be indorsed "for deposit only".
- Receipts will be in sequential number order. One copy of a receipt will be given to the customer and one copy will remain with the county/department.
- Receipts will have a place for the customer name, date, amount paid, payment type, and name of county employee issuing receipt.
- County employee issuing receipts will be a responsible county employee (not volunteers).
- All copies of voids should be retained with original records. Note reason for void on the receipt. Have department supervisor initial voids.
- Note reason for any journal entries or other adjustments to receipting records. Have department supervisor initial journal entries or adjustments.
- Any refunds to customers will be by issuance of a check from the accounting office. The only exception would be if original payment was by credit card, then the credit card would be credited for the refund and the transaction logged in department records.
- Missing receipts must be accounted for.
- Cashiers shall not cash personal checks.

## **Deposits**

- Reconcile deposits daily. 1) Add the cash, checks, and money order or credit card transactions for the day. 2) Add the receipts for the day. The receipts should equal the cash/check/credit card transactions for the day. 3) Fill out the Accounting office deposit slip, and verify that monies, receipts and/or computerized transaction report equals the deposit slip. 4) The deposit slip will be dated and signed by the employee preparing the deposit and their department head or immediate supervisor.
- Take the Accounting office deposit slip, funds, receipts and/or daily transaction reports from computerized receipting software to the accounting office for deposit.
- Deposits are to be made by authorized county employees.
- Off site offices will use tamper-proof bags to transport funds to the Accounting Office for deposit. Cash/Checks should not be forwarded to another office via interoffice mail.
- Accounting office staff will reconcile funds (cash, checks, etc) with department's receipts, and review any supporting documentation. Upon verification of amounts, will issue a County Receipt to the department.
- The County Receipt will be attached to the department's deposit.
- The Accounting Office will remit deposits to the County Trustee's office within (3) three day deposit period.
- Departments with individual bank accounts will deposit funds in the bank and remit copy of Accounting office deposit slip and bank deposit slip to accounting.
- Departments must "turn over" funds to Accounting at least every (3) three days. Departments with individual bank accounts will make deposits with the bank at least every (3) three days. This is a minimum requirement; if large amounts of cash are collected the deposit can be on a daily or more often as necessary for special events.

## **Reconciliation**

- Over/Short
  - Shortages or overages should be investigated and corrected to the maximum extent possible, and signed off by the supervisor.
  - Known loss, suspected loss, or theft should be reported immediately to:
    - The Department Head/Supervisor
    - County Director of Accounts and Budgets
- Deposit Reconciliation
  - Departments with individual bank accounts will turn in a copy of bank statements and department bank reconciliation to the Accounting Department on a monthly basis.
  - Departments may access Accounting records via intranet software to reconcile deposits with County accounting software records.

### **Safekeeping and Secure Access**

- Funds should be held in a secure location during the day.
- Secure location should be protected by registers, safes, or locks.
- Funds held over night should be in a secure locked safe. The safe should be in a secure area.
- Access to the secure area should be restricted.

### **Internal Controls**

- No individual is to have complete control in the handling of cash, i.e., no individual should be solely responsible for the actual handling of money, recording receipt of money, and the deposit or reconciliation of bank accounts/funds.
- Persons accounting for the pre-numbered receipt forms should not be cash handlers.
- Employees handling cash are to have work checked by a supervisor or another employee.
- Cross training of employees on all cashiering and cash control procedures are to be maintained such that the department could continue operating if a key employee is not at work.
- Departments with change fund/petty cash requirements shall contact the Accounting Department for additional procedures.
- The following attached chart has a recommended list for implementing segregation of duties practices for a two-person department as well as departments with three or more employees.

**Internal Control Checklist  
Receipts**

See Column Instructions Below

| Checks Received in the Mail  |     |
|--|-----|
| Open Mail, Stamp Checks for Deposit Only, and Make a List of Checks. | (1) |
| Issue Receipts for Mail-in Checks                                    | (2) |

Two-Person Office:  
Official  
Employee #1

|   |   |
|---|---|
| X | X |
|---|---|

Three-Person Office:  
Official  
Employee #1  
Employee #2

|   |   |
|---|---|
| X | X |
|---|---|

Column Instructions:

\*\* For computerized systems. Always follow guidance from Division of County Audit Information Systems Auditors with regard to Passwords, Computer Access, Backups, etc.

\*\*\* Note: A Sign should be conspicuously posted in the office that states "You must receive an official receipt on your transaction is not complete".

**Checks Received in the Mail -**

|     |  |
|-----|--|
| (1) |  |
| (2) |  |

**Daily Receiving and Depositing -**

|      |  |  |  |  |  |  |  |  |  |  |  |  |
|------|--|--|--|--|--|--|--|--|--|--|--|--|
| (3)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (4)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (5)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (6)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (7)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (8)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (9)  |  |  |  |  |  |  |  |  |  |  |  |  |
| (10) |  |  |  |  |  |  |  |  |  |  |  |  |
| (11) |  |  |  |  |  |  |  |  |  |  |  |  |
| (12) |  |  |  |  |  |  |  |  |  |  |  |  |
| (13) |  |  |  |  |  |  |  |  |  |  |  |  |

| Daily Receiving and Depositing |                |   |  |                                     |   |                                     |   |                         |  |  |     |     |     |     |     |     |     |      |      |      |      |
|--------------------------------|----------------|---|--|-------------------------------------|---|-------------------------------------|---|-------------------------|--|--|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|
| Maintain Separate Cash Drawers | Issue Receipts | Stamp All Checks for Deposit Only when Received | Issue Miscellaneous and/or Manual Receipts if Utilized | Post Receipts to Accounting Records | Verify that Mail-in, Miscellaneous, and Manual Receipts were Recorded | Check Out to Certain Amount of Cash | Deposit Intact Count Cash and Make up Daily Deposit | Carry Deposit to Acctg. | Verify Accounting Rec. with Check Out Sheets & Amount Recorded | Examine Receipt Log and Explain Each Entry | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |

|   |   |   |  |   |  |   |   |   |  |  |  |  |  |  |  |  |  |   |  |  |   |
|---|---|---|--|---|--|---|---|---|--|--|--|--|--|--|--|--|--|---|--|--|---|
| X | X | X |  | X |  | X | X | X |  |  |  |  |  |  |  |  |  | X |  |  | X |
|---|---|---|--|---|--|---|---|---|--|--|--|--|--|--|--|--|--|---|--|--|---|

|   |   |   |   |  |  |   |  |  |  |  |  |  |  |  |  |  |  |   |  |  |   |
|---|---|---|---|--|--|---|--|--|--|--|--|--|--|--|--|--|--|---|--|--|---|
| X | X | X | X |  |  | X |  |  |  |  |  |  |  |  |  |  |  | X |  |  | X |
|---|---|---|---|--|--|---|--|--|--|--|--|--|--|--|--|--|--|---|--|--|---|

Open mail, Stamp Checks for "Deposit Only", Account Number should be on the Stamp. Record the date, Make a List of All Checks by Name and Amount. Present Checks to person responsible for issuing the receipt. Keep the List secure until all receipts are verified as posted (Column 6). Issue receipts for the mail-in checks.

Each employee should have a separate cash drawer. (It is preferable for each cash drawer to have a lock.) Issue Receipts for Collections. (Notice that in the Two Person Office both employees are allowed to receipt) Stamp All Checks for "Deposit Only" immediately upon receipt. Do not wait until the end of the day. When a manual receipt book is utilized. (The use of a manual receipt book is discouraged when a computerized system is utilized.) If a manual receipt book is utilized, it must be bound, include the County Title, and be prenumbered. (Receipt books that can be purchased at local stores such as Walmart should not be utilized.) The receipt should have a place to indicate whether the payment was by cash, check, money order, or credit card and a place to indicate the name of the person who issued the receipt. Update the accounting system for the day's receipts or manually post receipts to accounting records. ( This procedure will depend on the type of computer software utilized if any.) Examine accounting records. Determine that all mail-in (use list prepared in Column 1) and manual receipts were recorded. Each employee should check out to a certain amount of cash (e.g. \$100). This procedure should be performed daily if practicable. In a manual system, use of a standard check-out sheet is advised. The computer should generate the check-out sheet in a computerized system. Each person should sign or initial the check-out sheet. Combine the money from all drawers and complete a deposit slip. The deposit slip should be itemized. The total deposit amounts should agree with the check-out sheets in Step 9. The deposit should be made "intact". This means that the deposit should equal all receipts for a given day. (As an alternative, a deposit could be made up for each cash drawer rather than making a combined deposit. Carry the deposit to the accounting office and obtain a receipt. Verify that the amount on the receipt agrees with the check-out sheets and the amount recorded on the accounting records. Initial and date the receipt to indicate the review. Examine the receipt log from the computerized system. Determine why transactions were deleted or changed. (It is preferable to perform this procedure daily, but the procedure should be performed at least each month. It is also preferable to print the report and write a brief explanation.) Initial and date the report after review or otherwise document that you examined the receipt log if it was not printed.

### **Retention and Disposition of Records**

- Storage and Disposal of department records should be kept in accordance with the policies and procedures set forth by the Williamson County Public Records Commission. Retention and disposal of records for county departments are defined in the CTAS manual for "Records Management for County Departments".