



CASH HANDLING MANUAL
December 2016

City of Marysville
526 C Street
Marysville, CA 95901
(530) 749-3901

TABLE OF CONTENTS

GENERAL INFORMATION.....	3
PURPOSE	3
GLOSSARY	4
PUBLIC SERVICE	6
CITY CASHIER.....	6
PERSONAL CONTACT	6
TELEPHONE CONTACTS.....	7
TELEPHONE COMPLAINTS	8
LETTERS.....	9
CASH HANDLING	10
CURRENCY RECOGNITION.....	10
COUNTING CURRENCY.....	10
COUNTING COINS.....	12
RECEIVING CURRENCY AND COINS.....	12
MAKING CHANGE.....	13
BUNDLING CURRENCY	14
HANDLING MUTILATED CURRENCY	14
CHECKS AND CHECK CASHING	14
CHECK NEGOTIABILITY	15
CHECK ENDORSEMENTS	16
IDENTIFICATION	16
CREDIT/DEBIT/CHARGE CARDS	17
CREDIT CARD TRANSACTIONS.....	17
DAILY CASHIER OPERATIONS.....	19
ESTABLISH PROCEDURES	19
CASH DRAWER SETUP	19
RECEIVING AND RECEIPTING FUNDS	20
OVERAGES/SHORTAGES/LOSSES.....	20
CLOSING ACTIVITY	20
BALANCING CASH DRAWER.....	21
REFUNDS	21
SECURITY AND LOSS PREVENTION.....	22
INTRODUCTION	22
GLOSSARY	22
ASSISTANCE CODE	23
HANDLING COUNTERFEIT MONEY	23
ALTERED CURRENCY	24
ROBBERY	25
FIRE/BOMB THREAT	27

GENERAL INFORMATION

PURPOSE

The purpose of this Cash Handling Manual is to provide guidelines for standard City-wide cash handling practices for the City of Marysville employees. Everyone handling City cash – or supervising someone who does – should be familiar with these guidelines.

The guidelines are organized into five sections:

- General Information
- Public Service
- Cash Handling
- Daily Cashier Operations
- Security and Loss Prevention

Many locations within the City of Marysville have employees that are required to receive, deposit, account for and safeguard cash/checks; and account for credit card transactions and change funds in their possession.

The Administrative Services Director, who also serves as the City Treasurer, is authorized to establish policies and procedures for the receipt, handling, documenting, reporting, safeguarding and depositing of City cash. The term “City cash” applies to currency, coins, checks, credit card payments, other electronic payment media and other negotiable instruments payable to the City.

This Manual is established to create a general performance standard for the handling of cash, but the specific needs and resources of individual departments may dictate some changes to the standard. However, any major deviations from the established guidelines should be pre-approved by the Administrative Services Director.

GLOSSARY

The following glossary has been prepared in order to provide guidelines in the terminology introduced in this manual.

Bank Check – (also called Cashier's Check) Check drawn by a bank on itself and signed by an authorized officer.

Bank Money Order – Check drawn by a bank on itself. The amount is encoded by the customer's bank, and the customer completes the rest of the check. There is always a maximum limit to a check amount, and sometimes a small service fee.

Beginning Cash – Cash in cashier's drawer at the start of the day or shift.

Cash Drawer – Drawer used to store currency, coin, and checks during cashier's shift when completing transactions. This drawer should always be locked when cashier is away for any reason.

Check – Draft or order on a bank, to be drawn upon a deposit of funds for the payment of a certain sum of money to a person named or to a bearer, and payable on demand.

Coin – A form of metal money used as a medium of exchange authorized by the Federal Reserve Bank of the United States.

Currency – A form of paper money used as a medium of exchange authorized by the Federal Reserve Bank of the United States.

Deposit – To leave money with a bank for credit to a bank account.

Deposit Bags – City issued canvas bags or bank ordered sealable plastic bags used for transporting monies and cash transaction documentation.

Deposit Slip – A document used by each cashier location (depositor) listing currency, coin, checks and items for deposit to the bank.

Ending Cash – Cash in a cashier's drawer at the end of the day or shift.

Endorsement – The signature or stamp that is placed on the back of a negotiable instrument according to Federal Regulation CC, which transfers the instrument to another party.

Federal Reserve System – U.S. central banking system that regulates the money supply.

Guaranty Deposit – Money deposited with the City Treasurer and held in trust during a specified period of time. This money is refundable if not needed.

Identification – Information piece (such as a valid driver's license) that guarantees that its holder is who he or she claims to be.

MICR – Magnetic Ink Character Recognition. Magnetic codes on the bottom of the check that indicate bank account number, check number and dollar amount of check that provides a way for the machine to read the check.

Money – Officially issued coins and paper currency that serve as a medium of exchange and may be used as payment for goods and services and for settlement of debts.

Negotiable Instrument – Written promise to pay – such as a check, promissory note, draft, or bill of exchange – payable to order or to bearer and transferred by endorsement.

NSF (Non-sufficient funds) – Indicates that the drawer's account balance is less than the amount of a check or withdrawal order presented for payment.

Over/Short Account – Specific general ledger account that departments can use to document when a deposit is over or short.

Overage – The amount by which the actual revenue in the cash drawer exceeds the reported revenue.

Payee – Party to whom a check is payable.

Post Dated Check – A check dated later than the actual date. The check is not payable until the date specified; therefore, a postdated check issued July 1st, but dated July 15th, is not payable until July 15th.

Return Item – An item returned unpaid by a payor bank.

Secure Pouch – A plastic sealed numerical bank bag used by departments to insert cash, checks, coin and a deposit slip for transmittal to the bank.

Shortage – The amount by which the reported revenue exceeds the actual revenue in the cash drawer.

Stale Dated Check – A check, which is dated more than 180 days prior to the current date. The bank no longer honors checks that are six months or older.

Transaction – A business act whereby money is received by the City for services rendered or fees or taxes imposed.

PUBLIC SERVICE

CITY CASHIER

There's no such thing as "just" a City cashier. As far as most citizens are concerned, you are the City! When citizens or customers arrive, greet them pleasantly; when customers have questions, answer them expertly; and when customers leave, you are the one they will remember.

The position of a cashier is an important one within the City. What you do falls into the following distinct yet interrelated areas of responsibility:

- To establish and maintain good customer relations.
- To receive and to pay out money to customers.
- To perform operations according to established procedures and to balance cash daily.
- To protect the assets of the City through sound loss prevention practices.
- To assist in other cash handling activities as directed by your supervisor.

PERSONAL CONTACT

You have a major influence on customer attitude toward our City government through your personal contact with the public. If a customer has a favorable and pleasant contact, even under difficult circumstances, then he or she will have a positive attitude toward your department and City government as a whole. Customers appreciate a friendly smile, a pleasant greeting, and a helpful attitude in their contacts with the City. Customers deserve and expect these considerations when dealing with all City departments. In addition, the following guidelines should be used when directly assisting a customer:

- The customer's problem, complaint or request for information deserves your undivided attention, interest and concern. Be sure to listen carefully and ask questions.
- The customer needs to have his or her questions answered clearly and in a language they can understand. This means eliminating technical jargon.
- The customer expects to receive information – accurate, thorough, and complete information – in a timely fashion. Responding to a customer by saying "I don't know" is preferable to giving wrong or incomplete information; however, you can assist customers by obtaining the correct information for them.

- The customer deserves a prompt response to their questions and requests. Nothing is worse than “passing the buck”. If you do not know the answer, accept responsibility for finding the person who does. Refer the customer to another employee only if you do not know the answer and are positive that the employee you are referring the person to will be able to help solve their problem. Some exceptions exist and are better referred to others directly, such as requests for technical department information or detailed questions that will require discussion back and forth.
- The customers expect employees to be neatly dressed and that their work areas will be clean and organized.
- The customers also expect courteous treatment. Not everyone an employee meets in the course of his or her duties will be pleasant, but a part of your job is to maintain good relations in spite of these difficult cases. Do not make an issue into a personal matter – keep the conversation on the facts and issues (not fault) and on problem solving.
- The customer should feel every attempt has been made to assist them by the time they leave your department.

TELEPHONE CONTACTS

Your telephone contacts with customers are an integral part of your every day activities and they have as much impact on customer attitudes as do personal contacts. Phone calls from customers should be given the same consideration as personal contacts with respect to individual attention, courtesy, accuracy of information, promptness and not “passing the buck”.

In addition, the following guidelines should be used when speaking with a customer over the phone:

- Answer the telephone within three rings. Always be sure that someone is available to answer it when you are away from your desk.
- Smile! Answer the telephone with a pleasant and interested tone of voice.
- Identify the office and individual: “Administrative Services Department, Ms. Smith speaking”, or “Police Department, Jane speaking”.
- Speak directly into the mouthpiece in a quiet, slow and distinct voice. Do not carry on another conversation with someone else after answering the phone.
- Keep paper and pencil handy to take notes.

- Don't ask "Whose calling?" as it implies that if the person calling isn't important enough, his/her call won't go through. Ask instead, "May I tell (him or her) whose calling?" It is much more polite.
- Keep the call as brief as possible, but don't be abrupt.
- If you need to put the caller on hold, obtain the caller's permission. If you must leave the telephone to find the answer or ask a question, explain your absence to the caller. Give callers the option of waiting for the answer or offer to call them back.
- Never state that an employee is on break or lunch. Use a term such as "He/she is not at their desk now, but should be back shortly (or in 15 minutes, etc.) or "He/she is in a meeting right now, can I take a message?"
- In transferring a telephone call, provide the name and telephone number of where you are transferring in the event that the customer gets disconnected. Stay on the line and announce the caller.
- When transferring a call and the employee is not available, ask the caller if they would like to be put through to the employee's voicemail; otherwise, take a message and arrange a callback.

TELEPHONE COMPLAINTS

The following guidelines will assist you in handling a problem or complaint over the telephone.

- When handling complaints, be polite and courteous. Be firm but never angry or argue with complainants, even if they are unreasonable, angry or insulting toward you or the department. You cannot afford to take the comments personally.
- Let complainants talk their problems out. After they have their say, they will be more likely to listen to what you say.
- Never refer complainants to the City Manager or City Council. If you cannot solve their problem, refer them to your immediate supervisor. That person may refer them on to the next level. Offer to do what you can to assist them.
- Assure the complainant of the goodwill of the department. When the conversation has ended, thank them for calling. Hang up the receiver gently – never slam it into the cradle.

- Be sure to accurately record the nature of any complaints and pass them on to your immediate supervisor. Include the name, address, phone number, and your response in handling the complaint. Give your evaluation of whether the customer was satisfied or not and what follow-up is required or planned. An accurate record could save you a lot of time and embarrassment if the customer were to take their complaint on to the City Manager or the City Council.

LETTERS

Letters affect the customer's attitude toward the City no less than personal and telephone contacts; therefore, the same points are important in handling correspondence. Letters originating from your department should:

- Represent a prompt response to verbal and written inquiries.
- Cover all the questions asked.
- Present ideas clearly.
- Have correct spelling, grammar, punctuation and be neat (Be sure to use Spell Check).
- Be concise and to the point.

CASH HANDLING

CURRENCY RECOGNITION

The Federal Reserve Bank of the United States has the responsibility for issuing currency for the United States. U.S. currency takes the form of notes engraved on special paper and comes in seven denominations, each bearing a portrait of a different famous American.

<u>Denomination</u>	<u>Portrait</u>
\$ 1	George Washington
\$ 2	Thomas Jefferson
\$ 5	Abraham Lincoln
\$ 10	Alexander Hamilton
\$ 20	Andrew Jackson
\$ 50	Ulysses S. Grant
\$100	Benjamin Franklin

Look at a dollar bill and note the following elements as you handle it:

- The denomination of each bill is numerically posted in all four corners on both sides.
- The value is written out across the bottom of the face side.
- The Federal Reserve seal appears to the left of the portrait. The Treasury seal appears to the right of the portrait, embossed over the written dollar amount.
- The unique serial number of the bill appears in both the upper left portion and the lower right portion on the face of the bill.
- The number and corresponding letter of the Federal Reserve district that issued the bill appears in the upper left corner of the face of the bill.

COUNTING CURRENCY

To facilitate accuracy, here are three common ways of counting currency. Each method ensures that no bill is counted twice. Whichever method you use, recount the money as many times as necessary to come up with the same total twice. This means you will always count a stack of currency at least twice. Cashiers should establish a set routine for counting money.

1. Hand-to-Hand Method

Use the hand-to hand method to receive currency from customers. The hand-to-hand method involves the following steps:

- Separate bills into denominations with all the bills facing up.
- If the pile contains more than one denomination, count the largest denomination first.
- Place the pile in one hand.
- Transfer one bill at a time from one hand to the other hand (if receiving money) or to the customer's hand (if paying out money) as you count.
- Check each bill as you count to ensure correct denomination.
- Make the hand-to-hand count your second count.
- If the two count totals do not agree, then repeat the count until they do.
- Stack the pile in order with the highest denomination on bottom and the smallest denomination on top.

2. Hand-to-Table Method

This method is the same as the hand-to-hand method except that, instead of placing the currency in the customer's hand, you will place it on the table as you count it.

3. Walk-Through Method

Use the walk-through method to count new money, count pre-packaged money, and count for banding or packaging. The walk-through method involves the following steps:

- Place the stack of bills on a table face up. For unbanded currency, all the bills should be face up and in the same direction. Each stack should contain only one denomination.
- Use the thumb and forefinger of one hand to lift back the corner of each bill. Then use the thumb and forefinger of your other hand to hold back the counted bill.
- Check each bill as you count to ensure correct denomination.

- Remain vigilant to the possibility that the corner of a bill of a larger denomination may have been taped onto the corner of a bill of a smaller denomination (“raised notes”).
- Count the pile twice.
- If the two count totals do not agree, then repeat the count until they do.
- Stack the pile in order with the highest denomination on bottom and the smallest denomination on top.

COUNTING COINS

As with counting currency, establishing a set routine for counting coins can ensure your accuracy as a cashier. Coins are stored in coin wrappers, or rolls, to facilitate accurate handling. Each person counting and inserting the coins into wrappers should initial and date the wrappers. When you open a wrapper of coins, always empty the whole package into the coin drawer or coin machine.

Have customers who pay with rolled coin put their name, address, daytime telephone and California Driver’s License or Identification Card Number on the outside of each roll.

Coin wrappers have established values printed on wrappers which correspond to the number of coins to be wrapped in each.

<u>Coin Value</u>	<u>Number of Coins Per Wrapper</u>	<u>Value of Wrapper</u>
\$.01	50	\$.50
\$.05	40	\$ 2.00
\$.10	50	\$ 5.00
\$.25	40	\$10.00
\$.50	10	\$ 5.00

RECEIVING CURRENCY AND COINS

The following lists the steps necessary for receiving currency and coins:

- Always keep money received in view of the customer

- Never place money received in the cash drawer before the transaction is complete.
- Separate the currency from the coins.
- Count the currency before the coins.
- Count each currency denomination separately.
- Separate coins into denominations.
- Count each coin denomination separately.
- Count all currency and coins in the presence of the customer.
- Verify the grand total against the amount listed on the billing or invoice.
- If any discrepancy exists between your total and the customer's total, then count the money again. If a discrepancy still persists, then ask the customer to count the money.
- Put away all currency and coins from the prior transaction before starting a new transaction.

MAKING CHANGE

There are two ways to give change back to a customer:

- The cash register automatically calculates the dollar amount to be returned to the customer.
- The cashier counts from the amount of the transaction to the amount tendered.

Change should be counted at least two times – once when the cashier counts it out of the cash drawer and a second time when the cashier counts it back to the customer. Always give the customer a receipt and put the amount received in the cash drawer and close the drawer.

BUNDLING CURRENCY

Currency is bundled (held by rubber bands) to assist employees in keeping accurate counts. Often, \$1, \$5, \$10 and \$20 bills are bundled in set amounts for convenience. Generally, \$1's are placed in bundles of \$25, \$5's are placed in bundles of \$100, \$10's are placed in bundles of \$100 and \$20's are placed in bundles of \$500.

HANDLING MUTILATED CURRENCY

Your job as a cashier includes removing from circulation all torn or otherwise mutilated bills. Whenever you receive such a bill, place it aside in your cash drawer to return to the bank for collection. The bank, in turn, will return mutilated money to the Federal Reserve Bank for redemption. Currency is mutilated whenever it is torn, written on, missing a portion, or otherwise damaged.

CHECKS AND CHECK CASHING

A check is a *payment on demand* financial instrument, used to transfer funds from one party to another. The term "negotiable instrument" means the check is payable to a person when presented at its signer's bank.

The "drawer" or "maker" of the check is the party issuing and signing the check. The drawer may be one or more individuals acting on their own behalf, or the drawer may be one or more individuals authorized to act on behalf of a company, corporation, partnership, or municipality. The "drawee" is the party on whom the check is drawn, usually a bank or trust company.

The "payee" is the party to whom payment is made. The check can be payable to one or more individuals; to a business, corporation or partnership; or to a municipality or government agency.

To help you distinguish between "negotiable check instruments", the different types of checks are listed below.

Personal Checks

Personal checks are the most common type of check. Personal checks belong to people who maintain demand account balances at banks. Checks payable to the City should normally list the "City of Marysville" as the payee and not department names. There are exceptions, such as "Utility Management Services" or "UMS", which is used for sewer payments.

No cash may be given back for a check transaction as that constitutes a loan of City funds. No checks drawn on foreign currency should be accepted.

Company Checks

Company checks may appear similar to personal checks; however, they may have a carbon paper strip attached for the company's own bookkeeping system. Company checks may also have stubs or copies attached and these should be removed. Please note that company checks may require multiple signatures or may state "not valid over \$ _____". Be sure that the check meets the specified requirements.

Cashier's Checks

This is a check drawn by a financial institution on its own funds. Since only the failure of the financial institution would cause these checks not to be honored, they are accepted almost as readily as currency.

Personal Money Orders

A personal money order is a check purchased by a customer from a financial institution for currency or against account balances. When issued, it shows a drawee bank and an amount. The purchaser fills in the date, the payor and the payee's name and address. Financial institutions usually restrict the maximum amount for which they issue a money order. This amount is usually printed on the face of the money order. For example, the money order may state the words "Not to exceed \$ _____". Money orders are accepted almost as readily as currency.

CHECK NEGOTIABILITY

Listed below are the seven elements that make a check negotiable or valid. Before accepting a check from a customer, you should verify that the check has all of these elements.

- *Current date.* The check must have a current date and cannot be either "stale" dated or "post" dated. A state dated check is generally dated 180 or more days in the past and a post dated check is a check dated in the future.
- *Payee.* The check must have a payee, which is the company or individual being paid for goods and/or services.
- *Payor.* The check must have a payor, which is the company or individual paying for goods and/or services.

- *Dollar amount.* The dollar amount must appear twice. It must be both spelled out and printed numerically. If there is a discrepancy between the spelled out amount and the numerical amount, the spelled out (written) amount is the legal amount.
- *Bank.* The check must be drawn on a bank whose name appears on the check.
- *Signature.* The check must be signed by the payor or drawer.
- *MICR numbers.* Magnetic Ink Character Recognition (MICR) numbers are pre-printed at the bottom of the check. If not, the check will require special handling by the City's bank.

CHECK ENDORSEMENTS

All checks should be endorsed upon receipt, either through the cash register system or manually stamped. The endorsement language can vary between departments, but should include some language such as the following, "For deposit only, The City of Marysville" and "bank account number". Any identification notifications, such as driver's license number, must be placed on the front of the check. It is important to endorse checks to the City as soon as possible to reduce the possibility of the checks being deposited to the account of another party.

IDENTIFICATION

The most important item to remember is that the employee should request photo identification, such as a driver's license, from the customer prior to acceptance of the check.

If a person buys merchandise or pays for services with a check that is later returned by the bank, there is usually no way to retrieve the merchandise or services. However, certain services do offer available recourse, such as with utility services, whereby the City will charge back the check amount to the customer's account. The Administrative Services Department will make every effort to recover the amount of any returned check. If a check proves uncollectible by the City, the check will be forwarded to collections.

CREDIT/DEBIT/CHARGE CARDS – N/A

Credit, charge and debit cards are now widely used by people to pay for many types of purchases. These cards have the benefits of reduced fraud potential (as responsibility is passed to the card servicing agency upon approval of the transaction on-line), customer convenience (payments can be made by telephone, computer, mail or in person), and more expeditious funds availability.

Both the volume of credit card transactions and the dollar volume continue to grow every year. Departments may be allowed to accept credit card payments for any service for which they charge, but the Finance Department has the responsibility of developing policies and procedures for the acceptance of credit card payments.

CREDIT CARD TRANSACTIONS – N/A

This section assumes the cashier is using an electronic Point of Sale (POS) system to accept credit cards. The general steps listed below should be followed to ensure a properly authorized transaction. There are three main ways to accept credit card payments. The cashier should be familiar with and follow all steps necessary to each method:

1. Walk-In Payments

- Verify card has not been altered in any way,
- Take the card from the customer and hold onto the card until the transaction is completed.
- Slide the card through the POS system to acquire authorization number. If the magnetic stripe malfunctions, input the card number into the terminal manually.
- Verify the expiration date on the card.
- Have the customer sign the credit card receipt and compare the signature with the one on the card.
- Write down the authorization number on the credit card receipt if it is not automatically printed.
- Hand the card back to the customer to complete the transaction.

2. Telephone Payments

- Take down the card number and expiration date.
- Manually enter the information into the POS terminal to acquire the authorization number.
- Write down the authorization number on the credit card receipt if it is not automatically printed.
- Write “telephone” on the credit card receipt signature line.
- After transaction has been authorized, destroy any documents containing the customer’s credit card number and personal information.

3. Mail Payments

- The customer returns a form with credit card number, expiration date and signature authorization for the transaction.
- Manually enter the information into the POS terminal to acquire the authorization number.
- Write down the authorization number on the credit card receipt if it is not automatically printed.
- Destroy (or black out at a minimum) the portion of the signature form with the credit card information. Attach the rest of the form to the credit card receipt. There are strict regulations governing the security of credit card information.

Due to the sensitive nature of credit card information, please do not send or receive any type of credit card data via e-mail or fax.

In all cases, once the transaction has been completed, the authorized credit card receipt should be handled similar to a personal check and processed during the cashier’s daily closing process.

DAILY CASHIER OPERATIONS

ESTABLISH PROCEDURES

Each department should establish policies and procedures, with the approval of the Finance Director, for the acceptance of cash at their various work sites. These procedures can be written to address the unique circumstances for each location receiving cash. The following procedures are recommended to be included in departmental policies and procedures.

CASH DRAWER SETUP

As a City cashier, you are responsible for setting up the cash register daily. This would include turning on the register, verifying the dollar amount of your beginning cash and placing coin and currency into the separate compartments. Please keep in mind that the smaller denominations of currency should be located closer to where you position yourself, while the larger denominations should be farther away. This setup helps prevent the accidental distribution of incorrect denominations.

During your shift, the following procedures should be followed to monitor the cash drawer:

- When the cash drawer begins to get full and/or several large bills have been received, paper clip or rubber bank the excess currency and transfer that currency from your cash drawer to a safe storage area (varies from department to department).
- Lock all cash and coins in a safe or in the cash drawer, except when in use.
- Never leave the cash drawer unattended.
- Never let anyone touch the drawer, except authorized staff.

The cash operation in which you work should have a permanent collection record, such as a cash register tape or pay file, which records all transactions, including voids or cancels. This permanent collection record, along with the cash received (if not directly taken to bank by courier), should be forwarded to the Administrative Services Department for review and processing.

RECEIVING AND RECEIPTING FUNDS

All checks for City transactions should be made payable to the City of Marysville or other authorized name, such as Utility Management Services (or “UMS”). The written checks need to be legible, dated and signed.

It is recommended that cashiers make some identification notation on all checks received that indicates what the payment is for (e.g. utility account number, business license number, name of recreation program, etc.). This notation will be important if the check is returned for non-sufficient funds.

Upon payment to the City, customers should always be given a receipt, either through the cash register system or through receipt books.

OVERAGES/SHORTAGES/LOSSES

There is a clear distinction between a “loss” and “shortage” of City money. This is determined by the cashier’s ability to obtain physical custody of the money and how that person safeguards the money.

A shortage is an unintentional collection error, such as a change making error, whereby the cashier has taken in less money. An overage occurs when a cashier has collected too much money and cannot immediately return the excess to a specific customer.

On the other hand, a loss is when a cashier has obtained custody of the money and then due to reasons like negligence, an act of God or an unlawful action, cannot deposit that money with Administrative Services or to the bank.

CLOSING ACTIVITY

At the end of the work day, you are responsible for documenting all of the City money that you have received. This involves balancing the cash drawer, depositing City funds, removing ending cash to safe or vault, and reporting to Administrative Services all monies received. Where cash is concerned, maintaining accountability and integrity is of vital importance. As a result, all cash received should be verified.

BALANCING CASH DRAWER

At shift closing, all the cashiers need to account for all increases and decreases of cash in their cash drawer and noting any loss, shortage or overage. This process is referred to as “balancing” – the accounting of all City funds received that day. Balancing involves: 1) adding of currency, coin, credit/debit card drafts and checks; 2) determining the dollar total received from the permanent record, subtracting the beginning cash; and 3) comparing the total money with the total transactions. These two dollar amounts should be the same. To protect your safety, balancing should occur out of public view in a location away from the collection area, if possible. While each individual has their own way of balancing their cash drawer, the following are some useful steps:

- Remove all cash (currency, coin, credit/debit card drafts, and checks) from the cash drawer.
- Count currency and coin and list by denomination. Count the money as many times as it takes to get the same total twice.
- Add all checks and credit/debit card drafts and balance the dollar amount of checks and drafts to the permanent record totals. All checks should be restrictively endorsed as previously discussed.
- Cashiers should then “buy” from the remaining cash on hand to bring the change fund back to the preferred mix of currency denominations as determined by your department.

REFUNDS

The City does not process refunds out of the cash drawer at any of its payment locations, unless exception has been approved by the Director of Finance. All refunds must be processed through Accounts Payable, or, if the original payment was made using a credit card, a credit card refund must be generated. Upon request by the customer, the City will refund any amount that is due. However, due to the cost of refunding small amounts, departments should only pro-actively initiate refunds of \$10 or more.

- *Check Refunds:* All payments made by cash or check must be refunded by a City Accounts Payable check. A payment request form must be prepared, approved and sent to Accounts Payable for processing. The refund request must include proof of payment, the date paid, amount paid, the purpose of the payment, and the General Ledger account number the payment was credited to. A brief explanation of why the money is being refunded should also be included. All refund requests will be processed in accordance with the regular Accounts Payable schedule.

SECURITY AND LOSS PREVENTION

INTRODUCTION

Anytime you handle money in a public place, threatening situations can occur that place your personal safety and the City funds in danger. The City protects people first and monies second. This section provides some guidelines on how to prevent and, if necessary, respond in those situations.

GLOSSARY

The following glossary has been prepared in order to provide guidance in the terminology introduced in this section.

Altered Currency – Currency that has been changed or tampered with in order to attain a greater amount for the currency than its face value.

Collusion – A secret agreement between two or more people to break a law.

Counterfeit – Currency or coins that have been fraudulently manufactured. Creating counterfeit money is a felony.

Dual Control – A situation in which two people work together cooperatively in the verification of one another's work. A method of maintaining security whereby two individuals must be present during transactions involving risk. Dual control is accomplished through the proper segregation of key and combination assignments for entry into secured areas.

Embezzlement – A fraud committed when an employee steals or assists another to steal. Fraudulent misappropriation of money or property entrusted to one's care.

Forgery – The alteration of a document or instrument with fraudulent intent.

Fraud – An attempt to obtain funds in other than appropriate and legal means.

Hold – The restriction of payment of part of all of the funds in an account.

Identification – Procedures in which the true identity of a person is determined.

Stop Payment – Notification that a restriction has been placed on one’s ability to cash a particular check. If a check has been lost or stolen, or if payment no longer should be made, a stop payment is initiated by the customer.

ASSISTANCE CODE

Administrative Services recommends that each department develops an “assistance code”. Such a secret code is to be used by staff in the event a co-worker is threatened or in a dangerous situation and the police should be called. For example, if the code was “JIM BOND”, when an employee hears this code, the person will immediately call the Police Department.

Anytime a City employee feels they need assistance or a co-worker feels another employee needs assistance, regardless of the situation, immediate attention should be given by calling other co-workers or a supervisor to the area, or calling the Police Department for immediate assistance.

HANDLING COUNTERFEIT MONEY

Most counterfeit money will not be detected until it reaches the Federal Reserve Bank. Finance recommends that obvious counterfeit currency, such as play money, be given back to the customer immediately. Ask the customer for a different bill. Check with Finance if you have any questions regarding procedures to follow when suspecting a bill is counterfeit. The Police Department will also assist in this situation.

The counterfeit policy for the banking industry is as follows:

- Excuse yourself from the customer without indicating a problem.
- Show the bill to your supervisor. If he/she confirms your suspicion, telephone the Police Department (911).
- Do not return the bill to the customer and delay the individual if possible. When the police arrive, surrender the counterfeit bill (get a receipt or copy of the police report), describe the customer (if no longer on the premises) and any companions, and if possible, the license number of a vehicle.

Indications that currency **may be** counterfeit include the following:

- Lines are not sharp, crisp and clear.

- Colored silk threads are not apparent.
- The bill feels different (e.g. slick, slippery or with little body).
- Shaded areas, especially the background of the portrait or Great Seal, are not crisp and clear.
- The bill is printed crookedly.
- The bill is badly spaced.

Indications that currency is counterfeit include the following:

- Denominations or serial numbers vary on the same bill.
- Two or more bills list the same serial number.
- The incorrect portrait is printed on the denomination.

The correct portraits for each denomination are listed below:

<u>Denomination</u>	<u>Portrait</u>
\$ 1	George Washington
\$ 2	Thomas Jefferson
\$ 5	Abraham Lincoln
\$ 10	Alexander Hamilton
\$ 20	Andrew Jackson
\$ 50	Ulysses S. Grant
\$ 100	Benjamin Franklin

ALTERED CURRENCY

Altering currency is done by taking a genuine bill, typically one of a small denomination, and tearing off one or more corners and then replacing these corners with the corners of a larger bill such as a \$20 or \$50. The original larger denomination bill is still redeemable at full value. This is the reason that all

mutilated money should be sent to the bank and not retained in the cash drawer. As a standard practice, Administrative Services recommends counting currency by looking at the face on the bill and not at the denomination in the corners.

ROBBERY

Robbery is the most threatening situation that a cashier might experience. You must be informed on how to prevent robbery as well as know the procedures to follow during and after a robbery. The average robbery takes 90 seconds from start to finish, so you must be prepared to act quickly.

1. How to Prevent a Robbery

Robbery is a confrontation between a cashier and a thief. Please note that a thief is less likely to rob locations that:

- Are clearly visible from the street (thieves look for locations that are private).
- Have numerous people in and around the location (the thief wants to confront as few people as possible).
- Have good lighting, both inside and outside the facility. The darker and more private the area, the more prone the location to robbery.
- Have cameras or other security devices visible and in good working order.
- Are discreet about cash drawer limits and amounts of cash on hand.
- Have inaccessible, protected cash drawers.

Excessive amounts of cash should not be kept in cash drawers. The department should have guidelines regarding the cash limits that may be kept in the cash drawer at any one time. In addition, remember the following rules:

- All cash (and even cashier areas) should remain locked at all times.
- Never allow unauthorized individuals in the cashier area.
- Never leave cash or other confidential items on your desk or counter when you leave your workstation.

Please keep in mind that the opening and closing of daily operations is the most vulnerable time for a robbery. Cashiers should use caution by not allowing customers near them or into the facility during the opening or closing process.

2. Procedures to Follow During a Robbery

Despite the preventive measures previously mentioned, the possibility that the cashier will be confronted with a robbery still persists. In such cases, three critical factors should be remembered:

- The preservation of human life and health (the cashier's, co-worker's and the public).
- Catching the criminal.
- The preservation of City funds.

Preservation of life and safety is the highest priority.

The cashier's objective is to catch the criminal, not to stop the robbery! Please keep these factors in mind:

- Always assume there is a weapon even if one is not seen.
- Be polite and accommodating. A nervous person is committing the robbery. Do not upset or antagonize the robber. The calmer you are, the calmer the robber will be.
- Keep talking to the robber. Explain your every movement, such as "Now I'm taking the key out of this drawer to unlock..." Avoid making any quick movements that might alarm the robber.
- Do exactly as the robber asks.
- Attempt no heroics. Lives of innocent people may be jeopardized by heroics.
- Observe the robber, but do not stare. Try to remember the distinguishing characteristics of the robber. You will be asked to describe the robber at a later time.
- Watch over all evidence left by the robber. Remember everything the robber touches for possible fingerprints.
- Listen to voice, inflection, names, slang, and so on, that the robber uses.
- Do not leave the premises or call 911 until it is safe to do so.

3. Procedures to Follow After a Robbery

Once the robber has left the premises, please follow these steps:

- Close your window and notify your supervisor about the robbery.
- Call 911 and stay on the line until the police arrive.
- Speak to no one, other than City officials, until you have talked to the police and have completed a police report.

You may be asked to take the names and addresses of those who may have witnessed the robbery. No one, except the police (and perhaps your department officials), should be allowed in the facility after the robbery.

4. Procedures to Follow For Theft or Shortage

When balancing the daily cash drawer, if you are unable to account for a cash shortage due to an error, you should notify your supervisor immediately. A shortage is money (cash, check, credit card) that is unaccounted for. From time-to-time, a cashier may have a shortage due to making change in error, such as giving a dime instead of a penny. Minimal shortages are expected on occasion.

If you are in doubt and unable to determine if there is a shortage rather than a theft, please contact the Finance Department for assistance in policy and procedures regarding your cashier operations.

FIRE/BOMB THREAT

In the event of a fire or a bomb threat, you should secure all money by locking the cash drawer and vacating the building as soon as possible. Remember though that protecting people is of greater importance than securing City funds. If there is adequate time – personal judgment is critical – secure money in a safe or vault and then vacate the premises. **DO NOT** try to remove funds from the premises.

