

Internal Control for Cash Receipts

Please note the following guidelines use the terms cash and checks interchangeably.

General Guidelines

- Segregation of duties in the handling of cash is one of the most effective ways to gain control over this asset. No individual is to have complete control in the handling of cash. Specifically, no one individual's duties should include the actual handling of money, recording receipt of money, and the reconciliation of bank accounts or with the state treasurer. Employees handling cash are to be assigned duties that are complementary to or checked by another employee.
- [SAAM 85.50.10](#) requires that cash receipts be deposited intact each day for the collections of the preceding day. Small Agency Financial Services retains a [waiver](#) each biennium for client agencies from having to send over cash receipts daily. Agencies served by DES may safe keep deposits under \$500 and send to DES once a week. If receipts reach over \$500 they must be delivered to DES for deposit within 24 hours.
- Two persons should open the mail when they expect cash or checks in the mail: One person to complete a list of all checks and cash (ie Cash List) and another person to review the cash list and receipts. A copy of the cash list is then forwarded to the DES Finance Cashier with a copy of the receipts. A second copy of the cash list is used for accounting controls. A weekly comparison of the cash list and Cash Receipt Report received via email should be completed.
- Amounts of currency contained in each item of mail are verified. Documents enclosed with the currency received are machine date stamped or dated and initialed by the employee opening the mail.
- A secure area is needed for the safeguarding and processing of cash received. Access to the secured area is restricted to authorized personnel at the time of processing.
- Cash should be protected using registers or locking drawers and kept in areas of limited access. Cash retained overnight should be minimized and secured in a safe.
- Collections made over the counter or in the field are documented by the issuance of sequentially pre-numbered official receipts or through cash registers or automated cashiering systems. All such receipts are to be strictly accounted for and the reason for any missing documents determined and documented. Blank form receipts are not used. Receipts indicate mode of payment, such as cash, check, etc. The total dollar amount recorded on cash receipt forms, by mode of payment, is balanced daily to total cash, checks, etc. collected.
 - Complete a receipt for all money received at the office, see example below.

RECEIPT

Date _____ No. 7890123

RECEIVED FROM _____

\$

FOR _____

HOW PAID	AMOUNT
CASH	
CHECK	
MONEY ORDER	

BY _____

White Copy: Customer Yellow Copy: Attach to A45 Pink: Retain in Receipt book

Your Agency Name
123 Main St.
PO Box 456
Olympia, WA 98504-0456

- Provide your customer the original receipt.
- Attach a copy of the receipt to the [A45](#).
- Submit all money received to DES in a timely manner to ensure it is deposited within 24 hours of receipt or within the guidelines of the Cash Receipts [waiver](#).
- The cash receiving function of an agency is centralized to the extent possible.
 - When cash is received in branch offices, it is to be transmitted to the central office through the banking system. Branch office personnel are restricted to making cash deposits and central office personnel make any cash withdrawals and reconcile bank accounts.
- A balance and summary of all cash receipts is prepared daily. Any shortages or overages are carefully investigated and, to the extent possible, corrected.
- Receipts are prepared intact on a daily basis. When a deposit slip is prepared, the cashier must get signed approval from a supervisor before making the bank deposit.
- Authenticated, duplicate deposit slips are retained and compared with amounts recorded in cash receipts records.
- Adequate records are maintained to ensure the correct handling and final disposition of items held in suspense. Suspense accounting is eliminated whenever possible by the direct deposit of the item to the correct fund and account. However, deposits are not to be delayed because the account distribution cannot be immediately determined.
- Cashiers are prohibited from cashing personal checks or notes of personal indebtedness.
- Written procedures on all cashing and cash control procedures are maintained by each agency.