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DEPARTMENT OF FINANCE

FINANCE MEMORANDUM NO. 020-2012

TO: DEPARTMENT AND AGENCY HEADS

SPECIAL ATTENTION TO:
Cashiers and Cashiers Supervisors

FROM: 
Angel E. Dawson, Jr., Commissioner

DATE: October 19, 2012

RE: Revenue and Cash Collections Policies & Procedures and Change in Deposit Tickets

This memorandum serves to notify Department Heads that Statement of Policies and Procedures (SOPPs) pertaining to revenue and cash collection were placed on the Government of the Virgin Island, GVI, website www.usvifinance.info. They provide step by step guidance on how tasks are to be processed from inception to completion, along with the internal controls to be implemented and performed by supervisors.

SOPP COLLECTORS

	TITLE	PURPOSE
100	CASHIER DRAWER CONTROL	The purpose of this policy is to establish best practices for cashiers' control of a cash drawer.
101	CHECKS AND CHECK CASHING	The purpose of this policy is to establish check types that will be accepted as a negotiable instrument.
102	SEGREGATION OF DUTIES (PREVENTIVE & DETECTIVE)	The purpose of this policy is to strengthen internal control to reduce the risk of mistakes and inappropriate actions through the segregation of duties. It helps fight fraud by discouraging collusion.

SOPP #	TITLE	PURPOSE
104	RECEIVING CURRENCY AND COINS	The purpose of this policy is to ensure accuracy in counting currency and coins upon receipt from customers.
105	CASH AND CHECK RECOGNITION	The purpose of this policy is to establish controls governing the receipting and recording of cash and checks into ERP as Munis batches for the recognition of receivables.
106	COUNTING CURRENCY	The purpose of this policy is to establish best business practices for accurate counting of currency.
107	COUNTING COINS	The purpose of this policy is to insure accuracy for counting coins by cashiers.
108	COUNTERFEIT MONEY	The purpose of this policy is to prevent the loss of currency due to counterfeit money.
109	MAKING CHANGE	The purpose of this policy is to provide best practices for making change.
110	BUNDLING CURRENCY	The purpose of this policy is to assist employees in keeping accurate counts by bundling currency.
111	HANDLING MUTILATED MONEY	The purpose of this policy is to remove mutilated currency and coin from circulation.
112	RECORDING RECEIVABLES IN ERP	The purpose of this policy is to ensure that receivables are recorded in the ERP in order to clear any outstanding accounts receivable and to record the receipt of cash; and to ensure that receivables are recorded in a timely manner.
113	DAILY BALANCING	The purpose of this policy is to establish internal controls and for balancing daily cash collections.
114	BANK DEPOSITS	The purpose of this policy is to strengthen cash controls by ensuring that monies received by the Government are deposited in specified bank accounts(s) in a timely manner.
115	COURIER SERVICE AND DEPOSITS	The purpose of this policy is to ensure that bank deposits are adequately guarded during transportation to bank.
116	CHECK REFERENCE	The purpose of this policy is to increase accuracy in payment processing when checks are received.
117	IDENTIFICATION REQUIRED FOR ACCEPTING CHECKS	The purpose of this policy is to identify the information required when accepting checks.
118	VERIFICATION OF CASH COLLECTED	The purpose of this policy is to establish cash handling controls and ensure accuracy of balanced cash.
119	FREQUENCY OF BANK DEPOSITS	The purpose of this policy is to protect Government funds by ensuring that monies received by the Government are deposited in specified bank account(s) in a timely manner which will result in proper posting of accounts of Government funds.
120	PREPARING BANK DEPOSITS	The purpose of this policy is to ensure that funds received by the Government will be deposited in specified bank account(s), verified as accurate, and deposited in a timely manner.
200	INTERNAL CONTROLS: GENERAL CONTROLS	The purpose of this policy is to ensure that proper controls exist to protect, accurately process, and properly report cash collected by the Government.
201	INTERNAL CONTROLS – SECURITY CONTROLS OF CASH DRAWERS	The purpose of this policy is to ensure that proper security controls exist to protect, accurately process, and properly report cash collected by the Government.

SOPP #	TITLE	PURPOSE
202	INTERNAL CONTROLS – MANAGEMENT CONTROLS	The purpose of this policy is to ensure that proper management controls exist to protect, accurately process, and properly report cash collected by the Government.
203	INTERNAL CONTROLS – MONITORING CONTROLS	The purpose of this policy is to ensure that proper monitoring controls exist to protect, accurately process, and properly report cash collected by the Government.
204	ERP PAYMENT REVERSALS	The purpose of this policy is to establish internal controls for reversing payments in ERP.

Although the policies and procedures are on the GVI website, it is advisable to download copies and placed in a binder centrally accessible to all users. We believe the availability of the information will encouraged employees to become familiar with the Policies and Procedures and more adept in performing their duties.

The Department of Finance, under the auspices of the Treasury Division, will be arranging training sessions with departments/agencies for collectors and supervisors in fiscal year 2013. Your feedback on the training sessions will prove more beneficial to your department/agency. However, it is incumbent on supervisors to ensure the Policies and Procedures are adhered to, in order to foster uniformity in which the GVI conducts business, and reduced potential errors.

Also, please be informed the Central Stores have procured a new inventory of deposits tickets which do not capture the preprinted Deposit Sequence Number. Therefore, it is recommended that departments/agencies type this on their deposit tickets using the following format (Location-Sequence-Fiscal Yr.). **As an example, the Department of Finance first deposit with the new tickets will have a sequence number of 3901-001-13.**

If you have any questions or concern, please do not hesitate to contact Mrs. Laurel Payne, Director of Treasury at 774-4750 Ext. 2279, or Ms. Geneva Weekes Ext. 2278.

SOPP # 100	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Cashier Drawer Control
Purpose	The purpose of this policy is to establish best practices for cashiers' control of a cash drawer.
Policy	<ul style="list-style-type: none"> • There should only be one cashier per drawer. • The drawers should be of the type that locks, with the cashier possessing a key to their own drawer. Backup keys must be secured. • Only one cashier should be allowed access to a cash register/drawer. • When a cash drawer begins to get full and/or received several large bills, excess currency should be paper clipped or rubber banded and transferred from the cash drawer to a safe storage area (varies from department-to-department). • All cash and coin should be in the safe or in the cash drawer except when in use. • Cash drawers should never be left open, even while cashier is in attendance. • Cash drawer should never be unsecured. • Cashier should never let anyone touch the cash drawer except authorized staff. • In the event of the drawer being short, the employee is responsible for the shortage. • The Government does not cash checks for customers or employees, including Government payroll checks, petty cash checks, travel reimbursement or other Government issued checks, or personal checks. • Cash may not be given back for a check transaction. The check must be for the amount of the transaction - all money must be applied to the transaction.

Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> ✓ Cashiers establishing a set routine for counting money. ✓ Verification by Supervisor of all cash and checks received for each day's activity per cashier. ✓ Training cashiers in best practices for managing a cash drawer. ✓ Reviewing the policy with cashiers and clerks. ✓ Enforcing the policy.
Procedure	<p>Follow the daily operations for managing a cash drawer:</p> <p><u>Opening Activity:</u></p> <p>Government cashiers are responsible for setting up the cash register daily.</p> <p>Cashiers must verify the dollar amount of beginning Cash.</p> <p><u>Closing Activity:</u></p> <p>At the end of the workday, cashiers are responsible for documenting all Government monies they have received. This involves the balancing of their cash drawer, completing daily cash count sheet, preparing cash/check, turn over to his/her supervisor to verify monies received. In addition, it is the employee's responsibility to balance and close credit card machine(s) at the close of business each day.</p>
Procedure (Cont'd)	<p><u>Balancing Cash Drawer:</u></p> <p>At the end of a shift, all cashiers need to account for all increases and decreases of cash in their cash drawer. This process is referred to as balancing - the accounting of all Government funds received that day. Balancing involves completing a daily cash count sheet provided by each department.</p> <p>To protect personal safety, balancing should occur out of public view.</p>

Revision History

Revision #	Date	Description of changes	Requested By
0	8/08/2011	Initial Release	LP
1	8/08/2011	Review	MF
2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED
Revision #	Date	Description of changes	Requested By

SOPP # 101	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Checks and Check Cashing
Purpose	The purpose of this policy is to establish check types that will be accepted as a negotiable instrument.
Policy	<ul style="list-style-type: none"> • No cash may be given back for a check transaction • The following types of checks are negotiable and acceptable for payment: <ul style="list-style-type: none"> Personal Checks Company Checks Cashier's Checks Personal Money Orders Traveler's Checks • Government checks will be accepted if check amount does not exceed the amount of the payment. • Starter checks will not be accepted. • 3rd party checks will not be accepted.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Reviewing the check cashing policy with cashiers. ✓ Enforcing the policy.
Procedure	General Management Controls that must be followed: <ul style="list-style-type: none"> • No cash may be given back for a check transaction • Types of checks acceptable: <p>Personal Checks:</p> <ul style="list-style-type: none"> ✓ The payee should be the Government of the United States Virgin Islands or relevant department. ✓ No checks drawn on foreign currency should be accepted. <p>Company Checks:</p> <ul style="list-style-type: none"> ✓ Remove strips, stubs or copies and process only the original check.

Procedure (Cont'd)	<p>Cashier's Checks:</p> <ul style="list-style-type: none"> ✓ Treat cashier's check the same as company or personal checks. <p>Personal Money Orders:</p> <ul style="list-style-type: none"> ✓ Money Orders are accepted the same as currency. <p>Traveler's Checks:</p> <ul style="list-style-type: none"> ✓ Customer must countersign and write in the payee in the presence of the cashier. ✓ Traveler's checks should be stamped with the endorsement and placed with the other checks. ✓ The USVI cannot accept Traveler's checks drawn on foreign currency. ✓ <p>Government checks:</p> <ul style="list-style-type: none"> ✓ Government issued checks will be accepted when it does not exceed the payment.
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0	8/08/2011	Initial Release	LP
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2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 102	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Segregation of Duties (Preventive & Detective)
Purpose	The purpose of this policy is to strengthen internal controls to reduce the risk of mistakes and inappropriate actions through the segregation of duties. It helps fight fraud by discouraging collusion.
Policy	<ul style="list-style-type: none">• The following functions shall be separated among employees:<ul style="list-style-type: none">➤ Cash Receipting and ERP Batch Releasing➤ Verifying Deposits➤ Verifying Reversals➤ ERP Posting➤ Bank Reconciliation• A detailed supervisory review of related activities is required as a compensating control activity if these functions cannot be separated in smaller departments.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none">✓ Ensuring that segregation of duties is assigned among employees.

Procedure	<p>No one person should:</p> <ul style="list-style-type: none">• Initiate a transaction• Approve a transaction• Record a transaction• Reconcile balances• Handle assets• Review reports <p>A best practice is: At least two sets of eyes are required for any transaction especially cash transactions.</p> <p>Examples of segregation of duties:</p> <ul style="list-style-type: none">• The person who requisitions the purchase of goods or services should not be the person who approves the purchase.• The person who approves the purchase of goods or services should not be the person who reconciles the monthly financial reports.• The person who approves the purchase of goods or services should not be able to obtain custody of checks.• The person who maintains and reconciles the accounting records should not be able to obtain custody of checks.• The person who opens the mail and prepares a listing of checks received should not be the person who makes the deposit.• The person who opens the mail and prepares a listing of checks received should not be the person who maintains the accounts receivable records.
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Revision History

Revision #	Date	Description of changes	Requested By
0		Initial Release	
1		Review	
2		Reviewed Updated Procedures	
3		Final Review	

SOPP # 104	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Receiving Currency and Coins
Purpose	The purpose of this policy is to ensure accuracy in counting currency and coins upon receipt from customers.
Policy	<ul style="list-style-type: none">• Persons handling currency and coins will follow best practices when receiving currency and coins.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none">✓ Reviewing best practices for counting coins with cashiers.✓ Informing Cashiers that they are responsible for implementing best business practices for receiving and counting currency and coins.✓ Enforcing the policy
Procedure	Best practices for receiving currency and coins are: <ul style="list-style-type: none">• 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 cash and coins in the presence of the customer• Verify the grand total against the amount listed on the billing or invoice• If any discrepancies exist between your total and the customer's total, count the money again. If a discrepancy still exists, ask the customer to count the money.• Put away all currency and coins from the last transaction before starting a new transaction

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Revision #	Date	Description of changes	Requested By
0	8/08/2011	Initial Release	LP
1	8/08/2011	Review	MF
2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 105	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Cash and Check Recognition
Purpose	<p>The purpose of this policy is to establish controls governing the receipting and recording of cash and checks into ERP as Munis batches for the recognition of receivables.</p> <p><u>Considerations</u></p> <p>ERP is the official record for recording receivables. Munis is the accounting software that supports the ERP. Departments must take special care to ensure that the information entered into Munis for any receivable is accurate and complete.</p>
Policy	<ul style="list-style-type: none">• All cash receipts must be deposited within a designated and authorized location, within one business day of receipt.• Receipts may include cash, checks, credit cards, and represent accounts receivable or over-the-counter transactions.• Receipts for payments received must be generated from the ERP, the official Government Cashiers Receipt, or Form Receipt FD2-21 as approved by DOF.• Departments shall accept all methods of payment approved and authorized by the Department of Finance (see SOPP <i><u>"Checks and Check Cashing"</u></i>).• Adequate internal controls must exist to ensure the safeguarding of cash (see SOPP <i><u>"Internal Controls – Security Controls of Cash Drawers"</u></i>).• All checks must be endorsed "For Deposit only" and be made payable to the relevant department or to the Government of the United States Virgin Islands. Rubber stamps shall be used for these endorsements for efficiency and convenience.• Checks payable to individuals are not acceptable.• All credit card payments must be directed to the relevant department or to the Government of the United States Virgin Islands.

Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none">✓ The record keeping of the official record copy of all revenue information. ERP is the official record of the receivables collected by the department. Receivables will be receipted in ERP. The department must maintain any supporting or back up documentation related to a receivable entered in ERP. The department is responsible for retaining and archiving receivable records in accordance with the disposal schedules issued by the Government's policy for record retention.✓ Recording the receivables into ERP batch(es) on a daily basis, either in summary or as individual receipts.✓ Ensuring that the official Government cashier receipts books are on hand in the event that ERP is not available.✓ Releasing the batches daily in ERP.✓ Making the daily deposits of all cash receipts in a bank account as designated by the Department of Finance.✓ Enforcing the policy. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none">✓ The final posting of ERP batches.✓ Verifying that batches are posted and deposited daily.✓ Reconciling bank deposits.✓ Providing official Government Form Receipt cashier books to Departments✓ Maintaining control by serial number over all books issued and in stock.
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Procedure	<p>The following will occur on a daily basis</p> <ol style="list-style-type: none">1. Collectors will enter receivables as batches into ERP system. (For procedures on entering payments in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 24.)2. For every payment received, there is a system generated receipt (where receipt printer is in place) or collector prepares Form FD2-21 (official Government receipt or DOF approved receipt form). (For procedures on generating receipts in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 27.)3. Departments will balance deposits to ERP batch(es) and release the batch. (For procedures on releasing batches in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 30.)4. Department will deposit all cash receipts in a bank account designated by the Department of Finance daily.5. When cash limit in drawer is met, departments can balance deposits to ERP batch(es), release the batch, and open a new batch within the same day.(see SOPP "<u>Cashier Drawer Control</u>") <p>Next business day</p> <ol style="list-style-type: none">1. DOF will review ERP to identify unreleased and un-posted batches. DOF will contact department if batches have not been released or posted.

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3	10/12/2011	Final Review	VC, AED

SOPP # 106	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Counting Currency
Purpose	The purpose of the policy is to establish best business practices for accurate counting of currency.
Policy	<ul style="list-style-type: none"> • To insure consistent accuracy, there are three common ways of counting currency. Each method ensures that no bill is double counted. Whichever method is used, the money should be recounted as many times as necessary to come up with the same total twice. • This means a stack of currency will be counted at least two times. • Cashiers should establish a set routine for counting money.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Reviewing the best practices for counting money with cashiers ✓ Establishing with Cashiers a set routine for counting money. ✓ Enforcing the policy
Procedure	To insure consistent accuracy, there are three common ways of counting currency. Each method ensures that no bill is double counted. Whichever method is used, 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 two times.

Procedure (con'td)**Hand-to-Hand Method:**

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

1. Separate bills into denominations with all the bills facing up.
2. If the pile contains more than one denomination, count the largest denomination first.
3. Place the pile in one hand.
4. Transfer one bill at a time from your hand to the customer's hand as you count it.
5. Check each bill, as you count to ensure correct denomination.
6. Make the hand-to-hand count your second count.
7. If your totals do not agree, repeat the count until they do.
8. Stack the pile in order with the highest denomination on bottom and the smallest denomination on top.

Hand-to-Table Method:

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

Walk-Through Method:

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

1. Place the stack of bills on a table face up. For unbound currency, all the bills should be face up and in the same direction. Each stack should contain only one denomination of currency.
2. 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.
3. Check each bill, as you count to ensure correct denomination.
4. 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.
5. Count the pile twice.
6. If your totals do not agree, repeat the count until they do.
7. Stack the pile in order with the highest denomination on bottom and the smallest denomination on top.

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2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 107	<u>Prepared By:</u> Department of Finance																		
<u>Effective Date:</u>	<u>Approved By:</u>																		
Title	Counting Coins																		
Purpose	The purpose of this policy is to insure accuracy for counting coins by cashiers.																		
Policy	<ul style="list-style-type: none"> • Cashiers will establish a set routine for counting coins to insure accuracy. • Coins are stored in coin wrappers, or rolls, to ensure accurate handling. • Each person counting and inserting the coins into wrappers should initial and date the wrappers. • When opening a wrapper of coins, the whole package should be emptied into the coin drawer or coin machine. • Customers paying with wrapped coin will need to present to the cashier the coins roll in the appropriate coin wrappers. Have customers who pay with rolled coin put their name, address and Driver's License or Identification Card Number on the outside of each roll. 																		
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Reviewing each cashier's routine for counting coins ✓ Enforcing the policy 																		
Procedure	<p>When counting and inserting the coins into wrappers, the following designations for wrappers should be observed:</p> <table border="1"> <thead> <tr> <th>Coin</th><th>Coins per Wrapper</th><th>Value of Wrapper</th></tr> </thead> <tbody> <tr> <td>\$.01</td><td>50</td><td>\$.50</td></tr> <tr> <td>\$.05</td><td>40</td><td>\$ 2.00</td></tr> <tr> <td>\$.10</td><td>50</td><td>\$ 5.00</td></tr> <tr> <td>\$.25</td><td>40</td><td>\$10.00</td></tr> <tr> <td>\$.50</td><td>10</td><td>\$ 5.00</td></tr> </tbody> </table>	Coin	Coins per Wrapper	Value of Wrapper	\$.01	50	\$.50	\$.05	40	\$ 2.00	\$.10	50	\$ 5.00	\$.25	40	\$10.00	\$.50	10	\$ 5.00
Coin	Coins per Wrapper	Value of Wrapper																	
\$.01	50	\$.50																	
\$.05	40	\$ 2.00																	
\$.10	50	\$ 5.00																	
\$.25	40	\$10.00																	
\$.50	10	\$ 5.00																	

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3	10/12/2011	Final Review	VC, AED

SOPP # 108	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Counterfeit Money
Purpose	The purpose of this policy is to prevent the loss of currency due to counterfeit money.
Policy	<ul style="list-style-type: none"> • Obvious counterfeit currency will not be accepted. • Suspected counterfeit currency will be turned over to the police.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> ✓ Reviewing guidelines for identifying counterfeit currency. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none"> ✓ Adjusting entries when a bank reports the deposit of counterfeit currency.
Procedure	<p>If a bank reports counterfeit currency to the respective Government Department or agency, the agency will request a receipt from the bank. The receipt will be turned in to DOF to make the adjusting entries.</p> <p>Obvious counterfeit currency such as play money will be given back to the customer immediately. The customer must then be asked for a different bill.</p> <p>The counterfeit policy for the banking industry is as follows:</p> <ul style="list-style-type: none"> • Excuse yourself from the customer without indicating a problem • Show the bill to your Supervisor. If he or she confirms your suspicion, telephone the Police Department (911). • Do not return the bill to the passer (customer) and delay the customer if possible. When the police arrive, surrender the counterfeit bill (get a receipt or copy of the police report), describe the customer (if not available) and any companions and, if possible, the license number of the vehicle.

Procedure (Cont'd)	<p>Indications that currency <i>may be</i> counterfeit include the following:</p> <ul style="list-style-type: none"> • Lines are not sharp, crisp and clear • Colored silk threads are not apparent • The bill feels different (i.e. 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 <p>Indications that currency <i>is</i> counterfeit include the following:</p> <ul style="list-style-type: none"> • 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
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3	10/12/2011	Final Review	VC, AED

SOPP # 109	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Making Change
Purpose	The purpose of this policy is to provide best practices for making change.
Policy	<ul style="list-style-type: none">• Cashiers will establish a routine for making change.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none">✓ Reviewing the best practices for <u>change making</u> with cashiers.✓ Enforcing the policy.
Procedure	<p><u>There are two ways to give change back to a customer:</u></p> <p>One way is for a cash register to automatically calculate the dollar amount to be returned to the customer.</p> <p>The other way is for the cashier to count from the amount of the transaction to the amount tendered.</p> <p>Change should be counted at least two times: once when the cashier counts it out of the cash drawer and a second time once the cashier counts it back to the customer.</p>

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0	8/08/2011	Initial Release	LP
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2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 110	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Bundling Currency
Purpose	The purpose of this policy is to assist employees in keeping accurate counts by bundling currency.
Policy	<ul style="list-style-type: none"> • Bundle currency in set amounts (\$1, \$5, \$10, \$20).
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Reviewing the methods for bundling bills with cashiers. ✓ Enforcing the policy.
Procedure	<p>Currency is bundled to assist other employees in keeping accurate counts.</p> <p>Bills (1's, 5's, 10's, 20's) are bundled in set amounts:</p> <p>\$1's are placed in bundles of \$25 \$5's are placed in bundles of \$100 \$10's are placed in bundles of \$100 \$20's in bundles of \$500</p>

Revision History

Revision #	Date	Description of changes	Requested By

SOPP # 111	<u>Prepared By:</u> Department of Finance
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Handling Mutilated Money
Purpose	The purpose of this policy is to remove mutilated currency and coin from circulation.
Policy	<ul style="list-style-type: none">• Mutilated currency and coin will be removed from circulation.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none">✓ Reviewing the mutilated money policy with cashiers.✓ Enforcing the policy.
Procedure	<p>Cashiers should not accept mutilated cash or coin. The monies should be returned to customer.</p> <p>When a torn or otherwise mutilated bill is collected, it will be included in the daily deposit.</p> <p>Currency is mutilated whenever it is torn, written on, missing a portion, or otherwise damaged.</p> <p>Coins are mutilated whenever they are bent, worn, broken, or otherwise damaged.</p>

Revision History

Revision #	Date	Description of changes	Requested By
0	8/08/2011	Initial Release	LP
1	8/08/2011	Review	MF
2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 112	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Recording Receivables in ERP
Purpose	<p>The purpose of this policy is to ensure that receivables are recorded in the ERP in order to clear any outstanding accounts receivable and to record the receipt of cash; and to ensure that receivables are recorded in a timely manner.</p> <p><u>Considerations</u></p> <p>ERP is the official record for recording receivables. Tyler Munis is the accounting software that supports the ERP. Departments must take special care to ensure that the information entered into the ERP for any receivable is accurate and complete.</p>
Policy	<ul style="list-style-type: none"> • Except as otherwise expressly provided, the following will occur daily: <ul style="list-style-type: none"> ○ all fees or other money received on account of the Government shall be receipted into ERP as batches, either as summary batches for deposits or as individual receipts (For procedures on entering receipts into batches in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 24.) ○ all ERP batches must be balanced to the drawer, credit card machines, billing system collection reports, etc. ○ all ERP batches must be balanced with daily cash count sheets and/or billing system collection reports ○ all ERP batches must be balanced with bank deposits ○ all ERP batches must be released by departments daily • Any person who fails to record Government money in ERP within the prescribed time shall be liable to the Government.

Responsibilities	<p>Departments and Agencies:</p> <ul style="list-style-type: none">✓ All departments who have custody of money payable to the Government in any capacity shall, on a daily basis:<ul style="list-style-type: none">➤ record that money in ERP as ERP batches➤ balance and release ERP batches➤ deposit that money✓ Exceptions to the above mandate must be expressly approved by DOF. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none">✓ Expressly approving which ERP batching method will be used by departments (i.e. summary batches for deposits or individual receipts)✓ Expressly approving exceptions to the daily recording of receivables and/or releasing batches
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Procedure	<p>Receivables may be entered into ERP batches in one of two methods:</p> <ul style="list-style-type: none"> ➤ Summary batches for deposits <ul style="list-style-type: none"> ○ This method is to be used when a billing system other than ERP processes receipts for accounts receivables. ○ At the end of the day, the billing system should generate a data file and/or collection report of totals for GL accounts for each accounts receivable, revenue, cash, over/short, and liability as recorded in the billing system. These summary amounts will be entered into ERP payment batches using appropriate charge codes. ○ Summary batches can be manually entered or imported as a data file into the ERP. (For procedures on entering payments in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 24.) ○ Automated interfaces are encouraged in order to strengthen controls ➤ Individual Receipts <ul style="list-style-type: none"> ○ This method is to be used when billings are generated in ERP in which accounts receivables are cleared, for example, General Billing invoices. (For procedures on entering invoice payments in ERP see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 8.6 Applying Payments to General Billing Invoices", pg 63.) <p>OR</p> <ul style="list-style-type: none"> ○ When payment is received for miscellaneous receipts in which no accounts receivable are cleared (For procedures on entering payments in ERP, see http://www.usvifinance.info/html/VisionERPmanuals.html "Accounts Receivable Procedures Manual" section 7.3 MCR Payment Processing, pg 24.)
Procedure (Cont'd)	<p>DOF must approve the entry method used by the departments.</p> <p>ERP batches shall be balanced and released daily.</p>

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Revision #	Date	Description of changes	Requested By
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3	10/12/2011	Final Review	VC, AED

SOPP # 113	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Daily Balancing
Purpose	<p>The purpose of this policy is to establish internal controls and for balancing daily cash collections.</p> <p>Historical practices shall not constitute justification for deviation from the following guidelines.</p>
Policy	<ul style="list-style-type: none">• All funds collected must be balanced daily, via mode of payment, by comparing the total of the cash, checks and credit cards to the computerized accounting reports, to the pre-numbered receipts totals, and to the totals of the money received by mail.• Over/short amounts must be separately recorded, investigated and resolved to the extent possible.• Deposits will be performed daily, regardless of collection activity (i.e. high volume versus low volume). Therefore, balancing and verification of collection activity must be performed daily.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none">✓ Ensuring that the collectors balance daily.✓ Using the Daily Balance Sheets or a report approved by the Department of Finance✓ Ensuring that the Daily Balance Sheets are completed and verified daily.✓ Investigating and resolving over/short to the extent possible.✓ Ensuring that the segregation of duties is maintained in the balancing of cash receipts.

Procedures	<p>Balancing daily cash collections is the first of four steps for the daily deposit process. Balancing is followed by verification of collection activity, the deposit of funds, and finally, posting ERP batches of reconciled cash collected and deposited. (For steps 2, 3, and 4, refer to SOPPs titled "Verification of Cash Collected", "Preparing Bank Deposits", and "Posting ERP Batches to the General Ledger".)</p> <ul style="list-style-type: none">• Each cashier who has receipted payments during the day must complete a Daily Balance Sheet that serves as the cashier clerk's accounting for the funds turned in for deposit.• The form must be completed on a desktop computer. If a computer is not available, the form must be completed with an ink pen.• Cashier will sign, date the Daily Balance Sheet, save it in PDF format and store in a network folder (TBD).• If receipting in ERP, release the ERP Batch or Batches. Produce and file the Batch Proof Report in PDF format in a network folder (TBD). If receipts are recorded in another system, produce and store the system's end of day reports in the same network folder (TBD).• Store reports/documents in a network folder, (TBD) these will be attached to the final ERP journal.• Request that an authorized clerk, preferably the verifying or deposit clerk, verify the cash count and sign the form as verifier. (Procedures described in SOPP "Verification of Cash Collected".)• Upon verification of the cash count, which has signatures of cashier and verifier, the cashier clerk will scan and store the Daily Balance Sheet in PDF format to a network folder TBD. The cashier can forward a hardcopy of the completed Daily Balance Sheet (original) to the deposit clerk.• Any error or corrections to the Daily Balance Sheet are to be made by drawing a single line through the incorrect entry and writing the correct amount next to the error. If corrections are made on a computer desktop, draw the correction line using the "strike out" function. Both the cashier clerk and the adjuster are to initialize any correction on the computer or by pen. Correction fluid is not to be used.• For departments using computer systems other than ERP for individual receipting, an ERP batch must be entered that summarizes the receipt activity by ERP charge codes. These 'summary deposit' ERP batches should be entered, balanced and released by a person other than the verifier, deposit clerk or accounting clerk.
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0	8/08/2011	Initial Release	LP
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3	10/13/2011	Final Review	VC, AED

SOPP # 114	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Bank Deposits
Purpose	The purpose of this policy is to strengthen cash controls by ensuring that monies received by the Government are deposited in specified bank account(s) in a timely manner.
Policy	<p>Timely bank deposits strengthen control of cash, thereby providing for :</p> <ul style="list-style-type: none"> • safeguarding of Government funds • accuracy of the statement of cash • increased efficiencies in bank reconciliations <ul style="list-style-type: none"> • All fees or other money received on account of the Government shall be deposited to specified bank accounts within twenty-four hours of receipt of those funds. • All deposits not made daily must be held in a secured location such as a safe. • All deposits shall be made intact; departmental receipts must never be used to replenish petty cash or other funds. • Any person who fails to deposit Government money with DOF or the bank within the prescribed time established between the operating department and Finance shall be liable to the Government. • Exceptions must be approved by DOF.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> ✓ Separation of duties when preparing and making deposits ✓ Training supervisors in procedures for daily deposits ✓ Making daily deposits. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none"> ✓ Reconciling deposits against bank reports and ERP batches and/or journal entries. ✓ Ensuring that departments are in compliance with daily deposit schedule.

Procedure	At the end of the day, cashiers will: <ul style="list-style-type: none">• Reconcile ERP to cash• Prepare deposit ticket(s)• Place monies into sealed bag to be delivered to courier or taken to bank
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Revision #	Date	Description of changes	Requested By
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3	10/12/2011	Final Review	VC, AED

SOPP # 115	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	<i>Courier Service and Deposits</i>
Purpose	The purpose of this policy is to ensure that bank deposits are adequately guarded during transportation to bank.
Policy	<ul style="list-style-type: none"> • Cashiers and/or supervisors will be accompanied to the bank by security personnel or deposits may be delivered to the bank by armed courier service.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ The arrangement of armed security services. ✓ Reviewing policy and procedures for reporting theft with their staff.
Procedure	Daily bank deposits will be made by the appropriate department staff. If the staff delivers the deposit to the bank, they will be accompanied to the bank by armed security. Departments may also engage courier service for bank deposits.

Revision History

Revision #	Date	Description of changes	Requested By
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3	10/12/2011	Final Review	VC, AED

SOPP # 116	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Check Reference
Purpose	The purpose of this policy is to increase accuracy in payment processing when checks are received.
Policy	<ul style="list-style-type: none"> • The front of checks will state the purpose for payment.
Responsibilities	Departments and Agencies are Responsible for: <ul style="list-style-type: none"> ✓ Reviewing the check reference policy with cashiers. ✓ Enforcing the policy.
Procedure	General Management Controls that must be followed: All checks should be referenced upon receipt. The reference should be listed on the face of the check, and must state the purpose for payment (vehicle registration, real estate tax bill, road tax, etc.)

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SOPP # 117	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Identification Required for Accepting Checks
Purpose	The purpose of this policy is to identify the information required when accepting checks.
Policy	<ul style="list-style-type: none"> • Checks can be received in one of two methods, in person or through the mail. • To be accepted, checks will include specific information to aid in identification of the check writer. • Postdated or stale dated checks will not be accepted. • Checks received by mail must be logged or batch controlled by someone other than the cashier/teller.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Logging and/or batching mailed in checks by Clerks. ✓ Cashiers or clerks verifying that required information is on all checks. ✓ Restrictively endorsing checks. ✓ Reviewing the policy with cashiers and clerks. ✓ Enforcing the policy.
Procedure	Checks received in person must have the following information on the check: <ul style="list-style-type: none"> • The payer's name and address preprinted on the check. • Telephone number • Drivers license identification number, or other identification number. • Payee - The Government of the United States Virgin Islands or respective agency. • Restrictively endorsed, with the Department's name in the endorsement section. • Purpose for payment indicated in the memo field (i.e. real estate tax/parcel; MV registration; etc)

Procedure (Cont'd)	Checks received by mail: <ul style="list-style-type: none"> • Must be logged or batch controlled by someone other than the cashier/teller. Typically, this function is performed by a position that serves as receptionist or support person not involved in any way in sales, billing or other cash receipting activities. • Must have the following information on the check: <ul style="list-style-type: none"> • Date • Name of Person Writing the Check (Drawer) • Amount
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Revision #	Date	Description of changes	Requested By
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3	10/12/2011	Final Review	VC, AED

SOPP # 118	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Verification of Cash Collected
Purpose	The purpose of this policy is to establish cash handling controls and ensure accuracy of balanced cash.
Policy	<ul style="list-style-type: none">• Coin, currency, and checks recorded on the Daily Balance Sheet by the cashier clerks are to be verified by a second authorized employee.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none">✓ Ensuring that duties are segregated when verifying daily funds.✓ Securing funds and restricting access until the deposit is delivered to the bank.

Procedure	<p>Verification of cash collected is the second of four steps for the daily deposit process. Balancing is the first step and is followed by verification of collection activity; funds are then prepared for deposit, and the final step is posting the ERP batches of reconciled cash collected and deposited. (For steps 1, 3, and 4, refer to SOPPs titled “Daily Balancing”, “Preparing Bank Deposits”, and “Posting ERP Batches to the General Ledger”.)</p> <p>Verifier/Deposit Clerk</p> <ul style="list-style-type: none">• Coin, currency, and checks recorded on the Daily Balance Sheet by the cashier clerks are to be verified by a second authorized employee.• It is preferable for the verifier to take custody of the funds and also prepare the deposit so as to minimize the number of times that the funds change custody.• The verification count is to be performed in the cashier clerk's presence.• The verifier signs the Daily Balance Sheet evidencing that the figures written on the form are accurate. The cashier scans and stores the signed report in PDF format in a network folder TBD.• If only one clerk is in the office and the verification cannot be performed, the clerk is to write “sole clerk” on the Daily Balance Sheet form.• The verifier clerk may be authorized to prepare the deposit if that person is independent of authorization and record keeping duties. <p>Submitting Funds to be Secured Until Deposit Preparation:</p> <ul style="list-style-type: none">• The funds are to be secured in a safe until the deposit is delivered to the bank.• Immediately upon completion of the verification count, the cashier clerk transfers custody of the funds to the verifier/deposit clerk, including the cash change fund.• If the verifier is not the deposit clerk, the verifier secures the funds and restricts access until custody of the funds is transferred to the deposit clerk.• When the transfer of funds occurs, a second cash count is completed and noted on the Daily Balance Sheet (date and initials of both clerks).• The clerk transferring custody of the funds scans the original Daily Balance Sheet and stores it in a network folder in PDF format.• A hard copy of the Daily Balance Sheet will remain with the funds for review by the deposit clerk.
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Revision #	Date	Description of changes	Requested By
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2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED

SOPP # 119	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Frequency of Bank Deposits
Purpose	<p>The purpose of this policy is to protect Government funds by ensuring that monies received by the Government are deposited in specified bank account(s) in a timely manner which will result in proper posting of accounts of Government funds.</p> <p>Historical practices shall not constitute justification for deviation from the following guidelines.</p>
Policy	<ul style="list-style-type: none">• Deposits will be made daily or within 24 hours of receipt of funds.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none">✓ Making every effort to deposit cash in the bank daily.✓ Reviewing the policy with cashiers.✓ Enforcing this policy.

Procedure	<p>Timely bank deposits strengthen control of cash, thereby providing for :</p> <ul style="list-style-type: none">• safeguarding of Government funds• accuracy of the statement of cash• increased efficiencies in bank reconciliations <p>Collection centers will prepare deposits daily so that monies can be deposited in the bank on the same day as collected.</p> <p>Regardless of the volume of collections, all departments will comply with daily deposits.</p> <p>With Department of Finance approval, departments may transport funds daily to the Department of Finance for deposit processing.</p> <p>Monies held over night</p> <p>In the event that a deposit is not prepared within the prescribed schedule, department supervisors will maintain a log of un-deposited funds.</p> <p>Held monies must be secured in an in-house locked vault. If no vault is on site, monies may be taken to bank to be held, but not deposited, and picked up the following morning. This is an exception. The preference is for an in-house, secured vault.</p> <p>A temporary Cash Balance Sheet to record these monies being held at the bank will be retained at the department and a copy within the bank deposit bag.</p> <p>Held monies must be balanced and deposited as soon as possible the following morning and will not be held (included) in the next day batch.</p> <p>In the case of cashier being absent the next day, monies will not be held more than 48 hours. Department supervisor and a witness will balance and make the deposit.</p>
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3	10/12/2011	Final Review	VC, AED

SOPP # 120	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Preparing Bank Deposits
Purpose	The purpose of this policy is to ensure that funds received by the Government will be deposited in specified bank account(s), verified as accurate, and deposited in a timely manner.
Policy	<ul style="list-style-type: none"> • All fees or other money received on account of the Government shall be deposited to specified bank accounts within twenty-four hours of receipts of those funds. • All deposits not made daily shall be held in a secured location such as a safe or vault. • All deposits will be verified as accurate. • Segregation of duties will be maintained in the processing of deposits. • All deposits must be made intact and departmental receipts shall never be used to replenish petty cash or other funds. Government cash funds must not be used to cash personal checks. No personnel shall be exempt from this policy. • Cash counts are to be performed out of public view. • Any person who fails to deposit Government money with the bank or Department of Finance within the prescribed time established between the operating department and Finance shall be liable to the Government. • Exceptions must be approved by the Department of Finance.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Segregation of duties related to preparing and making deposits. ✓ Training employees in procedures for daily deposits. ✓ Making daily deposits. ✓ Transporting funds to the Department of Finance for deposit processing (with the Department of Finance's approval).

	<p>Department of Finance is responsible for:</p> <ul style="list-style-type: none"> ✓ Establishing bank accounts. ✓ Deposit and accounting processes for departments that do not make their own bank deposits. ✓ Reconciling deposits against bank reports and ERP batches and/or journal entries. ✓ Ensuring that departments are in compliance with the daily deposit schedule.
Procedure	<p>Preparing bank deposits is the third of four steps for the daily deposit process. Balancing is the first step and is followed by verification of collection activity; funds are then prepared for deposit. The final step is posting ERP batches of reconciled cash collected and deposited. (For steps 1, 2, and 4, refer to SOPPs titled "Daily Balancing", "Verification of Cash Collected", and "Posting ERP Batches to the General Ledger".)</p> <p>Deposit Preparation: The deposit clerk, independent of authorization and record keeping duties, is to prepare the deposit slip(s) and deposit all receipted revenue funds daily:</p> <ul style="list-style-type: none"> • Prepare calculator tapes of all checks to be deposited. (Scan and store in a network folder and include original with deposit to the bank.) • Count currency, coins and checks and enter the amounts on the deposit slip(s). • Verify the accuracy of the deposit slip by re-calculating the total. • Compare the Daily Balance Sheet(s) totals to the total deposit per the deposit slip. The amounts should agree. Any discrepancies that the deposit clerk may discover between the revenue funds turned in for deposit and the revenue receipts are to be brought to the cashier and/or accounting clerk's attention. • Initial the actual deposit tickets. • Deliver the deposit to the bank, Department of Finance, or turn funds over to courier. • After the deposit is made, the deposit clerk compares the deposit records (Daily Balance Sheet, check logs/ lists ERP Batch Proof Report, etc.) with the validated

	<p>deposit slip. If the amounts agree, the deposit clerk then scans and stores the validated deposit slip in a network folder.</p> <ul style="list-style-type: none">• If the amounts do not agree, discrepancies are to be brought to the supervisor of cashiers and/or accounting clerk's attention. <p>Submitting Funds to be Secured Until Deposit Preparation</p> <ul style="list-style-type: none">• The funds must be secured in a safe until the deposit is delivered to the bank.• Immediately upon completion of the verification count, the cashier clerk transfers custody of the funds to the verifier/deposit clerk, including the cash change fund.• If the verifier is not the deposit clerk, the verifier secures the funds and restricts access until custody of the funds is transferred to the deposit clerk.• When the transfer of funds occurs, a second cash count is completed and noted on the Daily Balance Sheet (date and initials of both clerks).• The clerk transferring custody of the funds scans the original Daily Balance Sheet and stores it in a network folder in PDF format.• A hard copy of the Daily Balance Sheet may remain with the funds for review by the deposit clerk.
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3	10/12/2011	Final Review	VC, AED

SOPP # 200	Prepared By: Department of Finance (DOF)
Effective Date:	Approved By:
Title	Internal Controls : General Controls
Purpose	The purpose of this policy is to ensure that proper controls exist to protect, accurately process, and properly report cash collected by the Government.
Policy	<ul style="list-style-type: none"> • Proper controls for over-the-counter cash collections will be exercised and reviewed.
Responsibilities	Departments and Agencies are responsible for: <ul style="list-style-type: none"> ✓ Complying with cash controls outlined, but not limited to, policies issued by the Department of Finance.
Procedure	General Management Controls that must be followed: <p>Using Automated systems (e.g., computer or cash register) where practical to increase cash processing efficiency in order to provide more detailed support for reconciliations.</p> <p>Establishment of a starting cash drawer amount. In addition, retain a certain amount of funds in reserve to ensure sufficient currency will be readily available to make change.</p> <p>Daily verification of the starting balance by the responsible cashier or Supervisor to assign accountability; Change Fund to be kept separate.</p> <p>Daily reconciliation of Collections for each individual cash drawer; which must be documented, signed off by the responsible cashier and deposited daily or in a timely manner. Daily Deposits are the monies collected for the day, and should not include the Change Fund.</p> <p>Segregation of duties between collection, recordation, reconciliation and deposit processes.</p> <p>Recording of Overages as Other Revenues and shortages as Other Expenditures.</p> <p>Disallowance of the acceptance of overpayments by Cashiers when the intention is to give a cash refund to a customer.</p> <p>Daily reporting of overages and shortages by Cashiers.</p> <p>Responsibility of Management to summarize cashiers' cumulative overages and shortages and use this information in evaluating employee performance.</p>

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Revision #	Date	Description of changes	Requested By
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SOPP # 201	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Internal Controls – Security Controls of Cash Drawers
Purpose	The purpose of this policy is to ensure that proper security controls exist to protect, accurately process, and properly report cash collected by the Government.
Policy	<ul style="list-style-type: none"> • Strict physical access controls to the cash drawer must be exercised. • The cashier is responsible for securing the cash drawer. • Periodic draw-downs will be made by management or the cashier during days of large collections to ensure that the amount of cash in each drawer does not become excessive.
Responsibilities	Departments and Agencies are responsible for: ✓ Following and reviewing security controls with staff.
Procedure	General Management Controls that must be followed: <ul style="list-style-type: none"> • Passwords are not shared. • Only one cashier is allowed per drawer. • The drawers should be of the type that locks, with the cashier possessing a key for their own drawer. Backup keys must be secured. • Only one cashier is allowed to have access to a cash register/drawer. • When a cash drawer begins to get full and/or several large bills have been received, excess currency should be paper clipped or rubber banded and transferred from the cash drawer to a safe storage area (varies from department-to-department).

Procedure (Cont'd)	<ul style="list-style-type: none"> • All cash and coin should be in the safe or in the cash drawer except when in use. • Cash drawers should never be left open, even while cashier is in attendance. • Cash drawer must never be unsecured. • Cashier should never let anyone touch the cash drawer except an authorized staff. • All transactions identified must be to a specific cash handler. • A receipt should be given to each customer.
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SOPP # 202	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Internal Controls - Management Controls
Purpose	The purpose of this policy is to ensure that proper management controls exist to protect, accurately process, and properly report cash collected by the Government.
Policy	<ul style="list-style-type: none"> • Management will exercise control over cash as outlined, but not limited to, policies issued by Department of Finance.
Responsibilities	Departments and Agencies are responsible for: ✓ Complying with cash management controls outlined, but not limited to, policies and procedures issued by Department of Finance.
Procedure	General Controls that must be followed by Management: Verify that the daily receipt and deposit processes are being followed Monitor and track the daily overages and shortages for each cashier. Use the trend information regarding overages and shortages as part of the employee's evaluation and performance review. Specify the actions to be taken by management based on the dollar amount and/or frequency of overages and shortages.

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SOPP # 203	<u>Prepared By:</u> Department of Finance (DOF)
<u>Effective Date:</u>	<u>Approved By:</u>
Title	Internal Controls - Monitoring Controls
Purpose	The purpose of this policy is to ensure that proper monitoring controls exist to protect, accurately process, and properly report cash collected by the Government.
Policy	<ul style="list-style-type: none"> • Management and Department of Finance must exercise monitoring control over cash as outlined, but not limited to, policies and procedures issued by Department of Finance.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none"> ✓ Complying with revenue and cash collection monitoring controls outlined, but not limited to, policies and procedures issued by the Department of Finance. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none"> ✓ Complying with revenue and cash collection monitoring controls outlined, but not limited to, policies and procedures issued by the Department of Finance.
Procedure	<p>General Controls that must be followed by Management:</p> <ul style="list-style-type: none"> • Monitor deposits to ensure cash is actually being deposited within 24 hours. • Conduct surprise cash counts to ensure the accuracy of collections. • Monitor registered voids, reversals and investigate excessive use. • Partner with DOF to perform trend analysis of cash deposits and activity levels, which may identify anomalies or potential fraud. • Partner with DOF to perform on site observations of cash management controls. • Partner with DOF to perform timely bank account reconciliations and investigate any discrepancies of internal records and the bank's records.

Revision History

Revision #	Date	Description of changes	Requested By
0	8/08/2011	Initial Release	LP
1	8/08/2011	Review	MF
2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/14/2011	Final Review	VC, AED

SOPP # 204	Prepared By: Department of Finance (DEPARTMENT OF FINANCE)
Effective Date:	Approved By:
Title	ERP Payment Reversals
Purpose	The purpose of this policy is to establish internal controls for reversing payments in ERP.
Policy	<ul style="list-style-type: none">• ERP payment reversals are allowed for unreleased and posted batches. Each requires a different level of security control.• ERP payment reversals will be routinely reviewed by management.
Responsibilities	<p>Departments and Agencies are responsible for:</p> <ul style="list-style-type: none">✓ Reviewing reversals on a regular basis.✓ Taking appropriate action when reversals are excessive or irregular.✓ Requesting additional reversal codes from Department of Finance.✓ Reporting reversals that are associated with deposits to Department of Finance. <p>Department of Finance is responsible for:</p> <ul style="list-style-type: none">✓ Adding additional reversal codes to ERP.

Procedure	<p>It is recognized that on occasion errors will be made when receipting payments in ERP. In ERP cancel/voids are processed as "reversals".</p> <p>Processing Reversals</p> <p>Payment reversals are processed at 2 levels:</p> <ol style="list-style-type: none">1) Unreleased Batches: Collectors are authorized to reverse payments within their batch using existing reversal codes.<p>Supervisory permissions are not required.</p><p>If a reason code does not exist in ERP, call supervisor immediately.</p><p>Collectors will record reversals on Daily Balance Sheets.</p> <ol style="list-style-type: none">2) Posted Batches:<ol style="list-style-type: none">a. Payments that have been deposited should be associated with a posted batch.b. Supervisors will contact DOF when a reversal is associated a deposits.c. DOF will make adjusting entries to the general ledger account(s). <p>Management Reviews</p> <p>Supervisors will review reversals daily through ERP system generated report and compare to Daily Balance Sheets.</p> <p>Additionally, supervisors will conduct monthly review of payment reversals from posted batches and will report them to Department of Finance at the end of each month. These receipts are associated with a deposit and therefore may impact bank reconciliations.</p> <p>Management will decide what actions to take for repetitive reversals (i.e. additional training; disciplinary actions, etc.)</p> <p>Failure to follow this procedure could result in disciplinary action, including an audit finding to be shared with Directors.</p>

Revision History

Revision #	Date	Description of changes	Requested By
0	8/08/2011	Initial Release	LP
1	8/08/2011	Review	MF
2	10/04/2011	Reviewed Updated Procedures	VC, AED
3	10/12/2011	Final Review	VC, AED