

# **POLICY #120**

## **COTTONWOOD HEIGHTS PARKS AND RECREATION SERVICE AREA**

### **POLICY GOVERNING MANAGEMENT OF PUBLIC FUNDS**

#### **REFERENCE:**

Salt Lake County, Countywide Policy #1062

#### **PURPOSE:**

To establish standards by which public monies are received, recorded and deposited. Functions and responsibilities will be defined to establish internal control. Internal control is a system designed to prevent a single employee from exclusively controlling a monetary transaction. The policy provides suggested internal controls for the segregation of duties in such a way that persons who are responsible for the custody of funds and performance of cashiering duties have no part in the keeping of , nor access to, those records which establish accounting control over the funds and operations (and vice versa). The duties of individuals should be so divided as to maximize employee protection and minimize the potential for collusion, perpetration of inequities and falsification of accounts. The objective is to provide the maximum safeguards practicable, giving due consideration to the risks involved and the cost of maintaining controls. Established internal controls work to provide reasonable assurance that daily transactions are executed in accordance with prescribed managerial policies and errors and omissions are detected.

#### **SECTION I: DEFINITIONS**

Assistant Director – Appointed by the Board of Trustees of Cottonwood Heights Parks & Recreation Service Area to assume all duties and responsibilities of the Director in his/her absence and all other duties and responsibilities as per the job description.

Audit Program – A regular review of collecting, accounting, and reporting procedures to ensure compliance with established policies and procedures.

Board of Trustees – Three elected official to serve on the Cottonwood Heights Parks & Recreation Service Area Board.

Cash Box – An amount of cash available to provide change for over-the-counter cash receipts from users.

Cottonwood Heights Parks & Recreation Service Area – to be recognized as Service Area

Customer Service Representative (CSR) – An employee of Cottonwood Heights Parks & Recreation Service Area authorized to perform limited cash receiving and disbursing functions and other cash operations. The guidelines affecting the limitation and scope of these functions are defined in this policy.

Customer Service Supervisor – An employee of Cottonwood Heights Parks & Recreation Service Area who oversees the management and supervision of Customer Service Representatives.

Designated Manager or Shift Manager – An employee of Cottonwood Heights Parks & Recreation Service Area responsible for overseeing the Service Area in the absence of the Director or Assistant Director.

Director – Appointed by the Board of Trustees of Cottonwood Heights Parks & Recreation Service Area for the daily management of the Service Area and all other duties and responsibilities as per the job description.

Donations – Monies voluntarily given to the Service Area

Exigency – Emergency procedures which over ride normal policy to maintain normal operations of Cottonwood Heights Parks & Recreation Service Area.

Internal Control – Internal control is the plan of organization and all methods and procedures that are concerned mainly with safeguarding of assets, authorization of transactions, and reliability of financial records.

In Transit Items – Deposits and/or correction transactions which due to timing differences have been recognized (posted to the books) by one (a) Service Area (b) the financial institution. For example, a deposit may be recognized and recorded by the Service Area but not received by the bank or vice versa.

Merchant Agreement – A written agreement between a financial institution and a merchant setting forth the terms, guidelines and standards whereby the merchant agrees to honor all valid financial institution cards presented as payment for services, products or events and the financial institution agrees to accept valid sales drafts or transaction records presented for payment.

Overages/Shortages – Any amount in excess of, or less than, the amount collected and the amount that should have been collected.

Petty Cash – A specified amount of cash, kept in a cash box in the safe, which can be used for purchases of \$50 or less from non-established vendors of the Service Area.

Public Funds and Public Monies – Money and other funds and accounts, regardless of the source from which these funds and accounts are derived, which are owned, held or administered by the Service Area, its employees, or any of its offices, boards, commissions, departments, divisions, or other similar instrumentalities.

Receipts – Written confirmation of monies received, usually provided by the recipient to the one making payment at the time the payment is made.

Revenues – Any money in the form of donations, fees, or taxes collected by the Service Area.

Service Area – Special taxing district governed by an elected Board of Trustees. Also known as Cottonwood Heights Parks & Recreation Service Area

## **SECTION II: POLICY**

- 1.0 CSR's are procedurally responsible for compliance in the performance of all duties relating to cash management of the funds entrusted to their care in keeping with the procedures outlined in this policy. Administrative officers, accordingly, will not attempt to direct or implement actions of CSR's which would conflict with the policies and procedures established in this policy or those approved internal policies and procedures.
- 2.0 In the performance of their disbursing duties, Service Area CSR's are held personally accountable and responsible to Cottonwood Heights Parks & Recreation Service Area. They must conform to the procedures and instructions as outlined in this policy.
- 3.0 Daily responsibility for general supervision of CSR functions will be overseen by the Customer Service Supervisor.
- 4.0 All monies received through mail delivery will be recorded in a daily ledger book by the Accounts Payable Clerk, the Assistant Director, or Human Resource Manager.
- 5.0 All monies received for swim lessons, skating lessons, fitness classes, private lessons, etc. are recorded in a ledger and balanced to daily receipts by the appropriate manager or designate.
- 6.0 The Butler Middle School Clerk and the Swim Team Clerk are responsible for recording monies received in a ledger book and giving to a CSR for deposit in the cash register. Totals are balanced monthly with the ledger and daily totals.
- 7.0 All tax payments will be direct deposit to the Utah State Treasurer Fund.
- 8.0 A Petty Cash fund of a pre-determined amount is for the use of staff to make purchases under \$50.00 with the approval of the Director, Assistant Director, or designee. The Assistant Director balances receipts and expenditures monthly.

## **SECTION III: PROCEDURE**

- 1.0 Each CSR will be provided a log on I.D. and assigned to a specific on-line cash register for the duration of a scheduled shift.

- 2.0 Each CSR will be provided with a cash box, retrieved from the safe by authorized personnel, containing a pre-determined amount of cash. The CSR must verify the amount of cash before placing in the register. This amount must be counted back into the cash box at the end of the shift and verified by the shift manager.
- 3.0 Each CSR will be assigned to a register. Staff shall not use the register unless designated to cover absences of the CSR. Authorized staff to cover in the absence of the CSR includes the Director, Assistant Director, Accountant, Accounts Payable Clerk, Human Resource Manager, and Shift Managers or as designated in an emergency situation.
- 4.0 Each CSR will account for all receipts at the end of each shift. The Shift Manager will "x" out the register. The CSR will count all monies received and record on the Daily Check-Out Form. The shift manager will verify the money and balance to the register total. Overages or shortages will be reviewed, researched, and appropriate corrections made and initialed.
- 5.0 Each CSR will check remittances (e.g. checks) for mistakes, omissions, etc. The CSR will complete a missing date or missing payee, but serious discrepancies must be reported to the Shift Manager. No two party checks will be accepted.
- 6.0 Each CSR will verify check bundles as to correct totals prepared by staff submitting checks to be rung in the register for the appropriate program.
- 7.0 All checks must be endorsed on the back with the bank deposit stamp.
- 8.0 Receipts must be given to patrons for all transactions
- 9.0 All public funds shall be deposited the first banking day after they are received, in a locked bag with the appropriate deposit slip completed with the totals. The daily deposit will be prepared by authorized personnel, which may include the Accounts Payable Clerk, the Assistant Director, the Human Resource Manager, or the Customer Service Supervisor.
- 10.0 A cashbox with small change will be maintained in the safe for the purpose of making change for the CSR's. The cash is verified at the start of business, the start of the Shift Manager's shift, and at the close of business. Necessary cash purchases from the bank are determined at the time the daily deposit is completed.
- 11.0 In the event of a loss or theft of money from the cash boxes, either individual or from the change box, it will be handled accordingly. Monies over \$100 may be reported to the authorities. Monies less than \$100 will be researched by the administration.
- 12.0 The Director or designee delivers the locked deposit bag to the bank, retrieves previous deposit bags, and purchases any necessary change requests.

- 13.0 All returned checks will be handled by a collection agency. The Accountant will reconcile this account.
- 14.0 Any funds found on the Service Area Premises will be placed in a sealed and dated envelope in the locked lost and found cabinet, until claimed or for one month. If not claimed, the money will be returned to the finder (if known) or paid into the register on the open miscellaneous key.
- 15.0 All refunds for Service Area programs will be refunded by check through Accounts Payable. Program refunds are not refunded from the register.
- 16.0 At the close of business, all doors to the office will be secured, the safe will be locked, and all cabinets and drawers containing valuable commodities will be secured.
- 17.0 The Director, the Assistant Director, Department Heads, the Human Resource Manager, the Customer Service Supervisor, and Shift Managers will be given a key to the office.
- 18.0 The Director, Assistant Director, Human Resource Manager, Accountant, Accounts Payable Clerk, Customer Service Supervisor, and Shift Managers will be given a key to the safe and the combination to the safe.

APPROVED AND PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_

COTTONWOOD HEIGHTS  
PARKS AND RECREATION SERVICE AREA

By:\_\_\_\_\_

Mike Peterson, Director

BOARD OF TRUSTEES

By:\_\_\_\_\_

E. Bart Hopkin, Chairman