

City of San Angelo
Finance – Billing and Receipts Division
Payments Receipts & Deposit Policy/Procedures

August 10, 2023

Incorporate these guidelines in their entirety into specific procedures each department has developed to manage acceptable methods of payment (cash, checks, and credit/debit cards, money orders).

General Policies

- A. Each department is required to maintain a current listing of locations and employees that collect and perform revenue collection activities and to provide this listing to the Billing and Receipts Manager on an annual basis and as changes occur. This list must include information about the nature of the collection activities and the name and position title of all staff that handle payments at each location.
- B. Use of personal payment applications (e.g., Cash App, Venmo, Zelle, Paypal, etc.) to accept payments is prohibited.
- C. The number of employees with payments access shall be limited to staff that are required to handle payments as part of their job function. Separation of duties must exist between the Custodian receiving payments and individual who will perform the reconciliation of payments. The Receipt Report requires a second signature by an individual who did not accept the initial receipt and has verified the reconciliation.
- D. Where adequate separation of duties is not possible due to limited available personnel or other operational constraints, the Department Manager or Director shall perform specific verification functions to discourage misappropriation and/or theft. The second signature shall not be involved in the original transaction steps subject to verification. Departments should confer with the Billing and Receipts Manager and the Internal Auditor to establish other mitigating controls where separation of responsibilities is precluded.
- E. Internal deposits with totals exceeding \$500 must be deposited within one business day to the Billing and Receipts Division. All other deposits must be deposited within three business days after receipt; accumulated receipts are not to exceed \$500.
- F. Departmental receipts should only be taken via approved City software that meets the guidelines for PCI Compliance. All software must be approved by the Billing and Receipts Manager.
- G. All payments should be accurately recorded into the City's approved software systems in real-time; when immediate recording is not possible, all payments should be recorded within the general ledger no less than within 24 hours of receipt. Management review and approval of such recordings shall be completed within 48 hours of deposit.
- H. Employees must report to their department supervisor, who in turn should submit the report to the Billing and Receipt Manager, of any instance where a City employee has knowledge or suspicion of a theft or dishonest act by another City employee.

- I. Employees receipting payments shall not knowingly accept counterfeit bills, foreign, or mutilated currency. Currency must have two intact serial numbers that are visible at least 90%.
- J. Employees receipting payments shall not adjust invoices. Adjustments to invoices and statements must be requested through the Billing and Receipts Manager.
- K. Discrepancies between the amounts deposited at the City's financial institution, written receipts, and/or cash register or computer system generated receipts, must be recorded along with appropriate supporting documentation. The supervisor must review, daily, such documentation and follow up with the appropriate corrective action. Any cash overages/shortages must be recorded to the appropriate account in the general ledger. Department Directors have the ultimate responsibility to ensure discrepancies are identified and corrective measures are taken.
- L. Funds from Cash/Change Drawers which are no longer necessary for departmental operations must be deposited to the Billing and Receipt Division.

Cash/Change Drawer and Locked Bags

- A. Each employee performing payment receipting functions and activities shall have their own Cash/Change Drawer from which to work.
- B. Employees performing payment receipting functions on any given business day shall open their Cash/Change Drawer and reconcile to the pre-defined amount of cash/change assigned to the drawer before beginning revenue receipting activity.
- C. At the end of the business day, all employees performing payment receipting functions will balance and close their Cash/Change Drawer through a review of the receipts and transactions recorded in payment software.
- D. The Department Supervisor or second staff member shall verify the accuracy of the revenue received during the day through a review of the receipts and transactions recorded in the City's finance software system (HTE/Naviline).
- E. The ending balance of the Cash/Change Drawer shall be the same as the beginning balance, and equal to the amount assigned to each respective drawer or bag.
- F. Completed daily deposits shall be kept in a locked combination vault or safe, or in a locked bag in a secure location. Locked bank bags can be distributed by Billing and Receipts Division upon request.
- G. Cash maintained for the purpose of making change must not be commingled with operational cash amounts and should not be used for any other purpose.

Petty Cash

- A. Custody of petty cash should be assigned to only person.
- B. Employees are not permitted to use funds for personal use.
- C. Cashing of checks with funds is prohibited.
- D. Equipment purchases are not authorized to be paid through petty cash.
- E. Travel expenses cannot be paid out of petty cash funds.

- F. A petty cash log should be maintained to document all expenses and reimbursements. This log should be reconciled daily when transactions are made.
- G. Reimbursement procedures
 - a. Complete payment request made payable to designated employee, signed by Department Director.
 - b. All receipts must be original. If amount tendered is not reflected, receipt should be stamped paid.
 - c. Tax will not be reimbursed.
- H. The Internal Auditor will audit petty cash and supporting documentation periodically.
- I. To return a petty cash box, a deposit should be made to the Billing and Receipts Division. The Billing and Receipts Division will send notification to the Internal Auditor.

Training

It is the responsibility of the department to complete all training for staff handling payments. All new staff should review the Payments Receipt Policy as well as perform an annual review of the policy. If additional training is needed due to staffing or other constraints, a request can be made to the Billing and Receipt Manager or the Finance Software Systems Manager.

Receipt of Payments

- A. Cash
 - a. The cash custodian should have control and responsibility when collecting and securing the cash received from customers.
 - b. The cash drawer or bag must be securely locked when the cash custodian is away from the drawer or not in use.
- B. Checks
 - a. Checks, traveler's checks, money orders and other negotiable instruments must be made payable to the "City of San Angelo" and shall be promptly endorsed upon being received.
 - b. All checks made payable to the City of San Angelo shall be accepted only in the amount of the transaction. Checks made for more than the amount due cannot receive cash for the difference. Overpayments must be applied to the customer's account.
 - c. No temporary, post-dated, or third-party checks are to be accepted by the City.
 - d. Check cashing is strictly prohibited by this policy.
- C. Credit/Debit Cards

Employees taking payments are required to be aware of and adhere to the Payment Card Industry Data Security Standards (PCI-DDS) practices. Departments must have software approval from the Finance Software Systems Manager and the Billing and Receipts Manager before accepting payments.

- a. Employees should never write down or store a customer's credit card information.
- b. Use of personal payment application to accept payments is prohibited.

Transaction Receipts

- A. Customers are entitled to, and should always be provided with, a receipt detailing information about the payment made. All departments must maintain a permanent collection record detailing all transactions made including voids and refunds.
- B. Receipt books must be reconciled to deposits daily and signed by a supervisor.
- C. Employees are not allowed to receipt or process their own payment.
- D. Receipt books are available in the Finance Billing and Receipts Division.
- E. Triplicate receipts are numbered and color-coded. The white copy goes to the customer, the yellow copy is turned into the Billing and Receipts Division and the pink is retained by the department.
- F. Receipts should include the date, amount paid, customers name, purpose of payment and any account number(s) involved with the receipt.
- G. Void receipts when an error is made but do not alter receipts. Turn in both the yellow and white copies of the voided receipt to the Billing and Receipts Division with the deposit containing the void.

Refunds and Overpayments

- A. Refunds/voids from cash drawers or locked bags are prohibited unless within the same day as the original receipt. Receipts must be input and a separate transaction recorded to show the refund or void.
- B. Refunds and voids relating to a prior day's activity must be done through the Accounts Payable process in the Accounting Division. If it is an Accounts Receivable or Utility Billing customer, those requests can be made to the Billing and Receipts Manager.
- C. In events where the department has access to process voids, the department is responsible for ensuring that the accurate account and approval of refunds is recorded.

Safekeeping

- A. Keep cash and checks in a secure area in a locked bag or box.
- B. Lock all cash and checks held overnight in a vault or safe.
- C. Locked bags can be obtained by request from Billing and Receipt Division.

Liability for Loss

Departments performing payment receipting activities retain the liability for misappropriation and loss or theft of payments until deposit is made.

Department Controls

Departmental controls shall include a practical means for employees to report instances where system controls, processes and/or procedures are overridden that could increase the City's fraud risk exposure. Department Directors, Assistant Directors, and Managers/Supervisors shall monitor and annually assess any risk areas and adopt appropriate strategies to manage these functions, thereby minimizing loss opportunities.

Audits

The Internal Auditor will perform Cash handling audits to determine whether procedures are in compliance with this policy. The department is responsible for providing full access to the Internal Auditor at all revenue collecting locations.