

## INTERNAL CONTROLS FOR CASH RECEIPTING OF DPW REVENUE

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All items receipted by DPW will be processed through the MUNIS cash register by batch method. Each transaction will require the entry of the individual's initials when entering the transaction and there will be a detailed audit trail in MUNIS. In addition, MUNIS will be used to bill for various services through General Billing. A centralized billing location will allow DPW to be aware of all services being billed for and be able to track delinquencies to various reports, such as aging reports.

### **Specific Internal Controls:**

Sales at the DPW Administrative Offices such as Landfill Bags, Veteran's Bricks, Compost, Music Hall, Milling Material, Street Opening Permits, Water and Sewer Taps, Water Connection Fees, Carousel Memorabilia and Other Miscellaneous Items

- The cash drawer shall be removed from the safe after the vault has been accessed. Access to the vault shall be limited to only necessary personnel and door shall remain shut at all times. The combination to the vault shall be limited to the DPW staff handling funds. When any one of those employees separates from the City, the combination shall be changed.
- At the start of each day the employee shall count and note the amount in the drawer as the starting bank and ensure it matches the amount from the previous night. (See below for an example of verification and documentation of the cash drawer.)
- All funds collected shall be processed through the MUNIS register, with the exception of Veteran Brick, Water Connection fees, Storm Water Pollution and Prevention mitigation fee and Storm Water Pollution and Prevention application fees.
- All customers shall be issued a receipt.
- A sign shall be posted informing customers that they will be given a receipt.
- Funds collected for Veteran's bricks must have the appropriate order form completed. Once the fee is collected it shall be remitted to the Commissioner of Finance with a memorandum as described in the Finance Policy and Procedure Manual.
- Compost and milling material will require completion of a three part form indicating the amount of material paid for, amount paid, pick up or delivery, name of customer, delivery address, delivery date, method of payment, signature of employee making the sale and date with MM/DD/YY. One part will be retained by DPW. Two parts given to the customer, in the case of a pick up. For delivery, one part is given to the customer and the other part is sent over to the compost site. The employees working at the compost facility shall return the slips to DPW after delivery or pick-up, with indication of the date delivered with MM/DD/YY or picked up and the employee's initials.

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City of Saratoga Springs

- Music Hall funds must be indicated in the reservation log and in MUNIS general billing. The invoice shall be provided to the party making the reservation. ~~All payments shall be made by check, no cash accepted.~~ All payments shall be processed through the DPW register and a copy of the invoice retained with the batch. The Commissioner of Public Works shall review the Music Hall Log ~~or aging report from general billing~~ on a monthly basis. The Commissioner shall sign and date, with MM/DD/YY, the log indicating the review. Any discrepancies and the resolution of the discrepancies should also be noted. The Commissioner should be looking for any delinquencies, adequate billing practices, etc. A list of deposits received in advance for bookings in future years will be provided to the Director of Finance at the end of the fiscal year, December 31
- Water connection fees, street opening permits, water taps and sewer taps must have the appropriate application completed. All forms shall be signed and dated with MM/DD/YY by DPW employee. Once the water connection fee is collected it shall be remitted to the Commissioner of Finance with a memorandum as described in the Finance Policy and Procedure Manual.
- Casino rental payments, private bookings of the Carousel, use of the chairs, kitchen, etc., shall be made by check only. The payment amounts will be entered into the reservation log. The payments shall be processed in the register as they are received. Each month a copy of the reservation log shall be provided to the Commissioner of Public Works by the 15<sup>th</sup> day of the following month. The log should indicate reservation date, party name, contact information, deposit due date, deposit receipt date, date contract received, date insurance received, caterer information, balance due date, balance paid date, etc. Any past due amounts shall be highlighted and the appropriate party contacted. The Commissioner of Public Works shall notate the date received by stamping with a received stamp, and any discrepancies and the resolution of such discrepancies shall be documented. A list of deposits received in advance for bookings in future years will be provided to the Director of Finance at the end of the fiscal year, December 31.
- Carousel memorabilia shall be inventoried as with landfill bags and clothing for employees. It shall be documented separately on the daily sheet from the Carousel. The documentation shall indicate item, quantity, total amount sold.
- Landfill bags sold in DPW shall also be inventoried as described below.
- Items unable to be processed each day due to insufficient information, or for other reasons, shall be locked in the vault each night.
- In the event the system is down, or under other circumstances, a hand receipt can be issued from a preprinted receipt book. The receipt shall include, employee name, date, received from, dollar amount, and method of payment. The funds shall be held in the vault until it can be processed in MUNIS.

*Verification and Documentation of the cash drawer*

07/17/12 Starting drawer

\$1.00	#	Quarters	#
\$5.00	#	Dimes	#
\$10.00	#	Nickels	#
		Pennies	#

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City of Saratoga Springs

Grand Total:

07/17/12 Ending drawer

\$1.00	#	Quarters	#
\$5.00	#	Dimes	#
\$10.00	#	Nickels	#
		Pennies	#

Grand Total:

All DPW staff shall use a documented verification process when closing out each register at the end of the business day.

**Creating a payment batch in MUNIS – miscellaneous receipting only**

- Add a batch by clicking on the add icon. Enter in the date, department number of 3000, and select a receipt option.
- Select the miscellaneous receipt button.
- Select the add icon.
- Enter department number 3000, name of person paid by, comment and charge code.
- Enter a description if necessary.
- Enter the charge amount, amount being paid. Do not change the cash account.
- The Org/Object/Project will default in. Review to ensure it is correct and then select accept.
- Complete the receipt information by selecting payment method and enter check number if applicable. At additional payment reference, enter your initials. Change the receipt option if necessary and accept.

**Cashing Out the Cash Register**

- At the end of each day the register shall be closed out and verified. The cash drawer balance should be the same as the morning and the amount of remaining funds should match the payment proof totals. Any discrepancies shall be investigated and documented. (See above for an example of verification and documentation of the cash drawer.)The cash drawer bank shall be locked in the safe each night.
- A payment proof shall be printed.
- The totals for each charge code shall be verified by totaling up the supporting documentation for each charge type to ensure accuracy.
- The total checks and cash shall be verified.
- The balance in the cash drawer shall be counted and reconciled as noted above in landfill bag procedures.
- Any discrepancies shall be noted and rectified.
- Once all items are verified, the employee will sign and date, with MM/DD/YY, the payment proof. Any discrepancies shall be noted and rectified.
- The batch shall be released.
- A copy of the proof and the original documentation with batch number noted will be retained in the DPW office.

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City of Saratoga Springs

- The original proof, supporting documentation of transactions collected from another DPW site and funds will be turned over to the Finance office on a daily basis.
- The Finance Office will stamp received and initial the batch.
- The cash drawer shall be locked in the vault each night.
- The Finance Office will do a final verification prior to depositing the funds with the bank.
- A duplicate deposit slip will be left in the DPW mailbox in the Finance Office and another stapled to the original proof retained by Finance.
- Finance will post the batch and retain the proof and documentation with all others in the Finance Office for the number of years required by records retention.

**Landfill bags, lawn and leaf bags:**

*Inventory of bags*

All bags shall be inventoried.

- Start the inventory with the amount in the case.
- Adjust the total daily for the amount sold, reflecting an ending balance.
- Each entry shall be dated with MM/DD/YY and initialed.
- Damaged bags should be noted and turned over to the Commissioner of Public Works along with the inventory.
- At the end of each month the list shall be remitted to the Commissioner of Public Works for review, no later than the 15<sup>th</sup> day of the following month.
- The Commissioner of Public Works shall ensure receipt of the inventory and stamp it received.
- The Commissioner of Public Works shall review for accuracy and completeness and make inquiries of any discrepancies. The Commissioner shall be reviewing for things such as the balance at the beginning of the report matching the ending balance from the previous months report, mathematical accuracy, completeness, etc.
- The Commissioner of Public Works shall sign and date with MM/DD/YY indicating review and notate action taken due to discrepancies.
- The Commissioner shall do a periodic audit at the landfill, City garage and in the DPW office to ensure the actual inventory matches that on paper.
- The inventories shall be filed and retained for the proper amount of time as determined by record retention.

Example:

07/17/12 Beginning Balance	200 bags
07/17/12 sold	50 bags
07/17/12 Ending Balance	150 bags

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Initials	Date
07/18/12 Beginning Balance	150 bags
07/18/12 Sold	50 bags
07/18/12 Ending Balance	90 bags

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Initials	Date
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City of Saratoga Springs

The Landfill employees as well as all DPW staff will use the inventory process.

*Bags sold at the Landfill*

- At the start of each day the employee shall count and note the amount in the drawer as the starting bank and ensure it matches the amount from the previous night. (See above for an example of verification and documentation of the cash drawer.)
- All bags sold shall be receipted through the cash register and the customer shall be issued a receipt.
- A sign shall be posted at the landfill notifying customers that they will be issued a receipt.
- At the end of each day the register shall be closed out and verified. The cash drawer balance should be the same as the morning and the amount of remaining funds should match the cash register tap.
- Any discrepancies shall be noted and rectified.
- The money collected shall be summarized on a sheet indicating the dollar amounts, number of bags sold, date with MM/DD/YY and a signature, along with the cash registers tapes and brought to DPW for deposit. On weekends, the funds collected and a sheet indicating the amounts, number of bags sold, date with MM/DD/YY and a signature shall be placed in a locked bank bag and left at the Police department.
- On Monday mornings DPW will pick up the locked bag from the Police Station.
- DPW will verify and address any discrepancies.
- A sheet will be signed and dated with MM/DD/YY by the landfill employee indicating the amount of bags sold and amount deposited with DPW and DPW will also sign the sheet and date with MM/DD/YY, indicating the dollar amount received.
- DPW will ring the collections through the register and give a receipt to the Landfill employee, which will be verified and stapled to a copy of the sign off sheet.
- All keys to the locked bank bags will be maintained in the DPW vault and used by DPW only.

**Canfield Casino**

*Payments*

~~All payments for rental of the casino, private bookings of the Carousel, use of the chairs, kitchen, etc., shall be made by check only. No cash payments will be permitted. The payment amounts will be entered into the reservation log as received by the reservationist. The payments shall be held in the safe and deposited with Finance at least twice a week. The deposits shall include a list of reservations being paid for, date with MM/DD/YY and totaled. The person preparing the deposit shall sign and date, with MM/DD/YY, the list. Finance shall verify the amounts, resolve any discrepancies, put it in the register and give the reservationist a receipt.~~

*Reservation Log*

~~Each month the casino reservationist shall provide to the Commissioner of Public Works a copy of the reservation log by the 15<sup>th</sup> day of the following month. This can be done via email. If done by paper it shall be signed and dated, with MM/DD/YY. The log should indicate reservation date, party name, contact information, deposit due date, deposit receipt date, date contract received, date insurance received, caterer information,~~

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City of Saratoga Springs

~~balance due date, balance paid date, etc. Any past due amounts shall be highlighted and the appropriate party contacted. The Commissioner of Public Works shall notate the date received by stamping with a received stamp, and any discrepancies and the resolution shall be documented. The log shall be compared against the aging report from general billing. A list of deposits received in advance for bookings in future years will be provided to the Director of Finance at the end of the fiscal year, December 31.~~

~~All reservations made can be entered in MUNIS general billing, which will produce an invoice for each receivable. The invoices can be provided to the appropriate party and a copy given to DPW for processing as checks come in. Finance will train DPW on general billing.~~

### **Carousel Ride Sales**

#### Token Machine:

- The machine will be loaded with bills to match the “coin load”. Bills may have to be broken down into smaller denominations to reload the machine. The necessary number of tokens will be added to the machine. The coin load default will be kept at \$2,000. The bank shall be \$400 in singles and \$1,600 in fives. If the coin load default or the bank amounts need to be increased, the controls will need to be revised.
- A verification of all bills in the machine will be performed weekly in the off season and at least twice a week during the main operating season. The DPW employee will verify the total amount of bills in the machine by adding the bills in all three stackers. This amount should be equal to the “coin load” plus the “coin paid”. Any discrepancies shall be investigated.
- A log shall be made accounting for the verification, indicating that the amount in each stacker matched the receipt. The log shall be initialed and dated by the DPW employee. This log shall be included on the Carousel Daily Deposit sheet, Attachment A.
- The amount of “coin paid” will be the amount retained and processed through the DPW register. The receipt will be retained with the register batch.
- The token machine shall be opened at the beginning of day of operation by a DPW employee, paying special attention to the placement of the stackers. DPW has step by step token machine instructions which will be maintained at the Carousel for use by the DPW employee and shall be reviewed annually.
- It shall be closed at night by the attendant and a receipt printed, tallying the day’s activity. DPW has step by step token machine instructions which are maintained at the Carousel for use by the attendant and shall be reviewed annually.

The following procedures shall be followed if the token machine is not in use:

- The cash drawer is verified at the beginning of each day as in procedures for landfill bags.
- The fee is collected and placed in the drawer.
- At the end of each day the amount collected is verified and agreed to the number of tickets, making note of any riders paid in advance.
- A sheet is prepared with the date MM/DD/YY, number of advance payments, a breakdown of the money, total of the money, and signature and date.

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City of Saratoga Springs

- The cash drawer shall be verified and then placed in a safe.
- The sheet and deposit is placed in a locked bag and brought to DPW Monday through Friday.
- DPW will verify the amounts, sign and date MM/DD/YY the sheet and process through the register.
- A receipt plus a copy of the deposit sheet will be given to the attendant. The original deposit sheet will be retained with the register.

Carousel Advance Sales:

- Carousel advance sales will be purchased at DPW and will be transacted through the register and the customer given a receipt.
- ~~A log of the advance sales shall be retained. All tickets should have a prestamped control number of them. The log should account for all tickets with number range, date, dollar amount, signature and a documentation of any exceptions, such as damaged tickets, and tokens distributed to the customer based on the amount paid.~~

**Clothing**

Clothing items are sold to employees at cost as part of their uniform. The items shall be inventoried and the payment made by a payroll deduction.

Inventory of Clothing

- A separate inventory list shall be maintained for each type of clothing being sold.
- Start the inventory with the amount in the case or order, with the total adjusted as clothing is sold or damaged, reflecting an ending balance.
- Each entry shall be dated with MM/DD/YY and initialed.
- Damaged items should be noted and returned to DPW.
- At the end of each month the list shall be remitted to the Commissioner of Public Works for review, no later than the 15<sup>th</sup> day of the following month.
- The Commissioner of Public Works shall ensure receipt of the inventory and stamp it received.
- The Commissioner of Public Works shall review for accuracy and make inquiries of any discrepancies. The Commissioner shall be reviewing for things such as the balance at the beginning of the report matching the ending balance from the previous months report, mathematical accuracy, completeness, etc.
- The Commissioner of Public Works shall sign and date, with MM/DD/YY, indicating review and notate action taken, if any.
- The Commissioner of Public Works shall do a periodic audit of the clothing to ensure the actual inventory matches that on paper.

Example:

<u>10/01/08 Beginning Balance</u>	<u>200 Shirts</u>
<u>10/01/08 sold</u>	<u>50 Shirts</u>
<u>10/01/08 Ending Balance</u>	<u>150 Shirts</u>

<u>Initials</u>	<u>Date</u>
<u>10/02/08 Beginning Balance</u>	<u>150 Shirts</u>
<u>10/02/08 Sold</u>	<u>50 Shirts</u>



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City of Saratoga Springs

~~require a posting to the general ledger, a copy of the report must be provided to the Director of Finance.~~

- Duplicate invoices can be printed and reports can be generated detailing who is delinquent, how many days past due, and by general ledger account.
- Delinquent accounts shall follow the City's receivable collection policy.
- Copies of the invoices should be retained where any DPW employee accepting payment ~~can has~~ access to them.
- Copies of all general billing invoice maintenance postings will be provided to the Director of Finance.

Processing a payment for a general billing invoice in the register:

- If a payment entry batch is not already created, add a batch by clicking on the Add icon. Enter in the date, department number of 3000, and select a receipt option.
- Select Find and enter in the invoice number at Bill number. Then select accept.
- Review the invoice that is brought up to determine it is correct. When certain, select apply payment.
- Complete the receipt information by selecting payment method and enter check number if applicable. At additional payment reference, enter your initials. Change the receipt option if necessary and accept.

### **General Controls:**

#### **Review**

In cases where reports are to be submitted and/or reviewed by the Commissioner of Public Works, the Commissioner can appoint a designee but must still be responsible to ensure the tasks are completed.

#### **Annual Fees**

All fees shall be adopted annually by the City Council. Any changes during the year should be brought to the Council prior to implementation.

#### **Budget Amendments**

Any funds received by DPW, which require a budget amendment, shall be put in the DPW register and an amendment request submitted to the Commissioner of Finance or his designee in accordance with the Budget Amendment policy.

#### **Addition of New Revenue**

Additional revenue DPW wishes to institute shall be brought forth to the Finance Office first to establish and adopt procedures, controls, fees, etc.

#### **Contracts**

DPW will work with the City Attorney's office to review periodically the necessary contracts for rental facilities and any other applicable services.

#### **Donation of City Goods or Services**

There shall be no donation of City goods or services unless previously approved by the City Council. For instance, use of the center can not be provided to an organization free of charge

Office of the Commissioner of Finance  
City of Saratoga Springs

with out prior approval by the City Council. All goods and services shall be charged according to the fees established by the City Council.

**Donations Received by City**

All donations received by DPW shall be accepted by the City Council in accordance with City's Gift and Donation Policy.

**Employee Schedules**

Employees working in the DPW Administrative Offices, are handling funds under this procedure and shall not be permitted to work at the Department of Public Works sites (i.e. Transfer Station, Casino, Carousel, etc.) collecting the money or delivering the goods.

**Inventory**

- An annual inventory shall be conducted of all utility supplies, such as meters.
- The inventory shall include the date counted, item name, number of items, condition, etc.
- A copy of the inventory shall be provided to the Director of Finance.

**Accounts Receivable**

When MUNIS is not utilized for General Billing, a list of past due accounts receivable shall be maintained and updated on a regular basis and kept readily available for all ~~VE~~ DPW staff collecting and registering for services. Delinquent accounts must be paid in full before any additional services may be used.

Collection of delinquent accounts will follow the accounts receivable collection policy.

At the completion of each fiscal year, December 31, a list of open accounts receivable will be provided to the Director of Finance indicating such things as name, fee type, amount, principal, interest, billing date(s), collection attempts, etc.