

City of St. John's Corporate and Operational Policy Manual

Procedure Title: Cash Handling and Petty Cash Procedures	
Authorizing Policy: Cash Handling and Petty Cash Policy	
Procedure #: 04-12-01-01	
Last Revision Date: N/A	Procedure Sponsor: Manager, Financial Services

Note: This document incorporates both the policy and the procedures.

1. Procedure Statement

This document provides Employees involved in Cash handling, including Petty Cash, with direction to ensure proper controls over (i) the acceptance, custody, and safeguarding of Cash; and (ii) the establishment and administration of Petty Cash funds; and provides procedural guidelines to Employees involved in Cash handling or Petty Cash to support compliance with the policy.

2. Definitions

“Cash” means coin, currency, cheques, money orders, bank drafts, and/or credit/debit card transactions.

“Cash Site” means a City location that handles Cash. Petty Cash Custodians are excluded from the definition of a Cash Site.

“Cashier” means any Employee who performs the function of receiving, transmitting, safeguarding, and/or depositing Cash.

“Department Head” means any Employee reporting directly to the City Manager and/or Council.

“Employee” means any person employed by the City of St. John’s as a permanent, term, part-time, casual, contract, seasonal, temporary, or student worker.

“Petty Cash” means a small amount of currency to cover payments of low value, low risk, and infrequent purchases.

“Petty Cash Custodian” means an Employee appointed to operate, safeguard and make disbursements from an individual Petty Cash fund.

“Point of Service Terminal” shall include cash registers, cash drawers, point of sale/service terminals, and/or computers used for cash transactions.

“Segregation of Duties” means an internal control to mitigate risk, where no single Employee handles a transaction from beginning to end.

3. Requirements

3.1 Oversight

- a) Cash and Petty Cash shall be managed in accordance with the **Cash Handling and Petty Cash Policy** and the **Cash Handling and Petty Cash Procedures**.
- b) Employees responsible for Cash handling and/or Petty Cash shall sign an acknowledgement form indicating their agreement to comply with the Cash Handling and Petty Cash Policy and Procedures.
- c) Employees shall ensure any personal information associated with Cash handling or Petty Cash is managed in accordance with the Privacy Management Policy.
- d) The DCM, Finance and Administration; City Internal Auditor; and/or designate(s) may conduct reviews, audits, or checks at any time without notice to ensure compliance with this policy and related procedures.

3.1.1 Segregation of Duties

- a) Appropriate Segregation of Duties shall exist at all times in the Cash handling and Petty Cash functions. No individual Employee shall have responsibilities for the entire Cash management process. At a

minimum, the Employee responsible for Cash acceptance and deposit preparation shall not be involved with the review and approval of the deposit.

- b) Divisional managers may require additional segregation of duties, as they deem appropriate.

3.1.2 Certificate of Conduct

Employees having responsibility for the acceptance, custody, and/or safeguarding of Cash, excluding Petty Cash, shall provide the Department of Human Resources (HR) with a Certificate of Conduct:

- a) upon start of employment and every five years; and/or
- b) when transitioning to a position with these responsibilities (and where there is no current Certificate on file).

3.2 Cash Security

3.2.1 Safeguarding and Transportation

- a) Cash shall be safeguarded at all times, as detailed in these procedures.
- b) All Cash shall be stored in a secure area (preferably a safe or vault) when not in use.
- c) Safes shall not be unlocked and unattended for any period of time.
- d) Access to secure areas or safes shall be limited to as few people as is necessary.
- e) The combination to each safe shall be changed at least annually and/or each time any Employee with the combination ceases employment and/or no longer requires access to the safe. The division manager shall maintain a current list of Employees who have safe combinations.
- f) For safes with keys only (no combination): For locations using a key to access a safe, the division manager shall ensure that when an Employee ceases employment and/or no longer requires access to the safe, their key is returned to the manager. At least annually, the division manager shall confirm all appropriate staff are in possession of their keys. The division manager shall maintain a current list of Employees who have safe keys.”
- g) Prior to purchasing any new safes or vaults, managers shall consult the Manager, Corporate Risk and Recovery.

- h) Two Employees shall be present when opening the safe or transporting Cash from one location to another.
- i) Employees shall not transport Cash (including cheques) via internal mail.
- j) Armoured courier services shall be used to transport Cash to the bank.
- k) Employees shall ensure that Cash is not unattended at any time when transferring and/or transporting Cash to the bank, between Employees, or between locations.
- l) Where possible, security cameras shall be in place to monitor all safes.

3.2.2 Point of Service Terminals

- a) All Cash received shall be recorded through a Point of Service (POS) Terminal. If no POS Terminal is available, prenumbered and sequential receipts, issued by the Department of Finance and Administration, shall be used.
- b) Each Cashier shall have a separate Cash drawer and float. If the Cash drawer is accessed using a key, the key shall be in the Cashier's possession at all times during their shift.
- c) Each Cashier shall have a unique user name and/or secure password for access to their POS Terminals. This information shall not be shared or used by anyone else.
- d) Cashiers shall be responsible for all transactions on their assigned POS Terminals during their assigned shifts. Cashiers shall ensure their Cash drawers and POS Terminals are secure if they leave them unattended.
- e) A receipt shall be provided for each in-person transaction, and otherwise, when requested.

3.3 Cash Floats and Cash Counting

- a) All Cash floats shall be counted in a secure area at the beginning and end of each shift with the count documented and witnessed. At the beginning of the shift, if the count is under or over the assigned float amount, this shall be noted on the Cash Float section of the Cashier Daily Receipts (CDR) Summary Form. The Form shall be signed and dated by two Employees whenever used.
- b) Cashiers shall leave the assigned float amount at the end of the shift, regardless of any shortage/overage at the beginning of their shift. The

Cash Float section of the CDR Summary Form shall be used to confirm Cash count activities at the end of each shift.

- c) Each Form shall contain the following information:
 - 1. names of Employees completing the count;
 - 2. date and time the count is completed;
 - 3. Cash breakdown of the deposit (coins, currency, cheques, credit/debit card, etc.);
 - 4. discrepancies (e.g., any shortage/overage at the beginning/end of shift); and
 - 5. signatures of each Employee who completed the count.
- d) When possession of Cash is transferred from one Employee to another, the Employee taking possession of the Cash shall count the Cash before accepting it and sign the CDR Summary Form. This would include, but is not limited to, Cash floats being transferred during shift changes or breaks.

3.4 Processing Payments

3.4.1 Forms of Payment

Cashiers shall only accept the forms of payment for various revenue sources as detailed in **Annex A** of the **Cash Handling and Petty Cash Procedures**.

3.4.2 Cheques, Money Orders, and Bank Drafts

Upon receipt of cheques, money orders, or bank drafts, the Cashier shall:

- a) ensure the cheque is made payable directly to the City of St. John's, (with the exception of cheques issued to a customer by federal or provincial governments). If the name on the cheque does not match the name on the City account, the Cashier shall request identification to confirm that the person presenting is the person listed on the cheque.
- b) ensure the date and amount are correct and that the cheque has been signed by the customer; and
- c) provide "Cash back" services for federal or provincial government cheques, if applicable and sufficient funds are available;
- d) immediately stamp the document with a cheque deposit stamp (e.g., "For Deposit Only to the account of the City of St. John's").

3.4.3 Foreign Currency

- a) Cheques in US funds may be accepted at face value for payment of taxes. An exchange adjustment shall be applied following bank processing.
- b) US coin may be accepted at par with Canadian coin and processed as Canadian coin.
- c) Cashiers shall not accept any other foreign Cash (including US currency) for any other type of payment.

3.4.4 Credit Cards and Debit Cards

When accepting credit cards or debit cards for payment, Cashiers shall:

- a) process the transaction through a POS Terminal and confirm that the transaction was approved;
- b) for in-person transactions, provide the customer with a copy of the receipt generated by the POS Terminal (if applicable), otherwise provide a receipt upon request; and
- c) if a duplicate receipt is provided, place it in a safe place, for daily reconciliation of revenue.

3.4.5 Transactions - Voids, Refunds, and/or Deletes

- a) Cashiers may complete voids only for debit card and/or credit transactions that are completed on the same day the transaction occurred. The manager/supervisor shall review details (voids, deletes, etc.) at the end of the shift or the beginning of the next shift.
- b) All refunds shall be completed via cheque requisition.

3.5 Reconciliations and Deposits

- a) Reconciliations of Cash deposits to the accounting records at Cash Sites shall be made daily.
- b) Records shall be kept on all Cash counts and deposits.
- c) At the end of each shift, Cashiers shall generate a Cashier's Edit/Batch Report (e.g., Govern, ActiveNet, etc.).
- d) If applicable, Cashiers shall generate a report from their POS Terminal and shall ensure that the values are accurately reflected in the Cashier's Edit/Batch Report.
- e) If applicable, Cashiers shall deposit cheques using CheckPro.
- f) Cash shall be counted in a secure area.
- g) Cashiers shall detail the Cash totals on the CDR Summary Form.

- h) Cashiers shall then complete the bank deposit slip and check to confirm accuracy of totals with the CDR Summary Form.
- i) If there is a discrepancy of more than $\pm$ \$2.00 between the totals of the CDR Summary Form and Cashier's Edit/Batch Report, Cashiers shall review to determine the source of the error. Cashiers shall document any difference and shall provide an explanation (if greater than $\pm$ \$2.00) on the Variance Line on the CDR Summary Form.
- j) The Cashier shall sign and date the CDR Summary Form.
- k) The Cashier, witnessed by the manager/supervisor, shall deposit all documentation and all Cash (including all cheques, if applicable) into the appropriate secure location (e.g., safe or vault).
- l) The Cashier's manager/supervisor shall verify the CDR Summary Form and then sign and date the form, confirming that they have counted the Cash and that the information is accurate and complete. The manager/supervisor shall ensure accuracy of the bank deposit slip, initial the slip and prepare all deposits for pickup by the armoured courier service, as per the contracted schedule.

3.6 Petty Cash Management

3.6.1 Petty Cash Oversight

- a) Employees shall ensure there is appropriate Segregation of Duties, as detailed in Section 3.1.1(a).
- b) Petty Cash Custodians shall be the only Employees with access to their Petty Cash funds.
- c) Petty Cash Funds shall be kept separate from all other monies and shall only be used to reimburse approved Petty Cash expenses.
- d) Petty Cash Funds shall be stored in a locked Cash box at all times. If Petty Cash Custodians do not have access to a safe, Petty Cash shall be stored in a secure area in a locked drawer when not in use, otherwise it shall be stored in the safe.
- e) The Petty Cash fund shall not be used to circumvent the City's Procurement Policy and/or procedures, or record keeping requirements and shall only be used when other disbursement methods are impractical or cannot be used.
- f) For any planned leave periods, the Petty Cash Custodian shall ensure that the Petty Cash fund is transferred to an alternate custodian.
- g) Petty Cash funds that have been inactive, with no activity during a fiscal year, may be closed.

- h) The DCM, Finance and Administration or designate may evaluate the continued need for a Petty Cash fund and such fund may be closed in their sole discretion.

3.6.2 Establishment, Funding, and Transfer

- a) To establish a Petty Cash fund, Department Heads shall request the fund from the DCM, Finance and Administration or designate.
- b) Each Petty Cash fund shall have a Petty Cash Custodian approved by the Department Head and the DCM, Finance and Administration or designate.
- c) The “Required Information for All Actions” section shall be completed on the Petty Cash Action (PCA) Form for all New Petty Cash Custodians and changes to Petty Cash Custodians.
- d) The appropriate box shall be checked on the PCA Form for opening a fund or changing the Petty Cash Custodian and the information in the checked section shall be completed.
- e) The designated Petty Cash Custodian of the new fund or the changed Petty Cash Custodian of an existing fund shall sign and date the “New Custodian Certification” at the bottom of the PCA Form.
- f) A Petty Cash fund shall be reconciled before changing Custodians, as detailed in Section 3.5.3.
- g) To fund the account, the requestor shall prepare a cheque requisition to request a cheque.

3.6.3 Petty Cash Eligible Expenditures and Disbursement

- a) The maximum individual Petty Cash transaction shall be \$50 (including taxes).
- b) Employees shall consult their manager prior to expending any funds if they are unsure a purchase is eligible for Petty Cash reimbursement.
- c) Division managers may choose to implement restrictions on eligible expenditures as they deem appropriate.
- d) Employees shall complete a Petty Cash Voucher form for any purchase using Petty Cash and have it approved by their manager/supervisor (who shall have signing authority under the Procurement Policy).
- e) The Petty Cash Custodian shall:
 - i. pay Petty Cash to an Employee presenting an approved Petty Cash Voucher and the associated invoice or expense receipt;
 - ii. keep the receipt and mark it “Paid”; and

- iii. record the amount and description of expense and the person receiving the Cash in a log of expenses on a Petty Cash Reconciliation and Request for Replenishment (PCRRR) Form.
- f) As expenditures are made, the Petty Cash Custodian shall place the receipts in a Cash box or locked drawer. The receipts and the Cash on hand shall always equal the total amount of the Petty Cash fund for control purposes.
- g) In cases where Cash is advanced to an Employee prior to the purchase of an item, the Petty Cash Custodian shall ensure a Petty Cash Voucher, signed by the Employee's manager, is enclosed in the Petty Cash Fund to account for the Cash advanced until the Employee provides an invoice/receipt.

3.6.4 Petty Cash Reconciliation and Replenishment

- a) Petty Cash Custodians shall reconcile their log of expenses to their Petty Cash Fund at least quarterly.
- b) Petty Cash Custodians shall not self-approve replenishments or other changes to their Petty Cash fund.
- c) To replenish the fund, the Petty Cash Custodian shall reconcile it, with the total of all the receipts plus the remaining Cash being equivalent to the full fund amount.
- d) The Petty Cash Custodian shall:
 - i. complete the PCRRR Form with the budget numbers for the expenses paid from the Petty Cash fund;
 - ii. sign and date the Form; and
 - iii. attach all receipts to the form.
- e) The total of the PCRRR Form shall not exceed the full balance of the fund.
- f) The Petty Cash Custodian shall prepare a cheque requisition, signed by an appropriate signing authority, and attach the completed and signed PCRRR Form, which shall serve as the invoice when the cheque is requested. It shall then be submitted to Financial Services.

3.6.5 Changes to the Petty Cash Fund Amount

- a) For increases or decreases to the Petty Cash fund amount, the requestor must complete and get required signatures on a Petty Cash Action (PCA) Form. Any increases to Petty Cash funds shall be approved by the DCM, Finance and Administration.

- b) The requestor shall check the box for “Change Amount of a Petty Cash Fund” and check the appropriate box to indicate whether the change is an increase or decrease.
- c) To increase the Petty Cash Fund amount, the requestor shall:
 - i. complete the rest of the section on the PCA Form;
 - ii. prepare a cheque requisition for the fund increase; and
 - iii. attach the cheque requisition to the completed and signed PCA Form to serve as the invoice when payment request is submitted to Financial Services.
- d) To close or decrease the amount of a Petty Cash fund, the requestor shall:
 - i. complete the steps in Section 3.5.3 (Petty Cash Reconciliation and Replenishment) to ensure the Cash remaining is equal to the full fund balance; and
 - ii. notify Financial Services and arrange to have the excess funds deposited.

3.7 Cash Loss

- a) For overages or shortages above \$2, the Cashier shall notify the Cashier's/Petty Cash Custodian's manager.
- b) For overages or shortages above \$100, the Cashier's/Petty Cash Custodian's manager shall notify the Manager, Financial Services.
- c) For any suspected theft of Cash, Employees and managers shall follow the requirements of the **Fraud Policy**.

4. Application

The policy and procedures apply to (i) all Cash Sites, (ii) Petty Cash Funds, and (iii) all Employees involved with Cash handling or Petty Cash Funds; with the exception of the St. John's Transportation Commission.

5. Responsibilities

5.1 Cashiers and Petty Cash Custodians are responsible for:

- a) complying with the policy and procedures;
- b) reporting any suspected misappropriation of Cash; and
- c) maintaining records for audit.

5.2 Managers supervising Cashiers or Petty Cash Custodians are responsible for:

- a) communicating the policy and procedures to all Cashiers and Petty Cash Custodians under their supervision.
- b) establishing an effective internal control system that maintains appropriate Segregation of Duties;
- c) ensuring any additional standard operating procedures used by their divisions comply with this policy and associated procedures;
- d) advising HR of changes in cash handling responsibilities;
- e) reviewing and approving receipts and reconciliations;
- f) investigating unusual variations in revenue; and
- g) taking appropriate action for any potential contravention of the policy or procedures, including notifying the Department of Finance and Administration, when appropriate.

5.3 The Department of Finance and Administration is responsible for:

- a) setting maximum amounts for Petty Cash Funds;
- b) performing timely bank account reconciliations and investigating any discrepancies between internal records and the bank's records;
- c) monitoring deposits to ensure Cash is being deposited and conducting intermittent random checks;
- d) providing funds to Petty Cash Custodians;
- e) managing armoured car services; and
- f) authorizing any exceptions to the policy requirements.

5.4 Department Heads are responsible for:

- a) ensuring that this policy and related procedures are communicated to all applicable Employees in their departments; and
- b) ensuring their departments comply with this policy and associated procedures.

5.5. The Department of Human Resources is responsible for:

- c) ensuring that Certificates of Conduct are provided by Employees to HR when required.

5.6 The Office of the City Internal Auditor is responsible for:

- a) conducting compliance reviews, audits, or checks as they deem appropriate;
- b) applying the requirements of the **Fraud Policy** for any suspected theft of Cash.

6. References

04-12-01 Cash Handling and Petty Cash Policy

7. Approval

- Procedure Sponsor: Manager of Financial Services
- Procedure Writer: Policy Analyst
- Date of Approval from:
 - Corporate Policy Committee: October 23, 2019
 - Senior Executive Committee: December 6, 2019

8. Monitoring and Contravention

The Department of Finance and Administration shall monitor the application of the policy and procedures.

Any contravention of the policy or procedures may be brought to the attention of the Deputy City Manager, Finance and Administration; the Department of Human Resources; the Office of the City Solicitor; and/or the City Manager for further investigation and potential follow up disciplinary or legal action, up to and including dismissal.

9. Review Date

Initial Review: one year.

Subsequent Reviews: During policy review (initially three years, then every five years).

Annex A

Acceptable Payment Types by Revenue Source and/or City Location

City Hall – Tax-Related Revenue

Accepted

1. Canadian Paper Currency and/or Coin
2. Personal Cheques
3. Business Cheques
4. Debit Card
5. Money Orders
6. Bank Draft/ Certified Cheque
7. US Cheques
8. US Coin (at par with Canadian Coin)
9. Third Party Cheques from the Federal/Provincial Government

Not Accepted

1. Credit Card
 2. All Other Third-Party Cheques
 3. All Other Foreign Cash (including US paper currency)
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City Hall (all other revenue sources) and the following Community Services locations:

- **H.G.R. Mews Community Centre**
- **Paul Reynolds Community Centre**
- **Railway Coastal Museum**

Accepted

1. Canadian Paper Currency and/or Coin
2. Personal Cheques
3. Business Cheques
4. Debit Card
5. Credit Card
6. Money Orders
7. Bank Draft/ Certified Cheque
8. Third Party Cheques from the Federal/Provincial Government
9. US Coin (at par with Canadian Coin)

Not Accepted

1. All Other Third-Party Cheques
 2. US Cheques
 3. All Other Foreign Cash (including US paper currency)
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Community Services - Humane Services (Higgins Line)**Accepted**

1. Canadian Paper Currency and/or Coin
2. Debit Card
3. Credit Card
4. Money Orders
5. US Coin (at par with Canadian Coin)

Not Accepted

1. Personal Cheques
 2. Business Cheques
 3. All Third-Party Cheques
 4. Bank Draft/Certified Cheque
 5. US Cheques
 6. All Other Foreign Cash (including US paper currency)
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Other Community Centre Locations:

- Kenmount Terrace Community Centre
- Kilbride Lions Community Centre
- Shea Heights Community Centre
- Southlands Community Centre

Accepted

1. Canadian Paper Currency and/or Coin
2. US Coin (at par with Canadian Coin)
3. Personal Cheques
4. Business Cheques

Not Accepted

1. All other forms of payment

Note: Other forms of payment for these facilities may be paid at the H.G.R. Mews Community Centre or the Paul Reynolds Community Centre.

Other City Locations**Bowring Park (Snow Shoe Rentals)****Accepted**

1. Debit Card
2. Credit Card

Not Accepted

1. All other forms of payment

Pippy Park (Northbank Lodge) (Snow Shoe Rentals)**Accepted**

1. Canadian Paper Currency and/or Coin
2. US Coin (at par with Canadian Coin)
3. Debit Card
4. Credit Card

Not Accepted

1. All other forms of payment