COUNTY OF MENDOCINO
CASH CONTROL AND ACCOUNTING STANDARD PRACTICE MANUAL

F O R E W O R D

This Manual has been developed to provide basic guidance and to standardize operating procedures for all phases of handling cash. The policies and procedures contained in the Manual are applicable to all County Departments, Special Districts, and all other offices (herein-after referred to as "departments") under the jurisdiction of the Board of Supervisors.

This Procedural Manual is for use as a ready reference by operating personnel in the performance of their day-to-day duties and responsibilities to prescribe uniform accounting procedures for County departments pertaining to all cash collections and funds in accordance with generally accepted accounting principles, laws and regulations.

To facilitate future revisions, this Manual is structured in a manner that enables deletion or insertion of materials within the various sections.

Suggestions for improving the Manual are welcome. Only with the help and cooperation of its users will we be able to keep the Manual up-to-date and keep abreast with the changing needs of the County. Suggestions for revisions should be submitted to the Auditor-Controller's Office for evaluation and incorporation in the Manual.

This Manual was prepared by the Auditor-Controller's Office in an effort to provide assistance to County Employees in the performance of their cash handling duties. The Auditor-Controller's Office will be the interpreter of the policies and procedures contained in the Manual.

Lloyd Weer
Auditor-Controller

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CHAPTER 1
CASH CONTROL

POLICY STATEMENT

It shall be the responsibility of each department head to develop and implement the necessary procedures required to ensure that the provisions of this Manual are complied with by his/her department in the control of cash.

BASIC PRINCIPLES AND STANDARDS

1. Employee personal funds shall not be commingled with County funds.

2. Deposits shall be made by an employee other than the cashier or the person issuing receipts.

3. Bank accounts shall be reconciled at least monthly by someone other than the cashier or the person who makes the deposits. Copies of the completed reconciliation must be submitted to the Auditor-Controller's office monthly.

4. The duties of cashier and bookkeeper shall be divided between two employees, neither of whom shall be permitted to have access to each other's records, unless restricted by the number of personnel working in the department.

5. No arbitrary adjustments to payer's ledger accounts shall be made without express written approval by supervisory personnel.

6. As required by law, departments shall maintain financial records of their operation and prepare reports as required.

7. Departments may accept payments in the form of cash, personal checks, bank checks and drafts, express and post office money orders, cashier and travelers' checks, and wire transfers only for the exact amount due except in payment for sale of materials and property sold to the public where only currency, certified checks or cashiers checks shall be accepted. Other methods of payment, such as debit or credit cards, are acceptable as approved by the Auditor-Controller or Treasurer.

8. When payment is received in more than one form (check, money order, and currency) only one receipt shall be issued for the total payment. A memo notation shall be made on the receipt indicating the different forms of payment and the corresponding amounts.

9. When a check or money order is received covering payments for account of more than one person, a separate receipt must be issued for each.

BASIC PRINCIPLES AND STANDARDS (CONT.)

10. Nationally recognized travelers' checks may be accepted for payments subject to approval by the department head. Travelers' checks accepted in excess of the amount due shall be so noted on the receipt.

11. Checks drawn against foreign banks, including Mexican and Canadian banks, should be discouraged, including those drawn in U.S. Dollars.

12. Restricted type endorsement stamps must be used on all checks and money orders as soon as received. The endorsement stamps shall read as follows:

Pay To The Order Of Mendocino County Treasurer For Deposit Only (Department Name)	or	Pay To The Order Of (Name of Bank) For Deposit Only (Title of Account) (Account Number)

SAFEGUARDING CASH

The department head or official in charge shall ensure that all cash received is adequately safeguarded until deposited with the bank or the County Treasurer. "Cash" as referred to in this policy includes currency, coins, checks, money orders, or travelers' checks made payable to the department or County, and debit and credit card receipts.

1. Large amounts of cash shall not be allowed to accumulate. It shall be determined by the Auditor-Controller and the Department Head what amount of cash should be allowed to accumulate.

2. All cash held overnight shall be deposited in a safe.

3. Safe combinations shall be restricted to as few employees as possible, preferably memorized. Where a written safe combination has to be maintained, it must be kept in a secure place.

4. The department head shall ensure that combinations to safes are changed when an employee who has knowledge of the combination terminates County employment or is transferred.

5. During business hours, cash must be kept in a cash drawer or cash box not accessible to unauthorized persons. Cash drawers or cash boxes must be closed when not in use. Individual employees shall be responsible for cash drawers assigned to them.

SAFEGUARDING CASH (CONT.)

6. It is mandatory that any office where cash is stored be locked during nonworking hours and office door keys be restricted to as few responsible employees as possible.

7. It is recommended that departments handling large daily volumes of cash transactions establish internal guidelines for making periodic audits throughout the day.

8. It is recommended that a record of office keys issued be maintained and the department head should ensure that office keys are returned by terminated or transferred employees.

GUIDELINES FOR HANDLING CASH

Employees shall exercise extreme care when handling cash. Frequent losses of cash through careless handling of money are not only annoying and bothersome, but may be a violation of the law.

The following precautions shall be observed to guard against cash losses:

1. Keep the cash drawer neat and orderly and in balance at all times.

2. Arrange currency according to denominations in separate compartments.

3. Do not keep excess cash in the cash drawer.

4. When making change, first count out the coins to the nearest dollar, then count the bills.

5. Count the cash twice before paying out; once when removing it from the cash drawer, and again as it is given to the customer.

6. Never count currency directly into the cash drawer. Always place it on the counter, away from the customer's reach and count. Do not put their money away until the exact change is verified. Then, place the customer's payment in the proper compartments of the cash drawer. Keeping the money in sight until the transaction is completed will avoid controversies that might arise as to the amount given by the customer. Also always check for counterfeit money.

7. Always close the cash drawer after the completion of each transaction.

8. Concentrate on each transaction. Do not permit any distraction while handling money. If the transaction is interrupted for any reason, it should be started over.

CHAPTER 1
CASH CONTROL

GUIDELINES FOR HANDLING CASH (CONT.)

9. If there should be distractions in the midst of the count, stop, return the money to the cash drawer, and then count again. When in doubt, always make a recount.

10. Always keep the cash drawer locked when left unattended.

11. Be careful of new bills as they have a tendency to stick together. "Twist" the new money and if necessary, alternate a new bill with an old bill in the cash drawer.

Accepting checks in payment for amounts due is a convenience. However, it can create costly problems and losses if bad checks are inadvertently accepted. Carelessness causes most of the losses because the person accepting the check fails to properly identify the person or accepts checks indiscriminately.

The best way to keep "Bad Check" losses to a minimum is to follow sound and sensible practices, and always use caution and common sense whenever accepting a check. Here are a few simple rules to follow when receiving payments in form of checks:

DO'S	**DON'TS**
Accept checks only for the exact amount of payment.	Accept a combination of identification or documents which are offered too readily.
Ask for more than one kind of identification. You are safer seeing multiple identifications.	Forget to note the address, phone number, and other pertinent data about the payer on the **front** of the check, as well as the serial number and expiration date of the identification.
Compare the person with the description on the identification as to age, nationality, color of hair, and take notice of a photograph.	Honor a check that is stale dated or postdated.
Make certain that a check meets all legal requirements.	Permit yourself to become flustered by a payer who is in a hurry.
Only accept pre-printed checks.	
Have personal checks made out in your presence, made payable to the County department or the County of Mendocino.	
Ask for the person's phone number should they need to be contacted.	

CHAPTER 1
CASH CONTROL

MAKING CHANGE

When making change, count out the coins to the nearest dollar, and then count the bills.

Count the cash twice before paying out; once when removing it from the cash drawer and again as it is given to the customer.

Never count currency directly into the cash drawer. Always place it on the counter away from the customer's reach, make the necessary change, and complete the transaction. Only then, place the customer's payment in the proper compartment of the cash drawer.

Keeping the money in sight until the transaction is completed will avoid controversies that might otherwise arise as to the amount given by the customer.

UNDEPOSITED CASH

During working hours, cash must be kept in a cash drawer, cash box or cash register that is not accessible to unauthorized persons. Cash drawers or cash boxes must be closed and locked when not in use.

There should never be any cash or checks awaiting a written receipt. All undeposited cash should be secured in a locked drawer, locked cabinet or safe and access should be restricted to designated employees only. All county funds should be completely reconcilable at any time. Undeposited cash on hand should always balance with the receipts issued.

When a written safe combination is maintained, it must be kept in a secure location. It is recommended that the combination to the safe be changed annually, or whenever an employee who has knowledge of the combination terminates County employment or is transferred to another department.

COMMINGLING OF PERSONAL AND COUNTY MONIES

No employee is permitted to commingle his or her own or any other person's private monies with County funds. There should never be any borrowing or trading of any cash on hand except for the purpose of making currency or coin change. It is forbidden to allow any employee to replace cash on hand with a personal check, even for short periods of time.

County funds shall not be used to cash payroll checks or other personal checks.

Employees are prohibited from borrowing money or issue personal IOU's in exchange for County funds of any kind. Employee personal funds shall not be used to reimburse shortages in cash funds.

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CHAPTER 2
CASH RECEIPTS

POLICY STATEMENT

Any officer or employee of a department who received money in connection with their official duties shall issue an Official County Receipt immediately upon receipt of the funds, for the exact amount received.

RECEIPT SYSTEM

The receipting system which will be most effective and economical for the needs of the department should be selected, but may not be implemented, nor subsequently revised or changed, without prior approval of the Auditor-Controller.

Staff from the office of the Auditor-Controller, when participating in the selection of a receipting system or design of a "Special Report", will present it to the Auditor-Controller for approval, since the Auditor must determine that the receipt form is adequate for the support of deposits, audit purposes and receipt control. Receipting systems approved to date are as follows:

Official County Receipt Books
Special Receipts
Cash Register System
Munis System Receipts

OFFICIAL COUNTY RECEIPT BOOKS

The Official County Receipt Book is the most commonly used system. The receipts are pre-numbered in sets of three, and in pads of 50 sets. All receipts must be issued in sequential order and deposited to the County Treasury in the same manner. The exceptions to this policy would be departments that entrust individual receipt books to divisions of their department, in which case receipts from those divisions must also be issued in sequential order within that book and deposited in the same manner.

All receipts are to be filled in completely. They must be dated and signed, and must have the cash composition area completed (i.e., cash, check, money order, etc.). If payment is made by check, the check number should be entered in the "check" field. Numerical amounts should carry the complete extension including cents even if zero.

SPECIAL RECEIPTS

Receipts designed for special purpose applications to meet the needs of the using department are referred to as Special Receipts. (Examples are various types of permits, licenses, Social Service Department receipts, Public Health divisions receipts, etc.) These forms are printed with sequential

SPECIAL RECEIPTS (CONT.)

receipt numbers for control purposes and serve the same receipting and depositing information, as do the other types of Official County Receipts and must be deposited in the same manner. All special receipts must be approved by the Auditor-Controller.

CASH REGISTER SYSTEM

Cash registers are used for receipt and control of monies received by departments with a large volume of cash receipt transactions. The department head, in coordination with the Auditor's Office is responsible for developing and adopting the necessary operating procedures to provide adequate controls in the cash receipting function of the department. Such procedures shall be based on the following standards:

1. Each cashier shall be assigned a cash drawer with a key. It shall be a cashier's responsibility to keep the cash drawer locked when not in use.

2. Cash registers must have the capability of printing transaction numbers in numerical sequence.

3. Duplicate imprints of transactions made must be recorded on a tape locked in the cash register.

4. If an error is made by keying in an incorrect amount or distribution, the cashier must note the error, make a brief explanation in ink on the detail audit tape, key in the proper amount and at the end of the day, subtract the erroneous amounts from the register total. All corrections made on cash register tapes must be reviewed and verified by the supervisor in charge.

5. At the end of each business day, the supervisor in charge shall clear out the register totals for the day's business. The cash register shall have the capability of summarizing transactions by coded distribution keys. The cashier shall, at no time, have the capability of clearing out cash register totals.

6. During breaks or lunch periods of cashiers, provision shall be made to fix accountability for monies received by the individual providing relief for the cashier.

7. At the end of each business day, the supervisor in charge shall reconcile the cash register tape total with the monies turned in to the cashier. When reconciled, the cashier shall be furnished a receipt for the monies turned in to the supervisor in charge.

CHAPTER 2
CASH RECEIPTS

MUNIS FINANCE SYSTEM RECEIPTS

Departments may use Munis System generated receipts as their only form of Official Receipt, provided their use is approved by the Auditor-Controller. Refer to the Munis Finance System Instruction Manual for detailed instructions regarding entering receipts into the County's electronic finance system.

RECEIPT CONTROL

The Auditor-Controller's Office shall maintain a record of all pre-numbered receipts issued to each department. Each department must establish an internal policy of reconciling, locking, and assuring the safekeeping of County funds while still in the department's possession and until such time as the funds are deposited with the County Treasurer.

The department concerned shall maintain a receipt control record indicating the receipt number received, date issued or used and to whom issued. Only one person shall be assigned the responsibility of issuance and control of blank receipt forms. Unused receipts on hand shall be stored in a secure place. These policies will be reviewed by the cash auditor at the time of our audits.

CASH RECEIVED BY MAIL

The person who opens the mail should not also prepare the deposit. If possible, the mail should be opened in the presence of another employee.

The employee who receipts payment by mail should not reconcile the cash receipts.

On high volume remittance days, the person opening the mail should prepare an adding machine tape listing the amount paid and other identifying information such as file or check number. It should also be signed by the preparer.

The adding machine tape and remittances are to be passed on to another employee for reconciliation and preparation of the individual receipts.

The original white copy of the receipt shall be retained in the receipt book unless the payer requests a receipt, for example a payer requests a receipt for a check that was delivered by mail.

If a department receives a check for another department, a receipt shall be prepared by the receiving department. The receiving department should contact the depositing dept for the proper coding information. The receiving department may then proceed depositing the funds with the County Treasurer.

CASH RECEIVED BY MAIL – (CONT.)

The law does not require that a payer making payment by mail be given a receipt for payment unless one is requested. Therefore, payer (white) copies of receipts which are not sent to the remitter shall be sent to the Auditor-Controller upon completion of all receipts in book.

PAYMENTS IN MORE THAN ONE FORM OR FOR MORE THAN ONE PERSON

When payment is received in more than one form (check and currency), only one receipt shall be issued for the amount of the payment. A notation shall be made on the receipt indicating the different forms of payment.

When a check or other instrument is received to pay for the accounts of more than one person or entity, a separate receipt shall be issued for each person or entity. Where appropriate, this policy may be waived by the approval of the Auditor-Controller upon request by the Department Head.

REMITTANCE OVERAGES

When remittances are received in excess of the amount due, the following procedures shall be followed:

1. A receipt for the amount of the overage should be issued and deposited to the "Other Revenue" line item, object code 827700. If it is determined who the overage belongs to, the amount may be refunded from the same account.

2. All refunds of cash overages shall be made by submitting a "Claim" form to the Auditor-Controller. Payment of the overage shall be made from the same "Other Revenue" account the overage was deposited to.

3. Refunds from trust monies on deposit in a bank account must be made by issuance of a check drawn against the bank account.

VOIDED RECEIPTS

If it becomes necessary to void a receipt being written in an Official County Receipt Book, it shall be done by printing the word "VOID" in large letters on the receipt, signed by the person voiding the receipt and countersigned by another employee. If another employee is not available, the voided receipt should be countersigned by the individual to whom the receipt was issued. If a

VOIDED RECEIPTS (CONT.)

voided receipt does not have the proper signatures, it will be questioned by the Auditor's Office during receipt audits. The immediate supervisor should also review all voided receipts.

The Auditor's copy (yellow) of a voided receipt is to be turned in with all other receipts for deposit. The original and department copies (usually white and pink) are to remain in the receipt book. If necessary, staple the original to the department copy. If an original voided receipt is not left in the book, it will be questioned by the Auditor's Office during receipt audits. This procedure is likewise applicable to Special Receipts used by departments.

If it becomes necessary to void a receipt when the Cash Register System is used, the audit tape should be annotated with the word "VOID" next to the corresponding entry and the copy of the receipt attached to the cashier's reconciliation of the day's business and countersigned by another employee.

CHANGING A RECEIPT

The amount on a written receipt should never be changed after it is completed. Making any other changes, such as account string are acceptable. If the amount on the originally written receipt needs to be changed, the original receipt must be voided following the requirements for a voided receipt, with two signatures, and a new receipt written noting that it is a replacement and referencing the voided receipt number.

Changed receipts not complying with this policy will be questioned by the Auditor's Office and the department will be required to comply or provide a written explanation.

CANCELLED RECEIPTS

If a negotiable paper (check, draft or money order) received in payment is not paid on due presentment, the record of payment shall be cancelled, and the receipt which had been issued in acknowledgement of such payment shall be deemed cancelled, in the manner described in the following paragraph titled "Returned Checks".

RETURNED CHECKS

The most common reason for checks to be returned by a bank is due to insufficient funds. The processing of returned checks will vary depending on whether or not the check was deposited with the County Treasurer or with a bank. The procedures for processing returned checks in each of these instances shall be as follows:

RETURNED CHECKS (CONT.)

1. **Deposited directly with the County Treasurer or directly to the County's bank account:**

   When a check is dishonored by the bank, it is returned to the County Treasurer. Such checks are forwarded to the Auditor-Controller to determine the date of deposit, the deposit permit number, and the account deposited into, either by reviewing the deposit batch number on the check or by contact with the department that originally made the deposit.

   The Auditor-Controller enters a "negative deposit" in the finance system to reverse the check and returns the receipt of the "negative deposit" to the originating department along with the returned check.

   Upon receipt of a returned item, the department shall make a notation on the department's copy of the receipt indicating the cancellation. It is the department's responsibility to see that the returned item is made "good" by the payer. Departments may submit dishonored checks to a County contracted collection agency or attempt collection on their own.

   Departments attempting their own collections, unless statutorily prohibited, shall charge the payer any bank charges plus an additional handling fee of no more than $25.00. If any department does not collect on the dishonored check after 60 days, the dishonored check must be turned over to any County contracted collection agency.

   When the returned item is made "good" by the payer, a new receipt shall be issued, and the item shall be deposited accordingly. *If a returned item is turned over to a contracted collection agency, the original payment remains voided or cancelled regardless of the collection by the agency.*

2. **Deposited Directly with a Bank**:

   Upon receipt of a returned item from the bank, the department shall make a notation on the department's copy of the receipt indicating the cancellation. *Any departmental files, permits, cases, or orders associated with such payment shall be noted that the check was not honored and those permits, cases, etc. shall be put on hold for further progress until the check is made "good" by the payer.* It is the department's responsibility to ensure the item is made "good" by the payer.

   When the returned item is made "good" by the payer, a new receipt shall be issued, and the item shall be deposited accordingly.

CHAPTER 2
CASH RECEIPTS

SAFEGUARDS FOR ACCEPTING CHECKS

It is recommended that when accepting checks the following safeguards be followed:

1. Accept checks only for the exact amount of the payment.
2. The check should be made payable to the County department receiving the revenue or to the County of Mendocino.
3. Require sufficient, current identification. Compare both photo and signature.
4. Do not accept non pre-printed checks.
5. Do not accept a check dated more than six months prior to the current date or checks dated later.
6. Do not accept third party checks.
7. Do not accept a check if the bank routing numbers are not MICR printed at the bottom of the check.

CASH OVERAGES AND SHORTAGES

Cash overages should not be netted against cash shortages.

Where cash overages occur and the reason for the overage cannot be determined, the custodian shall issue a receipt for the overage and deposit to Other Revenue, line item number 827700.

If it is determined who paid the overage, the refund shall be made by submitting to the Auditor-Controller's a "Claim" form authorizing the refund to be made from the same account as the original deposit.

Any shortages or overages of cash must be reported immediately to the Auditor-Controller on the "Report of Cash Shortage or Overage" form (See Chapter 13 for form). This report must include any documentation accompanying the description of the department's own investigation of the shortage or overage. The report must be signed by a supervisor or department head who has reviewed or completed the investigation.

MUNIS FINANCE SYSTEM DEPOSITS

All funds must be deposited via the County's Munis Finance System. If individual receipts are input via this system, the undeposited cash should match the pending receipts posted in the system the same as if handwritten receipts had been issued.

If a single deposit to the Munis Finance System is done for all handwritten receipts issued, this should be done only at the time of depositing to the County Treasurer. This deposit must match the total of all receipts, except any voided receipts, and all receipts must be submitted to the Auditor via the deposit to the Treasurer.

CHAPTER 2
CASH RECEIPTS

MUNIS FINANCE SYSTEM DEPOSITS (CONT.)

All cash must be deposited on a regular weekly or monthly basis, however if the revenue volume warrants, daily deposits are preferred. In no instance should any checks remain undeposited longer than a month from the date of receipt. Doing so increases the possibility of rejected (bounced) checks once finally deposited with the County's depository and adds to the potential for loss or theft of undeposited cash.

INTACT DEPOSITS

All monies received must be deposited intact into the County. Depositing intact means that the deposit must consist of the same checks and/or money orders and the same currency and coins as indicated on the receipts for the deposit. This is an important element of the internal control system.

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CHAPTER 3
CASH RECEIPTS

POLICY STATEMENT

Where departments are not conveniently located to make frequent deposits of cash collections with the County Treasurer and as authorized by the County Auditor-Controller, cash collections may be deposited in a commercial bank, as provided for in the California Government Code Section 27080.1, with the prior approval of the Auditor-Controller and Treasurer.

ESTABLISHMENT OF A BANK ACCOUNT

Department heads may request assistance from the Auditor-Controller to open a bank account when necessary to establish an effective control over cash and promote efficient operation of the Department. The department head must, however, request authorization from the Board of Supervisors to establish the bank account.

The request must specify the reason for opening a bank account, the custodian of the fund, the name and location of the bank depository and the period of time the account is authorized.

Where authorization has been granted, assistance must be secured from the County Treasurer to ensure that all requirements are complied with and that all bank services available are taken advantage of. For control purposes, the Auditor-Controller and the County Treasurer shall be advised of bank accounts that may be legally opened.

TYPES OF ACCOUNTS

Separate bank accounts shall be maintained for trust and nontrust funds. The most common types of accounts are as follows:

1. **Regular** — Established as a clearing account for depositing collections received by departments through the conduct of official County business and disbursements for deposit with the County Treasurer.

2. **Trust** — Established for the purpose of depositing and disbursing money held in trust for an individual or entity.

3. **Special Accounts** — Established for purposes authorized by specific statutes. Accounting records requirements will be authorized by the Auditor-Controller.

CHAPTER 3
CASH RECEIPTS

ACCOUNT TITLES

Bank accounts shall be opened in the name of the County department or office. **Under no circumstance shall a bank account be opened in the name of an individual.**

CHECKS

Prenumbered checks for all bank accounts must be printed, bearing the official bank account title and the words "**Void six months from date of issue**".

BANK DEPOSITS

When bank accounts are used, all monies collected shall be deposited with the bank not later than the next business day. Preferably, deposits should be made during regular banking hours. Large sums of money shall not be held overnight in the office, especially over weekends. Where possible, arrangements should be made with the bank to have deposits picked up by the bank messenger service. When large sums of money are collected during a particular business day and bank service is not available, night facilities should be used. In this event, the teller-stamped copy of the bank deposit slip should be obtained from the bank on the next business day. In the interim, an extra copy of the deposit slip should be prepared and held pending receipt of the validated teller-stamped deposit slip.

It is essential that deposits to the bank accounts be made intact. Depositing intact means that the deposits to the bank account must consist of the same checks and/or money orders and the same amount of currency as indicated in the receipts which the deposits cover.

This is an integral feature in the internal cash control system. The amount of each deposit shall be the same as the total amount of the receipts issued during the period covered by the deposit.

Bank deposit slips must show the amount of paper currency, coins, and list each check and money order in the space provided. In some cases, microfilm copies of checks and money orders has been approved. Prepare deposit slips in triplicate and distribute the copies as follows:

Original – Bank copy.

Duplicate – Validated by the bank to serve as the official record of the deposit to be kept by employee in charge of bank account records.

Triplicate – Retained in the office until the validated duplicate copy has been returned by the person making the deposit. This copy will assist in establishing accountability in the event a deposit is lost or stolen in route to the bank.

CHAPTER 3
CASH RECEIPTS

ENDORSEMENT STAMPS

Restricted endorsement stamps must be used on all checks and money orders deposited with the bank. The rubber stamp shall read as follows:

Pay To The Order Of
(Name of Bank)
For Deposit Only
(Title of Account)
(Number of Account)

CHECK RECORD

A record shall be maintained on the checkbook stub of all checks drawn against the bank accounts indicating the following:

Check Number
Date Issued
Payee
Purpose
For Bail Account or
Trust Account: Show Original
Receipt Number and Case Number
Amount
Deposits
Balance

COMMERCIAL BANK ACCOUNT USE

1. Bank accounts shall be used only for official County business.

2. For proper separation of duties, the person having physical custody and control of the fund should not also be authorized to sign checks.

3. Checking accounts that transfer money from the department into the County Treasury (ZBA's – Zero Balance Accounts), should have checks preprinted with the "Mendocino County Treasurer" as payee. These checks should be ordered and stored by the department. However, the check stock must be logged in and verified at the Auditor-Controller's Office before being used.

4. For checking accounts that are NOT transfer accounts, the department shall monitor and order checks when appropriate. An adequate supply shall be determined and held by the department in a secure location.

COMMERCIAL BANK ACCOUNT USE (CONTD.)

5. The depository account custodian shall maintain a record of all deposits and disbursements so as to provide the following information:

    i. Date of deposit or disbursement
    ii. Amount of deposit or disbursement
    iii. Payee and purpose of each disbursement
    iv. Source of each deposit amount
    v. Account balances

6. Bank Accounts shall be reconciled monthly or quarterly, depending on the frequency of the bank statements, to the department's book balance and to the general ledger. The reconciliation should be reviewed and initialed by an employee who is not involved in the cash receipting cycle and shall be furnished to the Auditor-Controller no later than 30 days after the bank statement date. The Auditor-Controller may designate the form and content of the reconciliation. The bank statements, deposit slips and cancelled checks shall be maintained per applicable statutes.

7. It shall be the responsibility of the department to ensure that bank signature cards are kept current with the Auditor-Controller and Treasurer.

8. All cash, checks and negotiable instruments should be stored in a locked or secured depository with access restricted to authorized personnel only.

9. All monies received shall be deposited into the bank account at least weekly and preferably daily, if the revenue volume warrants. Large amounts of cash shall NOT be allowed to accumulate over weekends.

10. All bank charges should be charged as an expenditure to the department's operating budget. Bank charges should only be for checks. Pursuant to GC 53640, banks are not allowed to charge local agencies for checking account services.

BANK RECONCILIATION

The Auditor-Controller's office recommends that departments keep track of bank account disbursement and receipt activity and reconciliations by using Quicken, Excel or other acceptable software. The bank accounts must be reconciled to the monthly bank statement. A copy of each month's bank reconciliation should be sent to the Auditor-Controller for audit purposes.

BANK RECONCILIATION (CONT.)

Bank statements, deposit slips and cancelled checks should be retained by the Department for 5 years. The procedure for reconciling a bank account is as follows:

1. The monthly bank statement will probably list checks paid in numerical order. Also deposits made are listed by date and amount.

2. Compare checks paid on the bank statement with checks written per the check register.

3. Compare deposits made on the bank statement with deposits recorded in the check register.

4. A listing of outstanding checks shall be prepared indicating the check number, amount and the total of all checks outstanding.

5. Compare duplicate deposit slips with the items credited on the bank statement.

6. If software is not being used to reconcile the account, a manual bank reconciliation may be prepared on the reverse side of the bank statement, or head up a sheet of paper showing the name of the bank account being reconciled, name and location of the bank, and the date of reconciliation. A sample bank reconciliation is as follows:

Balance Per Bank Statement, (Date)		$ 1,263.00
Add:	Deposit in Transit (Total of deposits made to the bank, but not credited in the statement)	600.00
		$ 1,863.00
Less:	Outstanding checks (Total of checks issued but not debited on the bank statement)	763.00
Balance per checkbook or register, (Date)		$ 1,100.00

7. Compare the reconciled balance with the checkbook or register balance. These balances must agree, if the checkbook balance is maintained on a current basis and the reconciliation has been made accurately.

BANK RECONCILIATION (CONT.)

8. The financial institution where each account is maintained should be requested to have the account statement date at month-end cut-off to facilitate reconciliation and proper reporting at year-end. All bank accounts should be reconciled within 30 days after the ending statement date.

9. All monthly bank reconciliations should be sent to the Auditor-Controller's within 30 days after the ending statement date.

BANK CHARGES

Arrangements may be made with the depositing bank to ensure that charges for check supplies are not charged directly to the bank account. The charges can be billed by the bank and paid by a "Claim" with the bank invoice attached, submitted to the Auditor-Controller for payment. The bank may charge the account directly for returned checks.

BANK ACCOUNT RECORDS

A separate file folder must be maintained for all records pertaining to each bank account. Departments maintaining bank accounts for special purposes shall keep and maintain a complete record of disbursements from the accounts.

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CHAPTER 4
TREASURY DEPOSITS

POLICY STATEMENT

County departments authorized to receive monies in the performance of their official functions are required to deposit the collections with the County Treasurer, except those authorized to deposit same with a bank.

BASIC PRINCILPES AND STANDARDS

Deposit of all monies collected to the County of Mendocino shall at all times be made through the County Treasurer. All departments that collect funds and deposit them directly into the County's bank account must reconcile the cash deposited with the receipts issued. In all cases, the deposit must also match the deposit made to the County's Finance System. Any discrepancies must be researched and accounted for before the funds are deposited with the County.

Deposits shall be made as frequent as practicable or as the amount of collections warrant, at least weekly. Funds received should not be held over the weekend, but deposited with the County Treasurer.

DEPOSIT PROCEDURES

Deposits to the County Treasurer shall be transmitted either by mail or delivered by a responsible employee. Deposits shall be covered by a Munis Cash Receipts Listing accompanied by the monies to be deposited and duplicate copies of receipts. The Munis Cash Receipts Listing should be prepared by the department making the deposit.

Departments that maintain bank accounts shall make periodic transfer of deposits by drawing a check against the bank account, payable to the County Treasurer for the amount of collections for the period covered by the deposit. Departments that write a check at the end of the month to deposit with the Treasurer must reconcile that account on a monthly basis and submit a copy of that reconciliation to the Auditor every month.

For those departments in which receipts are transported from branch locations to headquarters for deposit, accountability over collections must be maintained through the use of a transmittal log or slip. The courier should sign the log at the time receipts are picked up and signed by the employee to whom they are delivered. Headquarters should forward a copy of the log or slip to the branch to verify that the receipts were properly received. Branches should follow up if a copy of the transmittal log or slip is not returned to them in a timely manner acknowledging that collections were received.

CHAPTER 4
TREASURY DEPOSITS

DEPOSIT PROCEDURES (CONT.)

The person making the deposit shall deliver the Munis Cash Receipts Listing and the monies to the County Treasurer's Office and obtain the depositor's copy of the Munis Cash Receipts Listing to serve as receipt for the money deposited.

The Auditor-Controller's Office shall deliver to the County Treasurer all deposits received by mail. Deposits that are hand-carried to the Auditor-Controller's Office shall be delivered to the County Treasurer by the employee preparing the deposit.

After verifying the amount to be deposited, the County Treasurer shall acknowledge receipt on all copies of the Munis Cash Receipts Listing; retain the original, forward the duplicate to the Auditor-Controller, and the triplicate to the County department making the deposit.

MONTHLY STATEMENT WITH AFFIDAVIT

All department heads are required by Government Code Section 24353 to submit a "Statement of Cash Collections and Deposits" on a monthly basis (See Chapter 13 for form). This report must be forwarded to the Auditor-controller by the 10th day of the following month. The report may be produced either via the County Finance system report or may be manually produced. The report must include an accounting for the following and must represent activity for the calendar month: all monies collected by them or under their control during the preceding month:

- Cash on hand at the beginning of the month, including change fund and undeposited cash.
- Receipts for the Month with receipt numbers noted.
- Subtotal of Cash Accountable by the department for the month.
- Deposits to the County Treasury including Treasurer Receipt Numbers.
- Balance representing cash on hand at the end of the month, which should include change fund and undeposited cash.

ALL DISCREPANCIES AND DEVIATIONS FROM THIS CASH HANDLING POLICY WILL BE QUESTIONED BY THIS OFFICE AND THE RESPONSIBLE EMPLOYEE/DEPARTMENT HEAD MAY BE HELD ACCOUNTABLE SHOULD A DEFICIENCY LATER BE DETERMINED TO BE THE RESULT OF FAILURE TO FOLLOW THESE PROCEDURES.

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CHAPTER 5
TRUST FUNDS

POLICY STATEMENT

Trust Funds are defined by the State Controller's office as fiduciary funds used to account for assets by a government in a trustee capacity or as an agent and cannot be used to support the government's programs. The following are definitions of trust types:

1. Pension – used to account for assets held in trust for public employee retirement systems.
2. Investment – used to account for the County's external investment pool.
3. Private-Purpose - used to account for assets held by the County in a trustee capacity for specified purposes, where the principal and interest may be expended during the operations for the benefit of individuals, private organizations, and other governments.
4. Agency – used to report resources held by the County in a custodial capacity that do not involve measurement of results of operations.

All monies received by a department to be held in Trust for an individual, project or entity to insure performance of an obligation, shall be deposited to the appropriate fund with the County Treasurer, or to a bank account, if one is authorized. Records shall be maintained to account for all receipts and disbursements from the Trust Fund, by individual, project or entity.

BASIC PRINCILPES AND STANDARDS

All departments receiving trust money shall request that the Auditor-Controller establish trust accounts for the department for the purpose of accounting for all receipts and disbursements of trust monies.

The department should maintain a record of the purpose of the trust fund, and if applicable, a completion date.

With the exception of trust monies for which the Auditor-Controller and Board of Supervisors have authorized the establishment of a bank account, all such monies must be deposited into the applicable trust account which the Auditor-Controller has established in the County Treasury.

TRUST WITHDRAWALS

Withdrawals from the trust accounts shall be made by submitting a "Claim" form or a "Request for Transfer" form to the Auditor-Controller's Office.

Extreme caution must be exercised to ensure that personal checks received for trust deposits are honored by the bank and no withdrawal shall be allowed until after the check has been cleared.

CHAPTER 5
TRUST FUNDS

TRUST WITHDRAWALS (CONT.)

Furthermore, no trust withdrawal shall be made in an amount in excess of the amount on deposit in a specific trust account.

TRUST LEDGER AND RECORDS

The Trust Ledger is where trust transactions are recorded and the balance on deposit with the County Treasurer is shown. The transactions in these trusts may be accessed through the finance system on a daily basis.

Departments may access Trust Ledger activity in the financial accounting system on a daily or monthly basis to track activity.

ACCOUNT RECONCILIATION

Trust account activity should be reconciled between the department's records and the County finance system monthly. If software is not being used to reconcile the trust account then a manual reconciliation may be prepared. All open trust cases shall be reviewed at the time of each reconciliation to determine whether or not the trust money can be refunded in accordance with applicable laws. It is essential that trust money be refunded as soon as possible.

CHAPTER 5
TRUST FUNDS

SAMPLE TRUST RECONCILIATION

Department
Trust Fund Reconciliation
As of (Date)

Balance per Trust Ledger	$	3,500.00
Add:		
Trust Deposits in Transit (Total of deposits that have not been included on the run being reconciled. This will usually be the total of trust included in the last deposit to the County Treasury for each month.)		500.00
	$	4,000.00
Less:		
Trust Withdrawals in Transit (Total of claims or transfer requests that have not been posted to the ledger. This will usually be the last claim or transfer submitted at the end of the each month to the Auditor's Office.)		1,000.00
Total Open Trust, (Date)	$	3,000.00

The adjusted total open trust balance must equal the total of the spreadsheet of open items listing.

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CHAPTER 6
CANCELLED CHECKS

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CHAPTER 6
CANCELLED CHECKS

POLICY STATEMENT

In accordance with the provisions of the California Government Code Section 29802, County checks shall be voided and cancelled by the Auditor-Controller if not presented for payment within six months from date of issue.

BASIC PRINCILPES AND STANDARDS

A stale and cancelled warrant shall be reverted back to the Trust Account from which originally drawn. Warrants drawn from funds other than Trust Agency Funds shall be reverted back to the County General Fund.

REPLACEMENT OF CANCELLED CHECKS

If a stale-dated, cancelled check is still available, a new check may be issued, with the approval of the Auditor-Controller.

If a check is required to replace a check that has been cancelled, the department shall prepare and submit to the Auditor-Controller's Office a "Claim" or in the case of loss or destruction of the check, an affidavit executed by the person to whom the original warrant was issued or by the holder in due course, stating the facts concerning the loss or destruction of the original warrant. In compliance with California Government Code Section 29850, an "Affidavit To Obtain Duplicate Of Lost Or Destroyed Check" may be obtained from the Auditor-Controller's Office.

RETURNED WARRANTS

If a check is returned to the Auditor-Controller's Office after it has been mailed to the payee, the Auditor-Controller shall notify the department that requested the check. The department shall instruct the Auditor-Controller of the disposition of the returned check.

STOP PAYMENTS

If a check is not received by the payee, the payee must notify the department issuing the "Claim". The department in turn contacts the Auditor-Controller's Office to see if such check has cleared the bank. If the check has not cleared the bank, the department must submit a memo requesting a stop payment on the check. At that time the Auditor's Office will type an Affidavit To Obtain Duplicate Of Lost Or Destroyed Check, which the payee must come in and sign. The originating department then submits a new claim and a memo requesting the original check be cancelled.

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CHAPTER 7
ACCOUNTS RECEIVABLE

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CHAPTER 7
ACCOUNTS RECEIVABLE

POLICY STATEMENT

When a County department collects fees, fines or other payments due on an installment basis in accordance with a judgment or agreement, an accounts receivable record shall be maintained.

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER

The accounts receivable record may be maintained in a card file or computer file and shall contain the following information:

1. Name of payer
2. Case or account number, if any
3. Date of agreement or judgment
4. Purpose of payment
5. Term of payment
6. Payment schedule
7. Total amount owed
8. Date, amount, and receipt number of each installment payment

DEFAULT OR FAILURE OF PAYMENT

In the event a payer does not pay in accordance with the agreement or judgment, appropriate action under the provision of the applicable law or judgment shall be taken to obtain the payment due.

Where it becomes uneconomical to pursue collection of an overdue account, California Government Code Sections 29257-29259 states that a department head may request the Board of Supervisors for discharge from accountability for the collection of the account. The request for discharge from accountability shall include:

1. A statement of the nature of the amount owed
2. The name of the person(s) liable and the amount(s) owed by each person
3. The estimated cost of collection, and/or the reason why collection is improbable

DEFAULT OR FAILURE OF PAYMENT (CONT.)

4. Any other facts warranting the discharge

5. Verification by applicant that the facts stated in the application are true and correct

Upon approval by the Board of Supervisors of the request for discharge from accountability, the Auditor-Controller shall adjust any charge against the department head in a like amount. Such discharge from accountability does not constitute a release of any person from liability for payment of any amount due.

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CHAPTER 8
CASH IMPREST FUNDS

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CHAPTER 8
CASH IMPREST FUNDS

POLICY STATEMENT

The Auditor-Controller may establish imprest cash funds for entity officials to facilitate their operations. Ordinarily, these funds are used for making change, petty cash expenditures or as a cash difference fund. Funds shall be used only for the purpose authorized. The amount established is the "accountable balance" and is limited by Government Code Section 29321.

ESTABLISHMENT

Requests to establish imprest cash funds shall be submitted to the Auditor-Controller through the appropriate department head or agency administrator.

Upon approval, the department shall submit a "Claim" form, in the amount of the fund, to the Auditor-Controller's Office for processing. The Auditor's Office shall issue a check for the authorized amount and forward it to the requesting department.

The Auditor-Controller should be notified in writing whenever there are changes to the custodian, purpose spending limits or special handling.

CHANGE FUND

An authorized Change Fund shall be used exclusively for making change in the conduct of official County business.

PETTY CASH FUND

An authorized Petty Cash Fund shall be used by an entity for payment of services, expenses or charges incurred in the conduct of official County business, subject to the following limitations:

1. The Petty Cash Fund shall not be used for payment of any single item or expenditure in excess of $50

2. For entities serviced by the Purchasing Department, no disbursements shall be made for purchases of items available through Purchasing or on contract/through blanket Purchase Orders.

3. Regardless of the amount, no disbursement shall be made for employee travel expenses.

PETTY CASH FUND (CONT.)

4. All purchases made from the Petty Cash Fund must comply with the County's Purchasing Policy (Policy #1).

All disbursements shall be covered by voucher, approved by a responsible employee, and signed by the person receiving the cash. The vouchers shall be typewritten or made out in permanent ink and amounts written out i.e., one dollar rather than $1.00. Expenditures in excess of one dollar ($1.00) must have a receipt before reimbursement is made. The receipt shall be signed by an authorized employee.

Any time an employee is given a cash advance from the fund to make a petty cash purchase, an interim receipt shall be obtained. When the employee returns with the actual receipt, the interim receipt shall be replaced by the actual receipt.

The custodian of the fund must be able, at all times, to account for the fund in the form of cash or vouchers on hand or a combination of both. Upon demand of the Auditor-Controller or the Board of Supervisors, the custodian entrusted with the fund shall give an accounting of the fund.

Any shortage in the fund shall be reported to the Auditor-Controller, with the request for relief from liability for the amount of shortage. (Refer to Chapter 9, Cash Shortages and Missing Money for further instruction regarding shortages.) All cash shortages of $100 or more must also be reported by the department to the County Executive Office. It shall be the responsibility of the Executive Office to notify the Board of Supervisors. The Auditor-Controller's Office shall review the circumstances concerning the shortage and make recommendation as to the final disposition of the case. Overages in the fund shall be deposited into the revenue account, Other Revenue line item 827700 by issuing a receipt and depositing the amount as is done for other collections.

The Petty Cash Fund shall never be commingled with cash receipts or any other fund.

Fund Replenishment

The fund shall be replenished as often as required, and prior to the end of each fiscal year. This will allow the recording of expenditures in the year in which they are incurred. The request for replenishment shall be made to the Auditor-Controller by preparing and submitting a "Claim" form. The paid vouchers must be segregated by type of expenditure, and the total of each expenditure code entered on the "Claim" form. The paid vouchers must be attached to the "Claim".

To avoid problems cashing the check at a bank, the claim's payee should be stated as:

"Petty Cash"

PETTY CASH FUND (CONT.)

The check should not be cashed by substituting the warrant for cash in the deposit to the County Treasury.

The Auditor-Controller shall process the claim for replenishment and issue a check payable to the custodian. Upon receipt of the check, the custodian must cash the check and replenish the fund.

Increase, Decrease, or Discontinuance

When an increase in the fund is required, a request indicating the justification for the increase and the amount of the increase shall be submitted to the Auditor-Controller for approval. A decrease in the fund or a discontinuance of the fund should, also, be submitted to the Auditor-Controller for approval.

CASH OVERAGE

All overages shall be deposited to the revenue account, Other Revenue line item 827700. A receipt shall be issued for the deposit.

SAFEGUARDING CASH FUNDS

The following are procedures to follow for safeguarding cash funds:

1. For each department, a control list should be maintained of all funds for which a County official is accountable. The list should include the location and amount of the funds and a physical custodian for each fund.
2. Funds maintained at department offices should be kept locked up with access limited to authorized personnel. Cash funds should never be commingled and monies from one fund should not be loaned to or used by another fund.
3. All transactions should be recorded in a timely manner on a ledger, showing all relevant information (e.g. date, payee, description, amount, etc.).
4. Cash on hand should be reconciled to the accountable balance on a monthly basis. The reconciliation should be documented and signed by the preparer and an independent reviewer. In the case of change funds, cashier(s) should daily reconcile cash on-hand to the receipts and the accountable balance of the fund. The reconciliation should then be reviewed by an independent person.
5. Management should conduct unannounced cash counts to verify the amount of cash on hand and to ensure that the funds are being used for authorized purposes.

SAFEGUARDING CASH FUNDS (CONT.)

6. For proper separation of duties, the person having physical custody and control of the fund should not be authorized to approve expenditures.

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CHAPTER 9
CASH SHORTAGES AND MISSING OR STOLEN MONEY

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CHAPTER 9
CASH SHORTAGES AND MISSING OR STOLEN MONEY

POLICY STATEMENT

Each County entity under the jurisdiction of the Board of Supervisors shall report cash shortages to the Auditor-Controller on a "Report of Cash Shortage or Overage" form (See Chapter 13 for form). All cash shortages of $100 or more must also be reported by the department to the County Executive Office. It shall be the responsibility of the County Executive Office to notify the Board of Supervisors of these shortages that exceed $100. Any missing or stolen monies, or bonds or securities, which are the result of burglary or robbery or if there is a suspicion that one has occurred, shall also be reported to the law enforcement agency having jurisdiction.

CASH SHORTAGES – REASON UNKOWN

If a cash shortage is discovered, the entity shall make a thorough attempt to determine the reason for the shortage. The review shall be made by recounting the cash, reviewing all transactions for the period, checking the amounts of all checks and money orders to ensure that the receipts were written for the correct amounts.

If the reason for the shortage cannot be determined and the loss is apparently due to cash handling error, the department shall reimburse the shortage.

Internal audit staff will review the circumstances concerning the shortage and upon verifying those circumstances, will decide if relief from liability should be granted. If relief from liability is granted, the department will be advised to submit a "Claim" form in the amount of the shortage charging Office Expense object code 862170, and attach the approved request for relief from liability to the Auditor-Controller's Office for processing. The Auditor's Office will issue a check for the amount of the shortage and forward it to the requesting department.

Whenever the loss is due to a cash handling error, the department head should review with staff cash handling procedures as prescribed in Chapter 1 "Cash Control".

CASH SHORTAGES – DUE TO FRAUD

Cash shortages of any amount that appear to be due to fraud or embezzlement shall be reported directly to the Auditor-Controller's Office, the County Executive Office, and the law enforcement agency having jurisdiction. It shall be the responsibility of the County Executive Office to notify the Board of Supervisors.

The Auditor-Controller's Office will do the following:

1. Review the circumstances concerning each incident and verify the amount of the shortage.

2. Advise the Risk Manager of the amount of the loss, whenever it is covered by insurance.

CHAPTER 9
CASH SHORTAGES AND MISSING OR STOLEN MONEY

CASH SHORTAGES – DUE TO FRAUD (CONT.)

3. Recommend to the Auditor-Controller whether or not the entity official should be relieved from accountability for the amount of the loss, when the loss is not covered by insurance.

PRODECURES FOR REPORTING LOSSES DUE TO BURGLARY OR ROBBERY

Cash shortages of any amount that appear to be due to burglary or robbery shall be reported directly to the Auditor-Controller's Office, the County Executive Office, and the law enforcement agency having jurisdiction. It shall be the responsibility of the County Executive Office to notify the Board of Supervisors.

Receipts from Collections

The department concerned shall prepare a listing of all monies received and on hand, indicating the receipt number, name of payer, date, amount, method of payment, i.e., cash, check, money order, travelers' check, or other legal tender. Copies of this listing shall be provided to:

Department Head
Law Enforcement Agency
Auditor-Controller's Office
County Executive Office

The listing is necessary to establish accountability as of the date of the loss. It will also be used to support claims to the insurance company or to obtain relief from liability.

Immediately notify the individuals whose checks, money orders, or traveler's checks are missing and request them to order "stop payments". Request issuance of a new check, money order or traveler's check as a replacement.

Immediately notify the individuals who paid by money orders or traveler's checks and request them to notify the institution where the money order or traveler's check was purchased.
Departments using the book type Official County Receipts or Special Receipts shall make a listing of the receipt numbers, payer's name, and the amounts and then cancel the receipts. An explanation must be made on the next deposit number to the Auditor-Controller indicating the receipt numbers and the amount of the loss.

Departments using the Report and Remittance forms shall subtotal the columns on the form and deduct the total amount of the lost or stolen monies from the appropriate columns. Explanation as to the loss and the receipt numbers involved should be made on the form.

CHAPTER 9
CASH SHORTAGES AND MISSING OR STOLEN MONEY

PRODECURES FOR REPORTING LOSSES DUE TO BURGLARY OR ROBBERY (CONT.)

Departments shall issue a new receipt for monies repaid by individuals whose check, money order or traveler's check was involved in the loss and stop payment was made. The Auditor-Controller will advise the department of deposit procedures for these repaid monies.

Change Fund or Petty Cash Fund

Submit separate "Claim" forms to the Auditor-Controller's Office for temporary fund replenishment of each fund with a statement of losses.

Reimbursement from Insurance Company

When payment is received from the insurance company, the appropriate amounts must be deposited back to the same funds from which the temporary replenishments were received, using the same accounting codes.

COUNTY OF MENDOCINO
CASH CONTROL AND ACCOUNTING STANDARD PRACTICE MANUAL

CHAPTER 10
AUTHORIZED SIGNATURE

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CHAPTER 10
AUTHORIZED SIGNATURE

POLICY STATEMENT

The head of each department shall provide the Auditor-Controller with a "Departmental Delegation Of Signature Authority" form (see Chapter 13 for form) which lists, and contains specimen signatures of the employees whom they have deputized to sign specifically designated forms in their behalf.

Each department head shall renew the authorizations when a new employee is assigned any of the responsibilities below. The Auditor-Controller will require and request a new department head to submit this form with the authorizations.

AUTHORIZATION

A department head may deputize their employees to sign the following documents:

1. Payroll Claim & Certificate
2. Payroll Adjustment Memos
3. Accounts Payable Claims
4. Deposit Permit Forms
5. Request to Transfer or Correction
6. Property Transfer Request
7. Request for Transfer of Appropriations
8. Purchase Orders

No facsimile stamped signatures will be honored by the Auditor-Controller's Office on any of these documents.

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CHAPTER 11
CHART OF ACCOUNTS

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CHAPTER 11
CHART OF ACCOUNTS

POLICY STATEMENT

All County funds are accounted for and controlled by type of funds, revenue source and expenditure classification. In FY 2008, the County began using a new financial accounting system known as Munis Financial System. The new accounting system allows daily access to financial transactions for the departments and funds they have responsibility for.

FUND ACCOUNTING

Government accounting systems are organized on a fund basis, funds being defined as a separate and distinct entity for tracking financial resources and uses for specific activities in accordance with government regulations and restrictions. The types of funds used are as follows:

A. Government Funds:
   1. General Fund
   2. Special Revenue Fund
   3. Capital Project Fund
   4. Debt Service Fund
   5. Permanent Governmental Fund

B. Proprietary Funds:
   1. Enterprise Fund
   2. Internal Service Fund

C. Fiduciary Funds:
   1. Pension Trust Funds
   2. Investment Trust Funds
   3. Private-Purpose Trust Funds
   4. Agency Funds

ACCOUNTING CODES

The Chart of Accounts is developed to provide uniform accounting codes for classifying funds, revenues and expenditures. It is divided into five sections, as follows:

Funds
Lists the assigned code numbers for all funds in the County. A Fund is a separate entity for accounting purposes. Budget units are identified in the General Fund.

CHAPTER 11
CHART OF ACCOUNTS

ACCOUNTING CODES (CONT.)

Budget Units
Identifies a department or fund and is known in Munis as an organization key. Budget units are a two-digit alpha code, i.e., Auditor-Controller = AC.

Expenditure Codes
Classifies all expenditure codes into "objects of expenditures". Expenditure accounts are known in Munis as object codes and are a six-digits numerical code, i.e., Office Expense = 862170.

Revenue codes
Classifies all revenues into categories and sources of revenues. Revenue accounts are known in Munis as object codes and are a six-digit numerical code, i.e., Other Sales = 827600.

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CASH CONTROL AND ACCOUNTING STANDARD PRACTICE MANUAL

CHAPTER 12
FISCAL RECORDS RETENTION AND DISPOSITION

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CHAPTER 12
FISCAL RECORDS RETENTION AND DISPOSITION

POLICY STATEMENT

All County departments under the jurisdiction of the Board of Supervisors, except those which may be bound by special legal requirements, shall retain their financial records in accordance with Government Code Section 26202 and 26205. Some basic guidelines are as follows:

RETENTION SCHEDULE OF FINANCIAL DOCUMENTS

Title	Retention Period
Department copies of receipts issued	5 years
Bank Statement/Deposit Slips/Cancelled Checks	5 years
Deposit Permits (Department's Copy)	2 years
Monthly Statement With Affidavit	2 years
Requests for Transfers	2 years
Claim Forms & Purchase Orders (Department's Copy)	2 years

Note: As a general rule, records which are duplicates of an original, on file with the Auditor-Controller or Treasurer, should be retained for at least 2 years. If there are doubts regarding the retention period, contact the Auditor's Office before disposition.

C H A P T E R 13
F O R M S

LIST OF FORMS

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STATEMENT OF CASH COLLECTIONS & DEPOSITS	
AFFIDAVIT TO OBTAIN DUPLICATE, LOST, OR DESTROYED CHECK	
CLAIM	
DEPARTMENTAL DELEGATION OF SIGNATURE AUTHORITY	

CHAPTER 13
FORMS

POLICY STATEMENT

Most of the forms presented below are depictions of the forms. The forms may be downloaded from the County's Intranet Auditor website under "Departmental Forms" The forms not located there may be obtained by contacting the Auditor's Office.

Report of Cash Shortage or Overage

To: Auditor-Controller
County Executive Officer

Date Submitted: _____

From: _____
Name & Department

Amount of Shortage: $_____ Date of Shortage: _____

Amount of Overage: $_____ Date of Overage: _____

Department's Report: (Attach additional pages if necessary)

Resource Person: _____ Dept Signature: _____

Auditor-Controller's Report

Signature: _____

County Executive Office's Report:

Signature: _____

COUNTY OF MENDOCINO

STATEMENT OF CASH COLLECTIONS AND DEPOSITS

Cash on hand beginning of month $_____

Cash Receipts for month $_____

Subtotal – Cash Accountability $_____

Treasurer's Receipt Numbers for Deposits Made to Treasurer:

Deduct: Total Cash Deposits made to Treasurer $_____

Balance – Cash on Hand at end of Month $_____

Statement:

I, _____, _____ do swear that the fee record in my office contains a true statement in detail of all fees and compensation of every kind and nature for official services rendered by me, my deputies and assistants, and the amount of all fines, and trust money, received disbursed and on hand, for the month of _____, 20 _____, and that the fee record shows the full amount received or chargeable in that month, and that neither I, nor to my knowledge or belief, any of my deputies or assistants have rendered any official service, except as provided in Chapter 2, Division 7, Title 1 of the Government Code, which is not fully set out in the fee record and that the foregoing statement thereof and of cash collected, paid, and held by me or under my control for the month of _____, 20 _____, and of other matters, is complete, true and correct.

Office _____

Date _____ Signature _____

AFFIDAVIT TO OBTAIN DUPLICATE, LOST, OR DESTROYED CHECK

STATE OF CALIFORNIA
County of Mendocino

By:_____

being duly sworn, says:

That_____ is the payee of County check numbered _____ and dated_____ and drawn by the County Auditor of the County of Mendocino, on the _____fund of said county, in favor of_____ payee, for _____ dollars;

That said check has not been paid but was lost before it was paid by the County Treasurer of said County of Mendocino, and cannot now be produced by _____.

That the circumstances of such loss and all material facts relative thereto, are as follows:

_____

I understand that by signing this declaration, I agree to return the missing check to the Mendocino County Auditor should it be received or recovered.

_____

Subscribed and sworn to before me this

_____ day of _____, 2013

_____

CLAIM

Vendor #_____

Name & Address of Payee

_____

_____

_____

Name of Budget Unit (Dept or District)

_____

_____

_____

Amount:	Fund Code	Budget Unit Code	Account Code

The Mendocino County Auditor-Controller is hereby authorized to draw a check payable as directed and charge the department's funds as detailed above.

Approved By:

_____

_____

Date: _____

Description:

Auditor Use Only:

Form A/C – 16 Rev 7/16/08

MENDOCINO COUNTY MEMORANDUM

TO: LLOYD WEER, AUDITOR-CONTROLLER

FROM:

SUBJECT: DEPARTMENTAL DELEGATION OF SIGNATURE AUTHORITY

TO UPDATE YOUR FILES, THE INDIVIDUAL(S) INDICATED BELOW HAVE BEEN DELEGATED THE AUTHORITY FOR SIGNING EXPENDITURE CLAIMS, PAYROLL, FORMS, ETC ON MY BEHALF.

AS DEPARTMENT HEAD, I AM ULTIMATELY RESPONSIBLE FOR THE ACTS OF THESE DESIGNATED EMPLOYEES.

BUDGET/FUND: _____

_____

A/P CLAIMS _____

A/P CHECK PICKUP _____

PAYROLL REPORTING _____

PAYROLL CHECK PICKUP _____

BUDGET TRANSFERS _____

JOURNAL TRANSFERS _____

PURCHASE ORDERS _____

OTHER (SPECIFY) _____

DEPARTMENT HEAD APPROVAL:_____

DATE:_____