

*IREDELL COUNTY ACCOUNTING POLICIES & PROCEDURES***Section A. INTERNAL CONTROL OF CASH RECEIPTS**

Proper internal control over cash receipts is essential because, if uncontrolled, cash is the easiest of all assets to misuse without detection. Without a good reporting system and strict control, there is no way to prove that cash has been handled properly. Cash must be controlled as soon as possible after being received to limit its accessibility, and cash collections are to be centralized to the maximum extent possible without hindering operations. ***All taxes and other monies collected or received by an officer or employee of Iredell County are public funds and all receipts shall be deposited with Iredell County.*** The following procedures are required in those departments handling cash receipts.

1. Cash and checks should never be left unattended unless they are in a locked drawer, locking cash box, or cash register. The cash box or drawer should be located in an area inaccessible to customers. If a department has more than one cashier working during the day, efforts should be made to have a separate cash box or drawer maintained for each cashier. Cash and checks should never be left in a cash register over night. The cash drawer should be removed and locked in a secure area.
2. Control of incoming receipts must be established at the earliest point of collection, which in many cases is with the delivery of the mail. A staff person should receive the mail, open it, and list all checks received on a Daily Mail Collection Report. This report should show the date, the name of the person or company submitting the payment, and the amount of the payment. When a department is faced with seasonal increases in check volume, it may be less time consuming to make photocopies of the checks. All checks must be restrictively endorsed immediately upon receipt. The Finance Department provides endorsement stamps to all departments.
3. Departments must prepare computer generated or hand written receipts for any payment accepted in person from an individual or business. All departments not using computer-generated receipts are required to use a pre-numbered, three-part receipt to record all collections. An inventory of unused, three-part receipt books is maintained in the Finance Department. New receipt books will be issued upon submission of used receipt books to Finance.
4. As required by NCGS 159-32, "Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys shall deposit his collections and receipts daily". If the Finance Director gives approval, deposits shall be required one time per week or when the moneys on hand amount to as much as two hundred fifty dollars, but in any event a deposit shall be made on the last business day of the month. **Checks made payable to Iredell County, or any department or officer of Iredell County must be deposited in the same form as received.** For example, checks made payable to the Iredell County Tax Collector or Sheriff of Iredell County must be deposited to the benefit of Iredell County in the official central depository.
5. All departments of Iredell County are required to submit two copies of the MUNIS Settlement Report. The completed MUNIS Settlement Report, receipt copies or computer generated collection summary (Payments Proof Report), MUNIS Deposit Report, voided receipts, daily mail listing and currency and checks should be submitted to the Finance Department by 10:30 am. **All departments (except Tax Collector) must submit an adding machine tape list of the cash and checks submitted for deposit.**

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6. The Tax Collector's office, the Mooresville Health, Mooresville Sheriff's office and Mooresville Register of Deeds office are authorized to make deposits directly to the bank and submit duplicate deposit slips along with the MUNIS Settlement Report to the Finance Department each morning before 10:30 am. Collections for special assessments (water-sewer, paving, etc.) should be delivered to Finance upon collection from the public.
  
7. *Cash shortages and overages should be thoroughly documented at the departmental level. The Department Head or designee should sign off on the MUNIS Settlement Report indicating their awareness of the discrepancy. The Department Head's designee should not be an employee responsible for preparing the department's daily deposit, MUNIS Settlement Report, or an employee with routine access to a cash drawer or cash register. The Director of Finance or Assistant Finance Director will investigate continued instances of shortages and overages.*
  
- ~~8.~~ A Finance Department employee must count the money, run tapes of receipts and checks, and compare to the components of the MUNIS Settlement Report. **(See Section A.1 for Debit/Credit Card information).** Hand written receipts submitted must be in numerical order and all missing receipt numbers should be documented. The Finance Department employee should resolve missing receipts with the depositing department and receive written verification from the Department Head or designee. Missing receipts that cannot be resolved by written documentation provided by the depositing department and verified by the Department Head should be reported in writing to the Director of Finance and Administration or Assistant Finance Director. Receipt dates must be reviewed for compliance with daily deposit requirements. A Finance Department employee will audit the money with the MUNIS Payments Proof Report and sign the MUNIS Settlement Report and return one copy to the department as a receipt. The Finance Department employee will not process the deposit unless an employee from the submitting department (or designee for that department) or security personnel observe the process. This protects both departments. Each department should keep a file of the signed MUNIS Settlement Report returned to them.
  
9. The cashier in Finance will prepare one combined deposit for all of the departments submitting collections. Two tapes should be run of checks and added to the currency and coin count. The cashier will place deposit items in a locking bank bag and secure in a locked drawer until which time the deposit is delivered to the bank. At least two hours prior to the end of the "banking day" an Iredell County Sheriff' Deputy will arrive. Upon arrival of the deputy, the employee designated by the Finance Director to deliver deposits to the bank will receive the locked bank bag from the cashier and accompany the deputy to the bank.

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10. The cashier shall compile the daily collection information, including duplicate receipts of those issued to the individual departments, prepare a "Daily Deposit Report", and submit the information to the Dir. of Finance or Assistant Finance Director for review.
11. After reviewing the Daily Deposit Report, the Dir. of Finance or Assistant Finance Director will submit the compiled report to a designated employee who will compare the report totals to the bank-validated deposit slip, attach the deposit slip to the report, and enter the data into an Excel spreadsheet.
12. All licenses and permits for which the County charges a fee should be pre-numbered, pre-printed or computer assigned and generated forms. If a license or form is voided, all of the copies of the license or form should be marked "VOID" and initialed by the department head or designee. Voided copies should be kept in a file until after completion of the annual audit.
13. First Citizens Bank makes two attempts to clear checks before returning them due to insufficient funds. When a check is returned to the Finance Department, an employee will send a letter to the maker of the check allowing two weeks for payment of the check including service charge. The Finance employee will make notice of the bad check to the Iredell County department that originally accepted the check. In most instances, the County has already provided the service to the maker of the check. However, if services have not been provided, the County department will be asked to withhold service until the check is paid. If the check is not paid by the deadline stated in the first letter to the maker of the check, Finance will send a registered letter. If the maker of the check fails to pay by the second deadline, the department is notified that the check was unpaid and instructed to add back onto their books for collection.
14. Individual County departments can accept payment for returned checks. All monies received including any service fees must be applied to the returned check service charge account# 104045 4722.02 and a copy of the receipt must be sent to the Finance Office.
15. Any employee mishandling Iredell County collections including but not limited to misusing, **borrowing**, re-directing, skimming, larceny, or fraudulent disbursements shall be subject to disciplinary action up to and including termination. **Any employee who is found to have committed any illegal act will be subject to prosecution according to the laws of North Carolina.**

#### Other Information Regarding Cash Receipts

- A cash change fund will be provided for each Iredell County department. The amounts will vary depending on the amount of business transacted by the department. Purchases shall not be made from change funds. The Assistant Finance Director will establish new change fund "tills" as needed as requested by Department Heads.

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- Iredell County employees **may not** cash personal checks from collections. This constitutes a loan to the employee until the check clears the bank, and there is no statutory authority for this practice.
- The following methods of payment are acceptable to Iredell County. United States currency, personal or business check, bank official check, and money order. **All checks and money orders must be made payable in U.S. dollars.** Some departments may accept credit and or debit card payments. Starter checks are acceptable if the maker is located or resides within Iredell County or if the business or individual routinely transacts business with the County.
- Two-party checks may be accepted on a limited basis. Third-party insurance payments made payable to patients for services provided to them by the Iredell County Health Department or Iredell County Emergency Medical Service may be endorsed by the patient and accepted by those departments.
- In most cases, currency should not be given as change when a check is used as payment. Change may be returned to walk-in customers when they present a check in excess of the balance owed to the Iredell County Health Department, EMS, or the Tax Collector's Office if the check is made payable from the US Treasury, the State of North Carolina, an insurance company, or a business or industry located within Iredell County. All other refunds should be made by an official Iredell County check
- Refunds of overpayments should be submitted on Iredell County Check Request forms with a documentation of the overpayment attached.
- Personal Safety and Protection. Iredell County management encourages all employees to store personal belongings in a safe place.

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**REMOTE SITE COLLECTIONS**

Internal control of cash receipts requires control of funds as soon as possible after being received. Occasionally, staff of the Health, Recreation, and Animal Control Departments (and others) may be required to collect money outside of their offices. The following procedures are intended to provide internal controls of these remote collections.

1. Each employee responsible for collections at a remote site must be assigned a locking cash box to be used during the special event (flu vaccine clinic, recreation event, rabies clinic). Collections by individual employees should not be co-mingled. Each employee should also have available an endorsement stamp to restrictively endorse checks upon receipt.
2. Depending on the type of event being held, it may be necessary to assign a change fund to each employee. If a change fund is required, the employee assigned the change should sign a statement that they have received the funds. For example: I received \$25.00 on (Date) \_\_\_\_\_ to be used as a change fund for a rabies clinic to be held on (Date) \_\_\_\_\_. I understand that the change fund is to be returned to the Animal Control Department at the conclusion of the event. Signed: \_\_\_\_\_. When the change fund is returned, the employee should be given a statement signed by the collections clerk: On (Date) \_\_\_\_\_ returned \$25.00 change fund that was assigned on (Date) \_\_\_\_\_. Signed: \_\_\_\_\_. Copies of both of these statements should be submitted with the MUNIS Settlement Report that is turned in to the Finance Department.
3. Handwritten or computer generated (for those departments with laptops) receipts must be prepared for each transaction. Three-copy, pre-numbered receipts are available in the Finance Office. One copy should be given to the customer, one copy should be submitted with the MUNIS Settlement Report, and the permanent copy should remain in the receipt book.
4. Checks accepted in payment for services rendered should be made out to the Iredell County department providing the service. Upon receipt the checks must be stamped with the County's restrictive "For Deposit Only" endorsement. The check amount may not exceed the price of the service.
5. At the end of the remote site event, the total receipts should be reconciled to cash and checks on hand.
6. If the employee is returning to the office the same day as the remote site event, the reconciliation and collections can be turned in to the responsible person within the department. If the employee has to keep the money overnight or over the weekend, the cash box should be locked and secured until the office is next open.
7. **In case of a robbery, do not put yourself in jeopardy. Give up the money!**