



Cash Handling Policy

Purpose: Provide direction for the collection, custody and reporting of cash and cash equivalents, and outline specific cash handling procedures for department use. To incorporate strong internal controls for cash handling that are designed to safeguard and protect our library.

Cash and cash equivalents apply to currency, coin, checks, charge and debit card payments, other electronic payment media and negotiable instruments payable in money to the library.

Person/Areas Affected: All persons within the library and/or library board receiving cash and cash equivalent payments.

Policy: The FDL Treasurer is authorized to establish rules and procedures for the receipt, handling and deposits of library funds by a board member or library employee (regular full and regular part time). The Treasurer will conduct periodic reviews/audits of cash handling procedures. If these practices are not followed, the Treasurer has a responsibility to bring it to the attention of the FDL Board who has the authority to authorize or rescind authorization of cash handlers, to inspect library cash records including overages and shortages; to inspect library practices and procedures. The Treasurer shall enforce these through onsite inspections; by informing the FDL Board who shall rescind authorization of any officer or employee who fails to comply with the established rules and policies.

Collection: All incoming cash and cash equivalents must -

- Be accounted for as received and a receipt made
- Be removed from the counter and workspace after each transaction and before the cash handler leaves the work station
- Never be left unattended or accessible to unauthorized persons
- Be in a secure cash box, register or safe and locked when not in use
- Be kept to a minimum at all times. Excess funds should be removed and stored in a secure place or deposited by the Treasurer or others listed on the FDL bank accounts.
- Never be used for expenditures or refunds unless Treasurer or FDL Board approval has been granted.
- Be counted and handled out of sight of the general public when reconciling
- Be reconciled to the total receipts for that day
- Be deposited by the Treasurer or others listed on the FDL Bank Accounts within one business day after collection

Custody: Cash handling and responsibilities for FDL Treasurer and employees

- Library Treasurer and Director is responsible for the care and liability of all cash and cash equivalents received by or for the library until deposited by the FDL Treasurer or authorized persons listed on the FDL Bank Accounts.
- Provide for the safekeeping and timely, accurate deposit of the cash and cash equivalents



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- Assign the receiving of cash and cash equivalents to those persons authorized by the Library Director and Treasurer

Cash handling and responsibilities for FDL Director, Finance Committee and Treasurer

- Adequate separation of duties and checks and balances, which includes cash collecting, depositing, reconciling and reporting
- Notify the Treasurer of any loss or theft immediately upon discovery, and within 24 hours have a written notice of discovery to FDL Board
- Allow for onsite inspections and observations of cash handling procedures by the Treasurer or his/her designee
- Protect employees from risk by following the established policies and procedures

Cash handling and responsibilities for cash handlers -

- Been authorized by the FDL Director or Treasurer for cash handling
- Responsible for the integrity of the cash and cash equivalents in his/her possession
- Keep cash and cash equivalents in a consistent manner and to a minimum at all times
- Balance and deposit the cash and cash equivalents daily
- Report any over/shortage immediately to the FDL Board
- Under no circumstance should an individual keep or deposit library cash and cash equivalents with their own personal funds or take library funds home for safekeeping
- Comply with cash handling operations according to established policy or procedures

Reporting: FDL Treasurer shall keep all cash receipts and related documents in accordance with the State of Michigan Record Retention schedule. Cash drawer reconciliation sheets, computerized reports, bank deposit slips, credit card receipts, manual cash receipts, etc. must be retained for the current year + seven by the Treasurer.

Specifics: Strong internal controls for cash collection are necessary to prevent mishandling of funds and are designed to safeguard and protect employees from inappropriate charges of mishandling funds by defining their responsibilities in the cash handling process. Approval by the FDL Board is required of any changes in the cash handling procedures.

- Authorization of Cash Handlers: Only those persons who have been approved by the FDL Director, Treasurer and/or Board shall be allowed to receive and handle library cash and cash equivalents. Any library official, board member or employee (regular full and regular part time) that would need to handle library funds in the scope and course of their employment; shall complete training and/or instruction by the FDL Director and Treasurer before being approved for cash handling.
- Establishing Cash Collection Points: The Library Treasurer must authorize all cash collections points before collection begins. A cash collection point is defined as a department that handles cash on a regular basis. Although departments with casual



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cash collections are not recognized as cash collection points, they must follow the same cash handling policies and procedures that apply to the cash collection points.

Summary: Cash handling is an important role and carries great responsibility. The Library Board has established this policy and the cash handling procedures to provide direction for library employees and Treasurer.

Motion by: Laura Oldt

Supported by: Lorri Essenberg


Roll Call:

Ayes: Rose Dillon, Josh Datte, Lorri Essenberg, Majorie Stonecypher, Laura Oldt, Mary Weimer

Nays:

Adopted: April 25, 2018

I, the Secretary of the Library Board of the Fruitport District Library, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Library Board of the Fruitport District Library, County of Muskegon, State of Michigan, at a regular meeting held on April 25, 2018, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended.


Secretary, Mary Weimer