

	MARICOPA COUNTY SHERIFF'S OFFICE POLICY AND PROCEDURES	
	Subject COLLECTING, SAFEGUARDING AND DISBURSING CASH	Policy Number GD-12
		Effective Date 12-10-19
Related Information ARS §28-3511 DC-2, <i>Accountability of Monies and Negotiable Instruments</i> GN-9, <i>Undercover and Investigative Funds Accountability</i> GH-2, <i>Internal Investigations</i> GH-5, <i>Early Identification System</i> A2500, <i>Maricopa County Petty Cash Fund and Change Fund Policy</i>	Supersedes <p style="text-align: center;">GD-12 (07-27-17)</p>	

PURPOSE

The purpose of this Office Policy is to establish guidelines for collecting, safeguarding, and disbursing cash handled in the daily operations of the Office in accordance with the Uniform Accounting Manual for Arizona Counties (UAMAC).

POLICY

It is the policy of the Office to ensure that all cash handled in the daily operations of the Office is collected, safeguarded, and disbursed in an accurate, secure, and expeditious manner.

DEFINITIONS

Acceptable Negotiable Instruments: Cash, any cashier's check, any government checks, U.S. Postal Money Order, or Western Union Money Order, legally transferable by endorsement or delivery. Western Union may contract with one or more retail outlets or chains to issue Western Union logo imprinted money orders for them, and they are acceptable instruments. The Office reserves the right to refuse any altered, defaced, contaminated, damp, soiled, or otherwise damaged negotiable instruments. All money orders are required to include the full name and address of the purchaser.

Bond: Something given or pledged to secure the fulfilment of a promise or obligation to appear in court at the scheduled time and date as ordered by the court.

Cash: Any legal tender; money or its equivalent; whatever can be used as money without being converted into another form.

- **Performance Assessment Measures:** An entry in the EIS generated by a supervisor or the EIU that documents the actions or incidents involving an employee which are tracked within EIS to provide supervisors with the ability to proactively monitor and supervise their employees.

PROCEDURES

1. **Division Accountability:** Divisions which receive acceptable negotiable instruments or disburse cash on behalf of the Office, or accept bonds for this or any agency, are responsible for ensuring accountability for all funds and should follow established procedures for their area regarding the safeguarding of monies. Those areas of the Office that normally handle cash include, but are not limited to, Judicial Enforcement Division, Records and AFIS Division, Special Investigations Division, Sheriff Information Management

Services (SIMS) Division, 3511 Impound Unit, Legal Liaison Section (LLS), MASH, Inmate Canteen, and the Financial Services Division.

2. **Office Fund Accounts:** All transactions involving Office funds shall be documented and detailed records maintained. The following Office accounts may only be used for the specific purposes for which the fund was established:
 - A. Sheriff's Contingent Fund: The account consists of a specific amount of money advanced to the Office for use in making advances for investigative trips and undercover operations.
 - B. Sheriff's Inmate Trust Fund: This account is comprised of all monies belonging to inmates held in the jail system.
 - C. Petty Cash Fund: These accounts are maintained by the Budget and Finance Bureau and Fleet Management Division for incidental business purchases made by Office personnel when modest cost makes it impractical to obtain a purchase order. Expenditures from petty cash are limited to \$100.00 for any single transaction. Items available through Sheriff's Office Warehouse Operations, or the contracted supplier should not be purchased with petty cash funds. An original receipt or invoice, approved by the appropriate division commander, must be presented with a completed memorandum for reimbursement. Petty cash reimbursements must be received in person, in the offices of the Budget and Finance Bureau. All petty cash expenses shall be submitted within the fiscal year in which the expense was incurred. All petty cash distributions must conform to Maricopa County Policy A2500, Petty Cash Fund and Change Fund.
 - D. 3511 Impound Unit (Towing Fund): This account consists of all administrative fees collected by the Office as a result of impoundment of vehicles, as specified in ARS §28-3511.
 - E. Change Fund: This consists of moneys that are used to issue change back to customers when they pay cash for services. Areas that have such a fund include, but are not limited to, the Judicial Enforcement Division and the Records and AFIS Division.
3. **Cash Receipts Procedures:** Each division that accepts or disburses cash and/or negotiable instruments shall establish detailed written procedures to ensure that adequate and strong internal controls are adopted for cash handling. It is the Bureau of Internal Oversight (BIO) responsibility to assess and review the divisions' internal controls for safeguarding cash.
 - A. Separation of responsibilities shall be the first priority of a division when handling cash and related record keeping functions so that no one person has complete access to the entire cash handling process.
 - B. The receipt of cash shall be controlled by using, such as but not limited to, pre-numbered receipts or cash register tapes by individuals designated to receive cash. These are two examples of how cash may be controlled; other reports exist for credit card receipts, electronic funds transfers.
 - C. All checks, money orders and drafts received by and payable to a division must be restrictively endorsed "For Deposit Only, MCSO" on the day received. If a division receives a check, money order or draft payable to another division, it should not be endorsed; rather, it shall be forwarded to the division for which it was intended, and a notation shall be made on the receiving division's cash receipt log or similar record.
 - D. Access to cash shall be limited to as few employees as operationally practicable. All cash shall be kept in a safe in a controlled environment at all times when not being counted or disbursed.

- E. Personnel shall not exchange any currency with personal currency; any violation of this may be subject to discipline, up to and including dismissal from employment.
- F. Access to safe combinations and keys to equipment in which cash may be secured must be limited to as few employees as operationally practicable and safe combinations shall be changed routinely.
- G. Cash and/or negotiable instruments received should be deposited with the Maricopa County Treasurer as soon as it is practical to do so. When a deposit on the day of collection is impractical, receipts must be deposited no later than:
 - 1. The end of the business day after they total one thousand dollars or more.
 - 2. If accumulated receipts total:
 - a. Fifty dollars or more, within five business days.
 - b. Less than fifty dollars:
 - (1) Except for cash and/or negotiable instruments received in the last month of the fiscal year, by the last business day of the month following the month of receipt.
 - (2) Cash and/or negotiable instruments received in the last month of the fiscal year must be deposited by the last business day of the fiscal year.
- H. Chase Access Receivable Online Scanners: These scanners are kept in designated divisions throughout the Office in order to speed up the depositing of checks into the Office's accounts and to reduce the number of times a division goes to the bank or Maricopa County Treasurer. As soon as the check is scanned into the system, it is deposited into the Office's account.
- I. If cash and/or negotiable instruments are not deposited on the day it is received, it must be locked in a secured safe.
- J. Appropriate posting of the accounting records must occur as soon as practicable after receipt, but not later than the end of the business day following the day deposited with the Maricopa County Treasurer.
- K. Mail receipts should be received by employees who are not responsible for maintaining accounting records. Two employees should be present when mail is opened. If a division does not have sufficient staff to accomplish this, it should consider:
 - 1. Entering into an arrangement with another division, whereby an employee from the first division works with an employee from a second division to:
 - a. Jointly open and log the first division's receipts.
 - b. Jointly open and log the second division's receipts.
 - 2. The daily mail log shall be signed by both employees present when the mail is opened, and the log shall contain the following information for each receipt:
 - a. The name of the remitter;

- b. The purpose of the remittance;
 - c. The amount of the remittance; and
 - d. The form of the remittance (cash, check, etc.)
- L. Receipt logs, pre-numbered receipts and register tapes shall be reconciled with the deposits with the Maricopa County Treasurer.
- M. All bank accounts shall be approved by the Maricopa County Board of Supervisors.
- N. All bank accounts shall be reconciled monthly.
- O. Personal checks shall not be cashed or used as an IOU to replace cash.
- P. No expenditure disbursements should be made from cash receipts or register cash.
- Q. Written procedures on all cashiering and cash controls shall be maintained by each division responsible for handling cash.
- R. Any NSF checks as well as any debit or credit memorandums shall be resolved by personnel independent from the cash receipts or disbursement functions.
- S. When a cash register is used to record the receipt of cash, the following controls shall be in place:
- 1. Transactions and totals must be locked in.
 - 2. Over and short vouchers shall be signed by a supervisor. Significant or repetitive overages or shortages may be the sign of poor internal controls over cash receipts, a situation that requires the intervention of, and correction by management.
 - a. If a shortage or overage occurs in the daily cash receipts, a full explanation of the variance shall be documented in the daily cash receipts summary.
 - b. All unidentifiable or unattributable overages in the daily cash receipts are to be immediately deposited to the General Fund using Revenue Source Code 6505.
 - c. Any shortage in the daily cash receipts must be recorded as a reduction of revenue. Revenue cannot be recorded in excess of total cash receipts (coin, currency checks, etc.).
 - (1) For example, fines and forfeits collections of \$100.00 with a \$2.00 shortage will require a \$98.00 cash receipt reporting \$100.00 to fines and forfeits Revenue Source Code 6370.
 - (2) A \$2.00 reduction (debit) to General Funds Revenue Source Code 6505.
 - (3) A petty cash, change fund, and contingent fund shortage requires a payment voucher request to replace funds.
 - 3. Voided copies of receipts shall be retained for audit purposes.
 - 4. Cash register procedures shall reflect proper daily check outs.

5. Cashiers shall be provided separate cash drawers to support accountability. If a cash drawer is not limited to one employee, a mitigating control shall be established that maintains individual accountability when multiple cashiers are assigned to one cash drawer.
6. A cashier's cash drawer shall be locked during any absence.
- T. A person whose responsibility includes the receipt of cash shall not have the authority to sign checks or otherwise authorize the disbursement of monies, make bank deposits, reconcile bank accounts or access accounting records (including records relating to the issuance or renewal of licenses) other than cash receipts.
4. **Financial Reports and Statements:** Each division that handles cash shall prepare and maintain safe logs for each fund and detailed records of all transactions. Each of these areas shall, at a minimum, prepare and submit a monthly report to the designated manager at the Judicial Enforcement Division accounting for all monetary transactions for that period. A year end cash report is also required each fiscal year by the Maricopa County Department of Finance.
 - A. The Judicial Enforcement Division may require additional financial reports on a routine basis.
 - B. Inmate Canteen shall prepare an annual financial statement and forward it to the Budget and Finance Bureau.
 - C. Any financial report or statement shall include two signatures, the second being of higher command than the first, verifying that the data is correct.
 - D. The Judicial Enforcement Division shall review and reconcile all financial reports and statements, except for their own funds. The Judicial Enforcement Division's funds will be reconciled by the Budget and Finance Bureau. After the Judicial Enforcement Division approves reimbursement/replenishment requests, they shall be submitted to the Budget and Finance Bureau through the chain of command, to process the reimbursement/replenishment.
 - E. The Budget and Finance Bureau will work with Maricopa County Finance when approving new Office Fund Accounts and increases/decreases to the base amounts of the accounts.
 - F. Annual cash counts will be conducted for year-end close pursuant to the year-end close packet provided to the Office by the Maricopa County Department of Finance.
5. **Audits:** Each division that handles cash shall conduct regular reviews of its books to ensure accuracy. BIO shall conduct annual audits of each division authorized to accept or disburse cash to ensure the following:
 - A. Maintenance of effective internal controls;
 - B. Proper segregation of duties to safeguard cash; and
 - C. Compliance with established accounting practices, policies, and procedures.
6. **Discrepancies:** Each division which accepts or disburses cash and/or negotiable instruments shall establish strict security measures to ensure adequate internal controls and separation of duties. Specific procedures detailing the security measures for cash and/or negotiable instruments shall be established in the operations manual for these divisions. Any discrepancy or loss discovered during the handling,

transfer, or audit of any cash and/or negotiable instruments or fund accounts shall be reviewed by the supervisor where the discrepancy is found.

- A. Any discrepancies shall be immediately reported to the finder’s immediate supervisor for review to determine if further action is needed. Significant or repetitive discrepancies may be a sign of poor internal controls which requires intervention and correction by supervisors. Supervisors shall make an entry into Blue Team under the incident type Performance Assessment Measures, documenting the supervisor initiated intervention and the corrective action taken, as specified in Office Policy GH-5, *Early Identification System*.
 - B. The division commander shall be notified of any accounting error or money shortage resulting in a loss to either an individual or the Office. When the accounting error or money shortage cannot be resolved within one business day and the division commander determines that further investigatory action is needed, the commander shall:
 1. Ensure a memorandum is prepared and sent through the chain of command to the Budget and Finance Bureau documenting any unreconciled cash discrepancy. The memorandum shall include:
 - a. Which cash fund account was affected;
 - b. The amount of the cash discrepancy; and
 - c. The steps taken to determine the cause of the cash discrepancy.
 2. Enter an Internal Complaint to include the memorandum and any supporting documentation into Blue Team, as specified in Office Policy GH-2, *Internal Investigations*.
 3. Provide any persons reporting a financial claim with a *Maricopa County Sheriff’s Office Claim Form* and prefer they complete it at the time of the claim. Financial inquiries from a released inmate should be referred to the Inmate Accounting Section.
 - C. At the conclusion of the investigation, the claim form, if any, and the supervisor’s recommendation as to its validity, together with all supporting investigative documents, shall be forwarded through the chain of command for approval. Claims of \$250 or less may be approved by the bureau chief. Claims over \$250 shall be submitted to the Sheriff, or designee, through the chain of command for approval.
 - D. Unresolved accounting errors or money shortages outstanding for a period of 60 days shall be submitted on the *Maricopa County Sheriff’s Office Claim Form* as a request for fund reimbursement. The claim form will be forwarded to the Budget and Finance Bureau, through the chain of command.
 - E. Maricopa County Policy A2500, Petty Cash Fund and Change Fund, should also be followed for any shortages and overages in the Sheriff’s Contingent Fund, Towing Fund, Petty Cash Fund, and Change Fund.
7. **Initial Inmate Fund Deposits:** Initial inmate fund deposits during the booking process shall be handled, as specified in Office Policy DC-2, *Accountability of Monies and Negotiable Instruments*.
8. **Exemptions:** Any exemptions to this Office Policy must be submitted through the chain of command and approved by the Sheriff or designee.