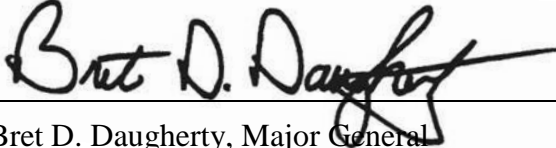




Department Policy No. FIN-107-12

Title:	Handling and Safeguarding of Cash Receipts
Authorizing Source:	OFM State Administrative & Accounting Manual (SAAM): <ul style="list-style-type: none">• Chapter 85 - Accounting Procedures Section 85.20 - Revenue and Cash Receipts Section 85.50 - Cash• Chapter 20 - Internal Control and Auditing RCW 42.52.050 : Confidential information — Improperly concealed records. RCW 43.01.050 : Daily remittance of moneys to treasury — Undistributed receipts account. RCW 42.56.520 : Prompt responses required.
Information Contact:	Deputy Finance Director Building 1, Camp Murray (253) 512-7596 Accounting Manager Building 1, Camp Murray (253) 512-8268
Effective Date:	March 1, 2012
Revised:	July 7, 2017
Mandatory Review Date:	July 7, 2021
Approved By:	 Bret D. Daugherty, Major General The Adjutant General Washington Military Department Director

Purpose

The purpose of this policy is to establish guidelines for the proper handling, safeguarding, receipting and depositing of cash received by the Washington Military Department (WMD).

Scope

This policy applies to all state employees of the WMD, federal employees of the Washington Air

National Guard, federal employees of the Washington Army National Guard, federal technicians, and contracted personnel who handle cash on behalf of the State of Washington.

Definitions

1. **Cash:** Any currencies, warrants, checks, or money orders.
2. **Cash Receipts:** Any cash received by the state during a period regardless of when the moneys are earned.
3. **Daily Cash Receipts Log:** The [Daily Cash Receipts Log](#) is the form that each WMD office/division must fill out to list cash receipts. It must be hand delivered to the State Finance Division daily, along with all cash.
4. **Pre-numbered Cash Receipt:** A sequentially pre-numbered form issued in numerical sequence and strictly accounted for by the WMD office/division in which the receipts are issued.
5. **Over-the-Counter:** A cash transaction directly from the individual or business to the WMD. This type of transaction is anticipated, and occurs in person.
6. **Public Records Request:** A request for WMD public records as defined in [RCW 42.56.010](#).
7. **WMD Office/Division:** Any work area within the WMD responsible for opening mail potentially containing cash, or any work area who receives over-the-counter cash.
8. **State Finance Division:** The WMD division responsible for upholding all state laws, rules and regulations regarding the safeguarding and handling of public funds.

Policy

1. No single person shall perform all cash handling duties.
 - a. In compliance with [SAAM Chapter 20 - Internal Control and Auditing](#), responsibilities for collecting, depositing, accounting for and reconciling cash receipts must be distributed amongst employees.
2. All warrants, checks, drafts, and money orders must be restrictively endorsed immediately upon receipt by the State Finance Division.
 - a. The State Finance Division may issue an endorsement stamp to other WMD offices/divisions. By accepting an endorsement stamp, the WMD office/division agrees to restrictively endorse all warrants, checks, drafts and money orders immediately upon receipt.
3. In accordance with [RCW 43.01.050](#), the State Finance Division must deposit all cash into the State Treasurer's designated bank account within one (1) business day of receipt of the cash.
 - a. Under no circumstances should federal or contracted personnel make deposits on

behalf of the state. This responsibility is strictly for state employees.

4. Per [SAAM Section 85.20](#), pre-numbered cash receipts must be issued and used for cash collected over-the-counter.
 - a. The State Finance Division makes the determination whether a cash source within the WMD is considered over-the-counter. The following sources are currently considered over-the-counter:
 - i. Billeting
 - Receipts issued by the State Finance Division.
 - ii. Armory Rentals
 - Receipts issued by the WMD Real Property Office.
 - iii. American Lake Campground
 - Receipts issued by the State Finance Division.
 - iv. Public Records Requests
 - Receipts issued by the State Finance Division.
 - b. Pre-numbered cash receipts must be issued in sequential order.
 - c. Pre-numbered cash receipts must be reconciled against Daily Cash Receipts Log.
 - i. All cash receipt numbers issued must be accounted for.
 - ii. The WMD office/division responsible for issuing the pre-numbered cash receipts is also responsible for reconciling them.
 - iii. In the case of a discrepancy, the responsible WMD office/division should perform an investigation and document the reason for discrepancy. The discrepancy and reason should be reported immediately to the Deputy Finance Director and Assistant Accounting Manager.
5. WMD offices/divisions must designate centralized area(s) within the office/division for mail to be opened to ensure, if cash is received in the mail, proper cash handling procedures are followed.
 - a. All mail must be delivered unopened to the designated centralized area(s).
 - b. Mail must be opened by two (2) individuals on a daily basis. Under no circumstances should a single individual open mail.
 - c. Pursuant to [RCW 42.52.050](#), all individuals opening mail must hold the contents in *strict confidence*. The contents of the mail must not be discussed with other individuals unless necessary for business purposes.
6. When cash is received by a WMD office/division, the office/division must count all cash and record cash receipts on a [Daily Cash Receipts Log](#).
 - a. All cash must be counted by two (2) individuals.

- b. The standard Daily Cash Receipts Log must be used, unless an alternate document for recording cash receipts is approved by the WMD Accounting Manager.
 - i. Reasonable justification for an alternate recording document must be provided in order for the request to be considered.
 - c. The Daily Cash Receipts Log must be signed by the two (2) individuals that counted the cash.
 - d. If cash is received by a WMD office/division for payment of a public records request, the payment cover letter and/or invoice and a copy of the check must be scanned and e-mailed to public.records@mil.wa.gov.
 - i. If the payment is not accompanied by a cover letter or invoice, a copy of the envelope and any other available information must be scanned and e-mailed to the address above, along with a copy of the check.
 - ii. Pursuant to [RCW 42.56.520](#) this information must be received by the Public Records Office the same day the cash is received by the WMD office/division to ensure the agency provides a prompt response.
 - iii. The payment must still be recorded on the Daily Cash Receipts Log.
7. All cash and a [Daily Cash Receipts Log](#) must be hand-delivered to the State Finance Division no later than 1:00 PM on the day of receipt.
- a. When cash is received by WMD offices/divisions after 1:00 PM:
 - i. If the receiving WMD office/division has access to a fireproof vault or lockbox, the cash may be placed in the vault or lockbox for overnight safekeeping. The cash and the Daily Cash Receipts Log must be hand-delivered to the State Finance Division no later than 1:00 PM the following business day.
 - ii. If the receiving WMD office/division does not have access to a fireproof vault or lockbox, the cash and the Daily Cash Receipts Log must be hand-delivered to the State Finance Division before close of business on the day of receipt.
 - b. When the State Finance Division receives cash after the 1:00 PM deadline, cash will be locked in a fire-proof vault for overnight safekeeping and deposited in the State Treasurer's designated bank account the following business day.
8. Upon request, the State Finance Division may authorize WMD offices/divisions in outlying areas to make deposits into the State Treasurer's designated bank account on behalf of the State Finance Division.
- a. Outlying offices/divisions must give reasonable justification for the request in order for the request to be considered.
 - i. For example, cash cannot be delivered to the State Finance Division on a daily basis due to the distance between work locations.

- b. Approved WMD offices/divisions must follow all cash handling and safeguarding guidelines described in this policy.
- c. All cash must be deposited into the State Treasurer's designated bank account within one (1) business day of receipt of the cash
 - i. A copy of the deposit slip and all backup documentation must be provided to the State Finance Division no later than 1:30 PM the day the deposit is made. If cash is received after 1:30 PM, the WMD office/division must wait until the following business day to make the deposit.
 - ii. A copy of the bank receipt must be provided to the State Finance Division on or before the following business day.