

CASS COUNTY CASH HANDLING POLICY

PURPOSE

To prescribe the general policies and guidelines regarding the handling of cash and cash equivalent transactions.

BACKGROUND

This procedure documents general policies and guidelines that should be followed by all Cass County (County) departments. These guidelines apply to and should be considered as the minimal requirements for establishing adequate internal controls for processing cash and cash equivalent transactions and safeguarding County funds. Generally, throughout this procedure, references to cash include cash equivalents.

Written procedures should be established within each department for all operations handling cash and cash equivalent transactions and safeguarding County funds.

In accordance with Texas Local Government Code (LGC) §113.022, "A county officer or other person who receives money shall deposit the money with the county treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. However, in a county with fewer than 50,000 inhabitants, the commissioners' court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 15 days after the date the funds are received."

LGC §157.903, effective August 28, 1989, states, "The commissioners court of a county by order may provide for the indemnification of an elected or appointed county officer against personal liability for the loss of county funds, or loss of or damage to personal property, incurred by the officer in the performance of official duties if the loss was not the result of the officer's negligence or criminal action."

DEFINITIONS

Bank Card - A bank-issued card with a Visa or MasterCard logo on the face that can be used to process transactions as a credit card or as a debit transaction requiring the use of a personal identification number (PIN). Bank cards that can be processed as a credit card (i.e., do not require the use of a PIN) are acceptable forms of payment. Bank cards processed as a debit transaction requiring a PIN are not acceptable forms of payment because the County's depository contract does not include pricing for this option, and the machines provided to the departments do not have the PIN pad option. The pricing for accepting debit cards and the rental on the PIN-capable machines is different from credit-only processing.

Bank Debit-Only Card - A bank-issued card, such as a traditional ATM card, that can only be used for debit transactions from the user's bank account, and it requires the use of a PIN. Bank debit-only cards are not acceptable forms of payment because the County's depository contract does not include pricing for this option, and the machines provided to the departments do not have the PIN pad option. The

pricing for accepting debit cards and the rental on the PIN capable machines is different from credit-only processing.

Cash Equivalent - A financial instrument that has a high degree of convertibility into cash (i.e., personal check, traveler's check, cashier's check, money order, etc.).

Stored Value Card - A plastic card encoded with monetary value on a magnetic stripe. Stored-value cards are issued without an individual account holder's name on the card and may be closed-loop or open-loop cards. Closed-loop cards are not reloadable with additional value and include merchant gift cards, transit system fare cards, and prepaid telephone cards. Open-loop cards are reloadable with additional value and used at many retail merchants and for banking purposes, such as receiving direct deposits or withdrawing cash from automated teller machines. Prepaid Visa/MasterCard/ American Express cards are also stored value cards and may be closed-loop or open-loop cards. Due to risks associated with stored value cards, such cards are not an acceptable form of payment.

POLICY AND GUIDELINES

A. GENERAL

1. All personnel handling cash should be bonded or insured pursuant to LGC §154.010 or applicable statute.
2. Commissioners Court must authorize all bank accounts.
3. All receipts must be County Auditor's Office (Auditor's Office)- approved and should be pre-numbered or numbered by a computer system with adequate safeguards regarding the numbering process (i.e., distinct/unique numbers and issued sequentially).
4. A sign should be posted advising the payee to obtain a receipt for payment. A sample receipt should also be posted to indicate to the individual what he/she should expect to receive.
5. If a computer-generated receipting system exists, a manual backup receipting system should be available.
6. Adequate physical security should be provided for people handling cash such as closed cages, locked doors, etc.
7. The employees who accept payments should not be the same employees who balance receipts or deposit collections.
8. Petty cash funds, change funds, bank account check stock and checkbooks, blank receipts, collections, procurement cards (p- cards), travel cards, etc., are to be safeguarded at all times and secured in a safe or other locked storage place when not in use, as well as when left in the closed office overnight. Access to the safe combination and/or keys should be limited to as few staff members as possible. Note: If possession of the key to the safe or other locked storage place is ever given to someone other than the person responsible for the secured contents, then a key log is to be maintained.
9. Pursuant to LGC §113.022, the Cass County Commissioners Court has declared that all deposits should be made on a daily basis, but no later than the 5th business day after funds are received.
10. Employees should be cross-trained in each other's duties and rotated occasionally. This provides an additional method of checking for improprieties and is beneficial for vacation relief.
11. Personal/private funds for coffee, party, birthday, holiday gatherings, and other personal social event funds are not to be commingled with County funds. For example, such funds should not be maintained in County vaults, County cash drawers, County cash bags, or other County cash secured areas. Such personal/private funds should be maintained in other secured areas as determined by department management.
12. If County collections by employees/officials, including funds collected by law enforcement personnel, such as from confiscation, seizure, or similar, are suspected to include coins or bills of value greater than face value, employees/officials may not make a personal exchange for the coins or bills.
13. If County change funds, petty cash funds, or other imprest funds maintained and used by employees/officials are suspected to include coins or bills of value greater than face value, employees/officials may not make a personal exchange for the coins or bills.

14. County change funds, petty cash funds, other imprest funds, and County collections by employees/officials, including funds collected by law enforcement personnel, such as from confiscation, seizure, or similar, while carrying out their official/County duties, are not to be used to cash personal checks for the public or for employees/officials.
15. If a theft, fraud/fraud attempt, or other criminal misconduct is suspected or discovered, contact the Cass County Auditor's Office at (903) 756-5067.

B. PAYMENTS RECEIVED

1. Funds received should be immediately receipted in the appropriate receipting system at the time of collection in order to provide timely accountability and proof of payment. Note: If funds are received at a time when immediate receipting is not possible (e.g., electronically, by mail at the end of the day, or after regular hours), the funds should be receipted immediately the following business day.
2. Acceptable forms of payment are cash, cashier's checks, money orders, and if the officer desires, personal checks, bank cards that can be processed as a credit card (i.e., do not require the use of a PIN), and credit cards. Note: Cash must be in United States currency. Personal checks, cashier's checks, and money orders must be issued by/drawn on a United States financial institution in United States currency. Also, note that due to the increased risk of identifying valid cardholders and determining card balances, stored value cards are not an acceptable form of payment. To identify a stored value card, review the front and back of the card for any of the following:
 - "Gift Card," "Stored Value Card," or a specified dollar amount on the face of the card,
 - A statement that the card is non-reloadable,
 - A phone number for checking the card balance,
 - The absence of a bank name, and/or
 - A statement that the card cannot be used for cash or ATM transactions.
3. All checks presented in person should be marked on the face of the instrument with the following:
 - Identification number of the presenter (driver license number and state or other identification number).
 - Name of the presenter if different from the style (name) on the face of the instrument.
 - Invoice, case, and/or receipt number applicable to the payment.
 - Cashier's/Receiver's initials or system user ID number.

Note: For checks received in the mail, if any of the above information is available, it should be marked on the face of the instrument.

4. All checks and money orders should be stamped "For Deposit Only" with the appropriate organization name, organization number, and location number immediately upon receipt.
PLEASE NOTE THE FOLLOWING:
 - The acceptance of a counterfeit bill and the issuance of a receipt do not extinguish the debt.
 - The acceptance of a check and the issuance of a receipt do not extinguish the debt until the check clears the bank.
 - The acceptance of a money order and the issuance of a receipt do not extinguish the debt until the money order clears the bank. Since certain money orders decrease in value over time, it is recommended that money orders only be accepted within 90 days of the date of issue. It is further recommended that money orders presented for payment more than 90 days past the date of issue (as well as those already expired) should neither be receipted nor deposited but should instead be returned to the payer.
 - The acceptance of cashier's check types of transactions such as cash bonds is at the official's discretion. However, it is recommended that a cashier's check only be accepted in lieu of currency during normal business hours from known financial institutions upon verification of the check's authenticity by phone with the issuing bank.

- The acceptance of a credit card and the issuance of a receipt do not extinguish the debt until the credit card provider settles the debt by depositing funds into the County depository.
5. All large bills should be examined carefully for the detection of counterfeit bills. Individuals handling cash should follow established procedure if a suspected counterfeit bill is tendered and be trained for the detection of counterfeit bills.
 6. Individual locking cash drawers and individual ID codes for appropriate computer accounting/receipting systems should be provided for each individual handling cash. Individual computer ID codes should be changed periodically.
 7. All payments received by mail should be logged and immediately stamped "For Deposit Only" with the appropriate organization name, organization number, and location number before being distributed for processing to other clerks. A supervisor should reconcile all checks deposited against the log listing payments. Additionally, unless the departmental staff is deemed too small, the person responsible for processing payments received by mail should be someone other than the cashier.
 8. Manually receipted transactions by departments with an internal electronic receipting system or with receipting access to the County's financial system (e.g., due to issuance in the field or temporary electronic system inoperability) are to be entered into the applicable electronic system within two business days following the day the manual receipt is issued. If electronic system entry is not within two business days following the day the manual receipt is issued, the Auditor's Office should be notified.

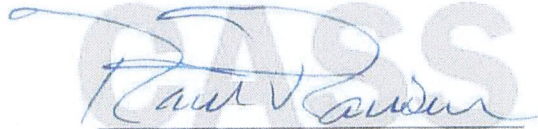
Note: Each manual receipt and corresponding electronic system receipt/record is to be cross-referenced. The manual receipt number is to be entered in the electronic system as a cross-reference to the electronic system receipt/record generated, if possible, and the electronic system receipt/record number generated is to be indicated on the manual receipt issued.
 9. The clerk should balance the cash drawer at least daily against receipts issued and report any overages or shortages to their supervisor in accordance with internal procedures.
 10. Generally, overages should be recorded as appropriate and deposited with other collections, and shortages should be replenished. For lost or stolen cash, indemnification may be requested by the officer in accordance with LGC §157.903.

RESOLUTION OF THE COMMISSIONERS' COURT OF CASS COUNTY
FOR THE ADOPTION OF THE
CASH HANDLING POLICY

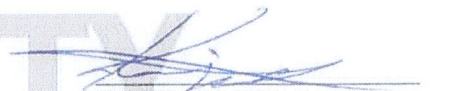
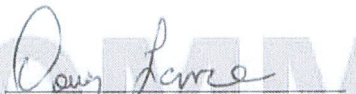
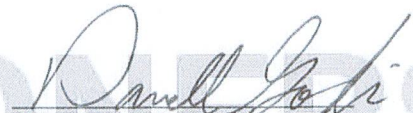
STATE OF TEXAS }
 }
CASS COUNTY }

RESOLUTION FOR THE
ADOPTION OF THE CASS COUNTY
CASH HANDLING POLICY

IN WITNESS WHEREOF, the Commissioners' Court of Cass County has approved and adopted the Cass County Cash Handling Policy in a duly posted meeting on this 28th day of May, 2024.



R. Travis Ransom
County Judge


J. Brett Fitts
Commissioner, Precinct 1
Kevin Young
Commissioner, Precinct 2
Doug Lance
Commissioner, Precinct 3
Darrell Godwin
Commissioner, Precinct 4

ATTEST:


Amy Varnell, County Clerk
Cass County