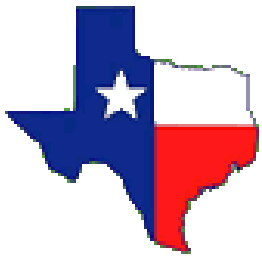
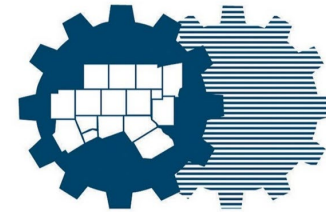


Cash Handling



Government Treasurers'
Organization of Texas
<https://gtot.nctcog.org/>



Patrick Shinkle
North Central Texas Council of
Governments
[https://www.nctcog.org/training-
development-institute](https://www.nctcog.org/training-development-institute)

Benefits of Cash Handling

- **Increased Accuracy**
 - Proper training helps employees handle transactions accurately, reducing errors in cash handling and ensuring that the cash drawer balances at the end of each shift.
- **Fraud Prevention**
 - Training includes best practices for detecting and preventing fraudulent activities, such as counterfeit bills and theft.
- **Improved Efficiency**
 - Well-trained employees can process transactions more quickly, leading to shorter queues and improved customer satisfaction.
- **Enhanced Security**
 - Employees learn how to handle cash securely, reducing the risk of loss or theft.
- **Better Customer Service**
 - Training often includes customer service skills, helping employees interact positively with customers and handle difficult situations effectively.
- **Employee Confidence**
 - Proper training boosts employee confidence in handling cash, which can lead to a more positive work environment and better overall performance.

Contents

1. You and Your Organization
2. Money Identification
3. Money Handling
4. Checks
5. Credit Cards
6. Money Orders
7. Entity Policy & Procedures
8. Fraud, Theft & Robbery
9. The Federal Reserve
10. Conclusion

You and Your Organization

- You as a cash handler
- You as a supervisor
- Effective cash handling
- Where is the cash?
- Cashiering functions and area responsibility
- Cashiering customer interactions
- Cashier functions and area
- Cash drawers and tills
- What is cash?



Money & Currency Identification

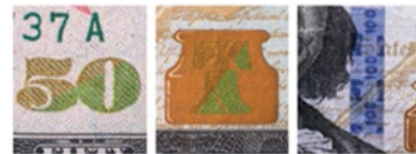
- 6 key features for money identification
 - Serial numbers
 - Unique for production, tracking
 - Color changing ink
 - Metallic flakes in the ink
 - Microprinting
 - Verifiable images difficult to scan or print
 - Intaglio printing
 - Magnetic ink and embedded into the substrate
 - Security threads & 3D ribbon
 - Vertical thread that changes color with UV light. 3D ribbon in the \$100 substrate
 - Paper, fibers & watermarks
 - Cotton (75%) & linen (25%) with denim fibers. Watermarks are visible with lighting



<https://www.uscurrency.gov/>

Money & Currency Identification

- Methods for identification
 - Feel the paper
 - A rough touch on the jacket of the portrait
 - Tilt the note
 - Color shifting ink and 3D security ribbon
 - Check with light
 - Security threads and watermarks
 - Check with magnification
 - Microprinting at various locations
 - Standardization for verification
 - Locations and areas for verification



Additional Considerations

- Dated Currency Valuation
- Currency Portraits and Identifiers
- Coins (Rolls, production, pennies, fraud)
- Currency Straps
- Lifespan
- Composition (Bills & Coins)
- Print Order from the Board of Governors
- Mutilated money
- Counterfeit money



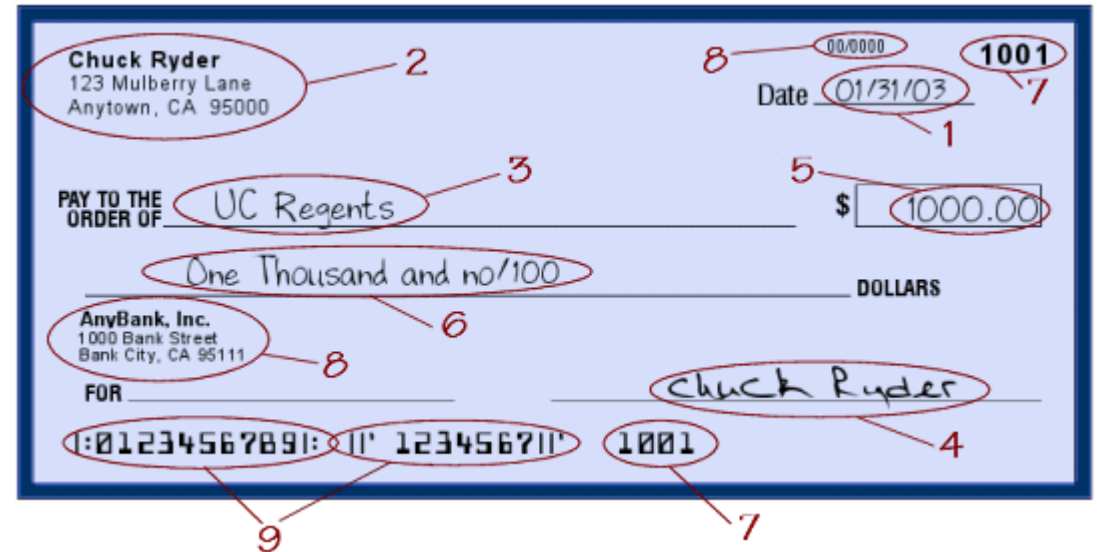
Money Handling

- Accepting cash
 - Quick verification for authenticity
- Counting currency
 - Receiving
 - Hand-to-Hand
 - Distributing
 - Hand-to-Hand
 - Hand-to-Table
 - Walk-through
- Surprise cash counts
 - Unannounced & random



Checks

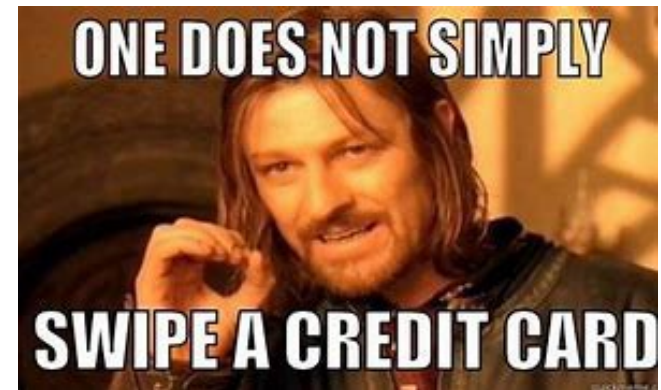
- Payable on demand
- Stale dates (Typically 6 mo.)
- The 9 Points of negotiability
- ABA numbers
 - Texas Region 11 (K) on the notes
- MICR encoding
- Security check features



Credit Cards

- The processing process
- Transaction recommendations
- Types of credit cards
- EMV Chips –vs- Magnetic strips
- Credit card fraud
- PCI Compliance
- Money orders

me and the cashier waiting to see if my transaction will go through



Entity Policy & Procedures

- Use AI to assist with your initial drafting of policy & procedures
- Each Entity department has an internal control memo that must include, but not be limited to the following information:
 - authorization of person(s) to collect cash;
 - separation of duties;
 - off-site cash collection procedures;
 - maintenance of cash receipt logs;
 - security and reconciliation of cash;
 - delivery of approved cash deposit to the Utility Billing office;
 - over/short procedures;
 - Notifying the Finance Department in the event of loss;
 - retaining of records

Department Heads and Division Supervisors-

Please review your department's internal control memo to ensure that they include each of the criteria listed above. Any process updates need to be approved by Finance before they are implemented.

Entity Procedures

- Cash Transactions

- Department Heads or Division Supervisors will give authorization to departmental employees to handle cash.
- All authorized employees must complete Cash Handling Training.
- Training must be completed within the first 30 days of employment, if training is not completed, the employee will not be allowed to handle cash until they become compliant.
- Training will reoccur on an annual basis in October.
- If annual training is not completed by October 31st, cash handling responsibilities must be suspended.
- Each authorized employee that has custody of entity cash has a fiduciary responsibility to handle all cash transactions appropriately.
 - Custodians of petty cash funds must comply with the Entity Petty Cash Policy.

Entity Procedures

- Cash Transactions

- It is the Department Head or Division Supervisor's responsibility to verify that cash is properly secured, accounted for, and documented in accordance with entity policy and internal procedures developed by the department.
- Departments must deposit cash daily, and in accordance with entity cash handling procedures and departmental internal control documents.
- The Finance Department is responsible for performing spot audits to ensure all entity policies and procedures and departmental processes are adhered to at all times.

Entity Procedures

- Separation of Duty

- Each Department Head or Division Supervisor will be responsible for ensuring a structured separation of duties process to be always ensure that cash on hand and cash deposited matches actual receipts.
- The Finance Department can assist departments in reviewing process changes to ensure compliance.
 - Please note that internal control memos are reviewed by Accounting and each department annually. These processes are audited each year by an external audit firm for compliance so please contact Finance before making any changes.

- Overages & Shortages:

- The Department Head or Division Supervisor will ensure that cash on hand and cash deposited matches actual receipts at all times.
- Departments will adhere to their procedures when handling overages and shortages.

Entity Procedures

- Consequences for Noncompliance
 - It is Department Head or Division Supervisor's responsibility to track and maintain noncompliance issues.
 - Departments will adhere to their specific internal control memo on how this is handled.
- Records Retention
 - It is the Department Head or Division Supervisor's responsibility to track and maintain records for the department.
 - Departments will adhere to their specific internal control memo on how this is handled.
 - Contact the Entity Secretary's office for additional, specific instructions.

Locally approved Items

- Tamper Proof Clear Plastic Deposit Bags
- Zippered Bank Bag
- Dual Bank Deposit Slips
- Coin Wrappers & Currency Straps
- Cash Receipt Forms (For manual transactions when needed)
- Transport bag that conceals deposit
- Tyler Cashiering Batch Report for daily reconciliation and batch closing
- Bill Counter



Fraud, Theft & Robbery

- Discount Scams (Sweet Hearting)
- Line-Item Void
- No Sale
- Penny Trick
- Manipulation of Voids and Refunds
- Floating Receipt
- Phony Walkouts
- Short-Changing / Change-Raising
- Technology Scams



Fraud

- How do we protect against accusations of fraud?
- How do we handle the transfer of cash within the organization?
- How often and when do we count our cash and till deposits?
- How do we protect the funds, organization, and personal reputation?
- Fiduciary Responsibility
 - A fiduciary is a person who holds a legal or ethical relationship of trust with one or more other parties. Typically, a fiduciary prudently takes care of money or another asset for another person.
 - A fiduciary relationship encompasses the idea of faith and confidence and is generally established only when the confidence given by one person is actually accepted by the other person (TRUST).

Theft of Cash

- Skimming –
 - Any Scheme in which cash is stolen from an organization before it is recorded on the organization's books and records.
 - Employee accepts cash payment from a customer but does not record the sale and instead pockets the money.
- Cash Larceny –
 - Any scheme in which cash is stolen from an organization after it has been recorded on the organization's books and records.
 - Employee steals cash and checks from the daily receipts before they can be deposited in the bank.
- Check Fraud Examples

Theft of Funds (Fraud)

- If found guilty of embezzlement, the penalties are dependent on the amount of money or value of goods taken.

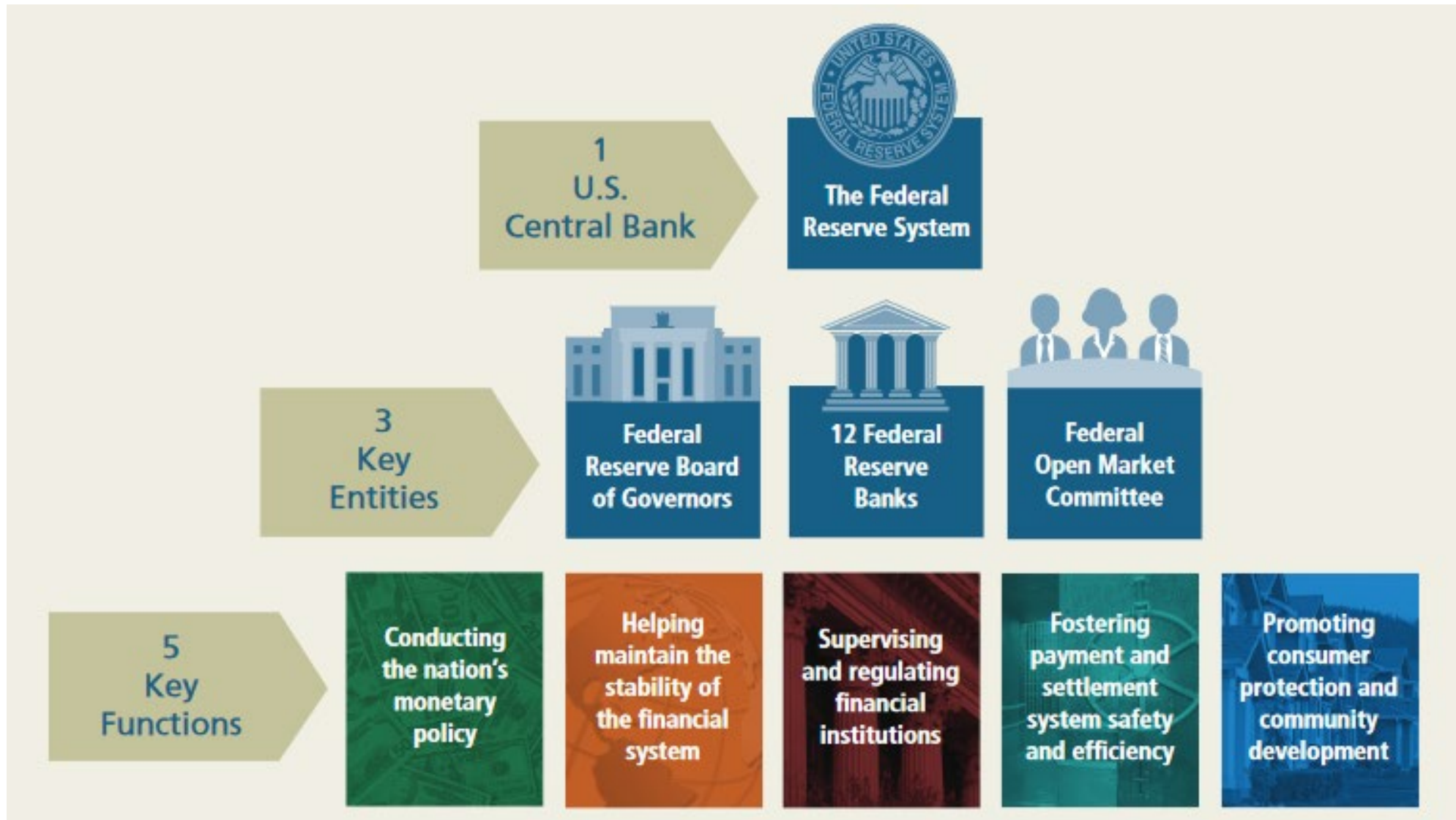
Value of Offense	Possible Charge
0 to \$1,500	Misdemeanor Charge, up to 1 year in jail
\$1,500 to \$20,000	State Jail Felony, up to 2 years in state jail
\$20,000 to \$100,000	3rd Degree Felony, 2 to 10 years in prison
\$100,000 to \$200,000	2nd Degree Felony, 2 to 20 years in state prison
More than \$200,000	1st Degree Felony, 5 to 99 years in state prison

- If you are considered a “public servant” in your capacity as an employee when the situation happened, the charge you face will be enhanced. You will face the next higher category of offense.

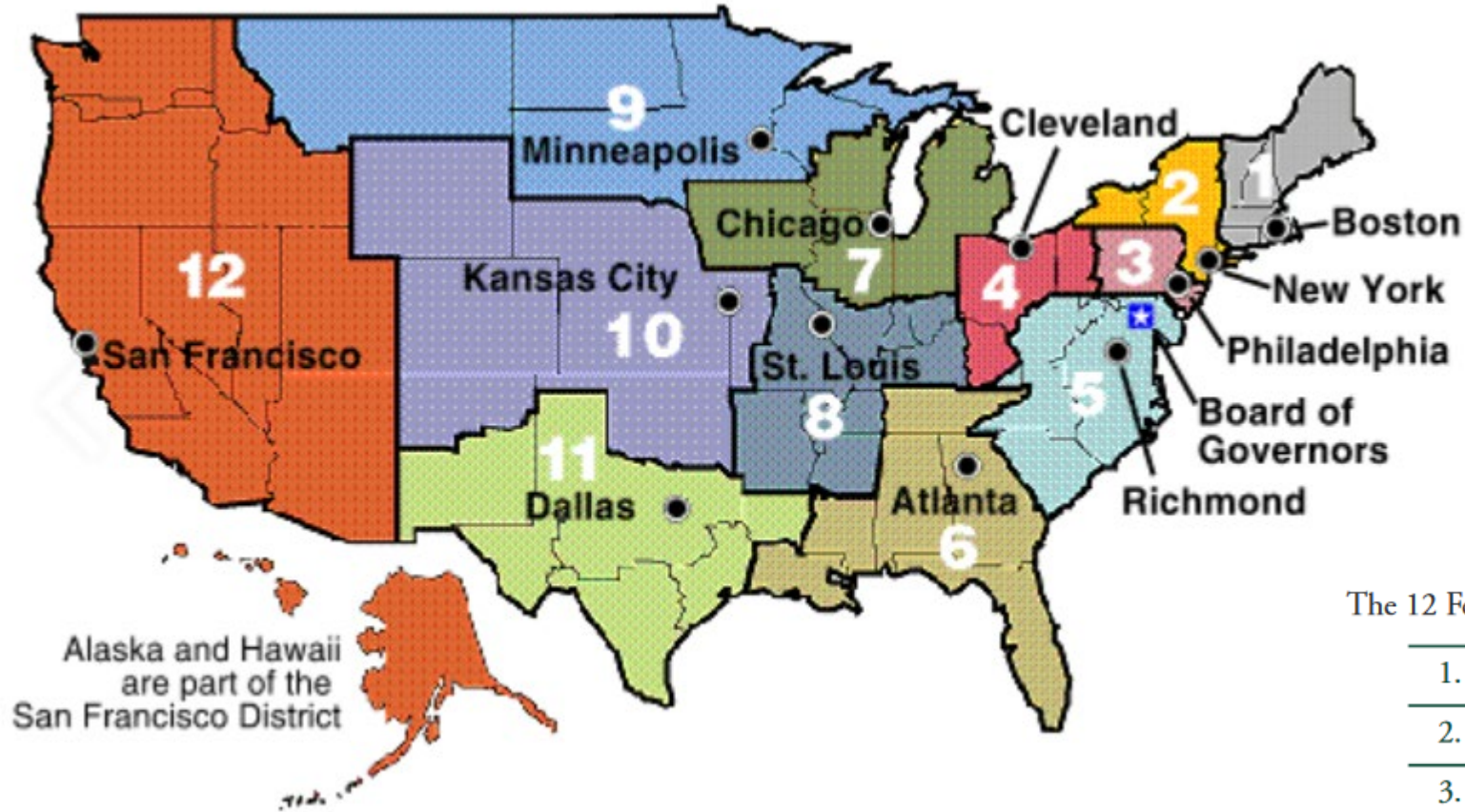
Robbery

- Use training from your local Law Enforcement Officials
- Critical factors in order of priority
 - Protect human life and health (Safety)
 - Catching the criminal (Not stopping the criminal)
 - Protecting the entity's funds
- Don't be a hero
- Always assume there is a weapon even if not seen
- Follow their instructions and tell them what you are doing as you follow the instructions
- Observe, remembering distinguishing features, voice, items touched
- Call 911 as soon as it is safe to do so

The Federal Reserve



Federal Reserve Banks



The 12 Federal Reserve banks and their code letters are:

1. Boston	A	7. Chicago	G
2. New York	B	8. St. Louis	H
3. Philadelphia	C	9. Minneapolis	I
4. Cleveland	D	10. Kansas City	J
5. Richmond	E	11. Dallas	K
6. Atlanta	F	12. San Francisco	L

Purchasing Power - Inflation/Deflation

Inflation – Prices going up.

Deflation – Prices going down.



Cash Controls Quick Reference Guide

Quick Reference Guide

- The Finance Department is the only department that can maintain bank accounts on behalf of the Entity.
- “Cash” refers to currency/coin, checks, bank drafts, Automatic Clearing House (ACH) transactions, Electronic Funds Transfers (EFTs), money orders, traveler’s checks, cashier’s checks, or credit/debit card transactions.
- Only authorized employees may handle cash on behalf of the Entity.
- Cash Handling Training must be attended annually.
- Each department that handles cash must develop written procedures for separation of duties and review them annually.

Quick Reference Guide

- Separation of duties must be 2 people deep (3 is preferred when possible):
 - Collecting Cash
 - Maintaining Documentation
 - Preparing Deposits
 - Reconciling Records
- Cash must be kept in a secured location (locked safe).
- Checks must (Confirm the points of negotiability):
 - Be made payable to the entity
 - Be endorsed upon receipt
 - Have current date
 - Have written line and number amount match
 - Be signed

Quick Reference Guide

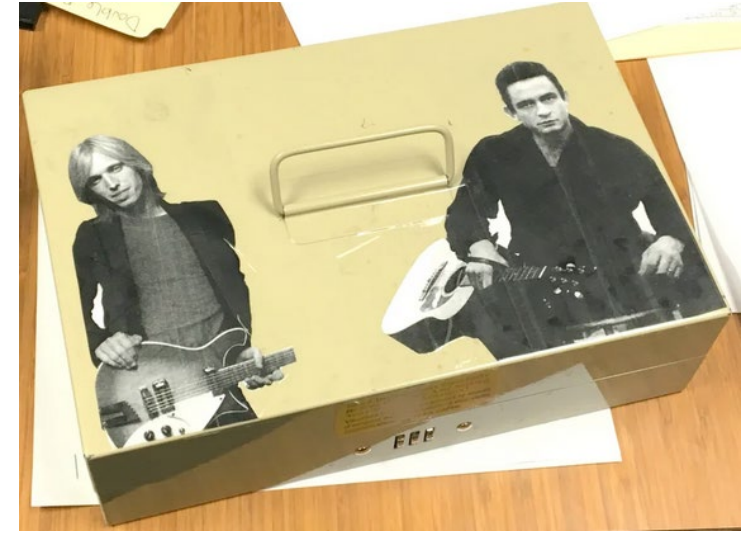
- Deposits must:
 - Be delivered to Utility Billing within 1 business day
 - Be transported in a sealed tamper evident deposit bag which is inside of another bag (tote, backpack, purse, etc.)
- Cash on hand and cash deposited must equal actual receipts at all times.
- Receipts:
 - Regular sales = must issue receipt every payment
 - Occasional sales = must issue receipt with every payment OR keep sufficient transaction detail
 - If a cash transaction occurs a receipt must be provided to customer

Quick Reference Guide

- Counterfeit – check paper, portrait, watermark, and security strip.
 - Using a counterfeit pen or UV light is encouraged.
- Overages/Shortages must:
 - Be reported to supervisor at end of daily closing.
 - Be reported to the Finance department the next business day.
 - Be investigated if in a single incident or in aggregate during one-month period in the amount of \$25 under the control of a single employee.
 - Have maintained written documentation.
- Fraud or theft must be reported to Finance and local law enforcement on the day of occurrence.

Quick Reference Guide

- Petty Cash/Change Fund must:
 - Be kept in safe, not locked drawer.
 - Be reconciled at end of day funds are used.
 - Have maintained written documentation.
 - Be balanced at all times.
- Refunds:
 - Do not issue refunds from petty cash.
 - Ensure refunds are charges back to the appropriate account or fund.



Cash Handling Questions

CASH HANDLING	Yes	No	N/A
Are cash and assets secured with locked cash drawers, locking cash registers, cashier cages or locked metal boxes always?			
Are safes and drop safes bolted in place and smaller receptacles secured in locked areas?			
Are the designated custodians and supervisors the only personnel who maintain combinations or keys for cash receptacles?			
Is every cashier assigned an individual cash drawer?			
Are cash drawers shared?			
Are all checks endorsed immediately with the entity name and a cashier identifier upon receipt?			
Is photo identification required for all over-the-counter checks taken?			
Are reviews performed on each cash drawer's assigned cash balance?			
Are change drawers used for petty cash or cashing of personal, payroll or expense checks?			
Are sequentially numbered receipts used for all transactions?			
Are daily audits and balancing of the receipts (or system reports) to the drawer required as part of the closing process?			
Are cash drawers balanced and closed out at the close of each cash handler's work period?			

Cash Handling Questions

Are all overages/shortages reported to the supervisor at daily closing and are they documented as overages/shortages in the balance process?			
Are overages/shortages in a single incident or in total, during a one month period by a cash handler, investigated by the custodian/supervisor?			
Are all deposits verified by two individuals?			
Are all computer and credit card terminals closed out at the end of a cashier's shift or at the end of the day?			
Is documentation in the form of a summary sheet for each deposit prepared indicating the amount of funds, the breakdown of funds, the accounts to be credited and identification of the depositor?			
Are all deposits prepared within one business day?			
Are all deposits of physical checks and cash in secure bags with identifying deposit slips indicating the amount and location of collection for tracking purposes?			
Are all deposits balanced to generated reports, daily? weekly? monthly?			
Are Security codes/PINS/logins assigned to individuals/cashiers for all computerized systems?			
Has your department investigated procedures for recycling coin and currency between departments and the minimizing change orders to minimize transport and vault charges?			

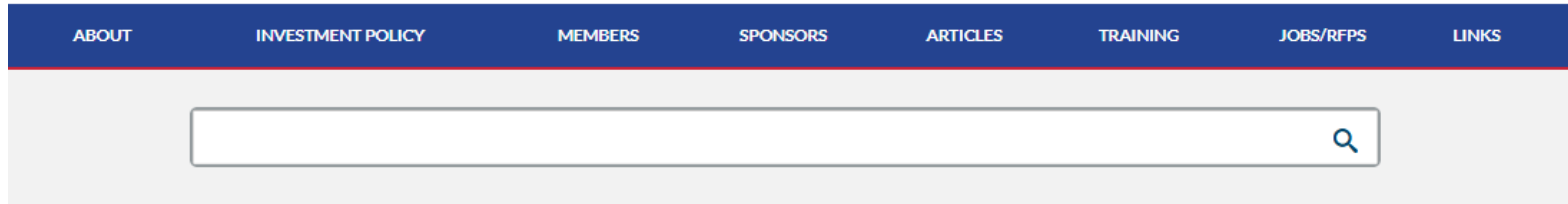
Cash Handling Questions

CASH HANDLING LOCATIONS	Yes	No	N/A
Is working space provided for each cashier to maintain control of the cash handling process?			
Does the area allow space for the processing of deposits and cash; is the area secure that is designated for balancing operations?			
Does the cashing area provide for security and separation between cash handlers and customers?			
THEFT OR LOSS OF CASH/MONIES	Yes	No	N/A
Has any instances of theft or loss of cash occurred in this area?			
On discovery of a possible theft or loss of funds are the Police notified?			
If a theft is discovered does the supervisor/custodian make a verbal report to the Police and the appropriate Administration before close of business, followed by a written report within one business day?			
Are procedures in place for handling theft or loss of funds and counterfeit currency?			

Cash Handling Questions

TRANSPORT OF SYSTEM ASSETS	Yes	No	N/A
Are assets (cash / checks / deposits) securely transported from the point of collection to the Administration Office?			
Is there a set schedule when assets are transported?			
Are transfers of assets documented and signed by both sending and receiving parties; is an institution log maintained to document the transfer?			
Are all off-site transfers made by contracted armored transport, secure transport, or security personnel?			
Do armored car personnel receipt all items and provide a copy to the fund custodian/supervisor?			
Do armored car personnel present adequate identification before each transport?			

Build your Own Training or Attend GTOT's



[Home](#) > [Training](#) > [Cash Handling Seminars](#)

Cash Handling Seminars

[Registration Form](#)

[Member Registration Form](#)

Current Training Dates:

2025: April 23
2025: July 11
2025: October 6

Registration Deadlines (Noon):

April 16, 2025
July 7, 2025
September 30, 2025

Rates:

Member: \$65
Non-member: \$75
Group Rates: \$65/participant, *Call (817) 704-5614 for group instructions*

About the Cash Handling Seminar

This two-to-three hour program is designed to train government employees and officials in proper cash handling techniques. Finance officers, treasury officials, city clerks, and cash handlers are encouraged to attend. The Manual serves as a model on which a government can base its own program, with a comprehensive set of cash handling techniques and instructions on how to develop a manual for an individual government. Workshop participants will receive a Certificate of Completion from the Government Treasurers' Organization of Texas.

Seminar Timing

Seminars are hosted via Zoom and begin at 9 am Central. Session length runs two to three hours depending on attendee participation.