

# **Cash Handling**

## **Section C - Security and Audits**

### **01 Safe Standards**

It is each District's responsibility to ensure that adequate safes (devices that can be secured) are available to secure funds at all field collection units. It is further the responsibility of each District to understand that the security that safes provide is only as good as the controls over their access. The following questions should be considered to strengthen security over safes:

- Does the operation warrant two safes, one for shift changes to access change funds and one drop safe that restricts access to each shifts' collection?
- Are safes placed in a location that is out of sight of public view to reduce attention?
- Are safe combinations/keys changed at the beginning of each season or when necessary due to turnovers and/or change to individual duties that no longer requires access?
- Does the District maintain records listing everyone with access to combination/keys for each location and when the combination/keys were last changed? Such information should also be placed on individuals DPR175 as a backup to trigger a need to review your security access listing.
- Does the District maintain a site log to record all deposits into the safe by the depositor and all collections by the transporter of funds to the bank, to document a continuous audit trail?
- If kiosks are closed at the end of the season, are all change funds removed from field safes and brought into a centrally secured location?
- As with cash register drawers, are all safes left open during the off season to reduce the temptation of theft?
- Does the District regularly reconcile daily DPR156/156CR's to the deposit/transport log to ensure accountability of all shift collections?

For more detail on safe requirements and limitations refer to SAM 8024 and DAM 0630.

#### **Units Equipped with Safes or Vaults**

Cash, checks, and money orders deposited in safes or vaults can be retained no more than five working days. However, under no circumstances should the cumulative amount of these deposits exceed \$1,000, subject to the following conditions:

- Districts will ensure that adequate storage is available to safeguard the monies collected in the park units.

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- Collections must not accumulate to more than \$1,000 in cash, or \$5,000 in cash, checks, money orders, and warrants (excluding State warrants and State checks).
- Accumulated collections totaling \$50 or more will not remain undeposited for more than five working days.
- No collection will remain undeposited for more than fifteen working days.
- If daily collections exceed the above limits, a deposit will be made on the day of receipt. If the collections are received late in the day, or for other reasons it is not practical to deposit them before bank closing time, they will be deposited the next working day. Deposits may be made more often than once each day if it is wise to do so (or if instructed to do so) because of the size of the collection.

Districts are required to monitor these requirements closely, and consider other procedures to expedite depositing to maximize interest earnings. If the above conditions cannot be met, the limit is reduced to \$500.

### **Units With Drop Boxes**

Drop boxes should be used for between-shift deposits during the day for amounts not to exceed \$500. Drop boxes provide some security with limited risks to personnel for receipts brought to the office after hours, or after departure of staff having access to a depository, and should not be used as a substitute or replacement for a safe or vault. If it is necessary to use a drop box to deposit funds overnight, the amount should not normally exceed \$100. The drop box should not be used to retain funds longer than one night. However, for units where the District Superintendent determines that it would be impractical to deposit small amounts on a daily basis, cumulative collections totaling \$100 or less may be held in a unit's drop box for a period not to exceed five working days.

For units with collections of extremely small amounts where the District Superintendent has determined the impracticality of daily deposits, collections which cumulatively total \$10 or less may be held in a safe or drop box for a period not to exceed 15 working days.

For further information and instructions regarding deposits, see SAM 8020 through 8034.1.

### **Safe Combinations**

When safe combinations and/or key changes are made a list must be maintained including the date when the change was made and to whom the key or combination is given. The Visitor Services section is responsible for changing safe combinations and/or keys. The Chief Ranger or designee will be responsible for maintaining the list.

The following standards apply to safes and vaults housing either cash or valuable documents:

*The combination will be known to as few persons as possible consistent with operating requirements and value of the cash or documents safeguarded.*

*A record will be kept showing (a) the date the combination was last changed and (b) the names of the persons knowing the present combination.*

The combination will be changed when it becomes known to an excessive number of employees, or if any employee having knowledge of the combination leaves the employ of the agency, or no longer requires the combination in the performance of his or her duties. (SAM section 8023).

Entrance station safe combinations will be changed yearly. Iron Ranger locks and combinations will be changed in the off season yearly.

Remember: Each Visitor Services safe cannot accumulate funds in cash over \$1,000 or \$5,000 in cash, checks, or money orders. (DAM 0630)

### **Location of Iron Ranger**

Iron Rangers should be located where visible from the street, parking lot, or road with a light above. It should also be securely anchored to the building or foundation of its location.

## **02 Accountable Documents Security**

Although time consuming, the need for a “paper trail” for audit purposes has been clearly established. All records used or created from the point of sale to the verification of deposit that supports the flow of funds are considered accountable documents. As such, these documents must be retained for audit purposes. SAM Section 1671 requires retention of receipts, including cash register tapes, for at least four years from the end of the fiscal year. Review of receipts (tapes) should be done as needed to detect irregularities. Failure to retain these records weakens control, and fails to provide an adequate audit trail in the event of discrepancies.

The District must maintain the following documents:

- Continuous Register Tapes
- Tickets and Passes (or supporting documentation of destruction)
- Collection/Transport Logs (bound safe log with pages pre-numbered)
- Receipt Accountability Worksheet/Statement of Business (DPR 156/156CR)
- Iron Ranger Envelopes, used
- Deposit Slips (including voided slips)

Promotional or Complimentary Passes  
Receipt for Camper Registration (DPR 453)  
Reservation Refund Voucher (DPR 292)  
Cash Collection Receipt (DPR 176)  
Report of Collections (DPR 197A)  
Cash Refund Receipt (DPR 327)  
Transfer Document (DPR 106)  
Inventory and Reconciliation Report (ticket/pass and merchandise) (DPR 145)  
Petty Cash Log

### **03 Change Fund Security**

Strict security and accountability of all change funds issued to a District must be maintained. The designated Change Fund Custodian has the primary responsibility to periodically verify the fund amount according to a schedule based on the fund size per DAM 0610.16. With the approval of the District Superintendent, a Custodian may assign a portion or portions of a change fund to one or more other employees within the unit, but remains personally responsible for the total amount of the fund (DAM 0610.1.14). A detailed record must be maintained at all times by the Custodian identifying the individual, location and amount for each portion or portions of the change fund distributed within the District.

Change funds should only be maintained at remote locations such as kiosks, if operationally necessary and an adequate safe is available to secure the funds when not in use. Under no circumstances should a change fund remain in a remote location during the off season or when there is no anticipated activity for more than fifteen working days. During periods of non-use, the funds should be collected and stored in a central safe or vault to minimize the risk of loss, or returned to the headquarters Cashiering Unit by the Change Fund Custodian.

#### **Change of Custodian (DAM 0610.25-0610.26)**

To transfer responsibility for a Change Fund, the present and the new Custodian jointly audit the fund and prepare a DPR 96, Change Fund Certification and Custodian Change Notice. The new Custodian retains a copy for unit records, gives a copy to the Custodian being relieved, and sends the original to the Accounting Cashiering Unit.

### **04 Transfer of Funds Security**

Within each safe is a log of funds collected for deposit (B-11). The log is filled out each time a collection is deposited into the safe and each time the collection is transferred.

## **05 Bank Deposits/Receipts Security**

An acceptable audit trail requires four types of records; the original accountability sheets (with proper attachments i.e. goldenrod DPR 453's), a summary collection/transport log, deposit slips, and ROC's. Without these documents in some form, the District is exposed to greater risk of loss. The records identified minimize risks from potential thefts and embezzlement schemes that can go undetected.

There should exist a continuous document trail that traces the funds collected from the point of sale to the verification of deposit from the depository.

The transporting of bank deposits to a depository should be performed by permanent employees at a level commensurate with the responsibility and risk associated with that function.

The frequency of deposits must adhere to guidelines outlined in SAM 8024 and DAM 0630 that limit the amount of cash and time that funds may be held in safes. Remote locations and scheduling conflicts that prevent timely deposits to meet SAM/DAM requirements are no justification for noncompliance. If deposits during normal banking hours are not feasible, there are alternatives such as night depositories, bonded pickup services, and purchase of money orders.

Employees performing deposit duties should be restricted to recording the appropriate information on the collection/transport log only. Funds and deposit slips should be sealed in money bags prepared by the kiosk operator. This deposit is transported directly to the bank and not recounted.

DPR 156/156CR's should be attached with corresponding deposit slips and filed with the appropriate ROC which minimizes the risk of irregularities that could go undetected. DPR 156/156CR must include the proper attachments such as voids, goldenrod DPR 453's, and cash register tape transaction record.

All employees involved with the collection and deposit process should be made aware of their role in properly recording appropriate information into the log and to report any noted discrepancies immediately. All entries should be made in ink and any errors lined out and initialed. The logs should periodically be reviewed by someone independent of the collection/deposit process and compared to supporting documents.

## **06 Self Audits**

During the season when kiosks are open, surprise cash counts and spot campground/parking lot reviews should be periodically performed by State Park Peace Officers to monitor kiosk cash handlers for accuracy. Actual kiosk surveillance and direct visitor inquiries are also acceptable methods to detect questionable collection activity. During the height of the season, reviews of this nature should be performed as frequently as necessary but not less than monthly on a spot

basis. Such reviews should also be recorded to identify the date, shift and employee on duty for each spot check.

## "Spot Check" Audit Form

Name \_\_\_\_\_ Date \_\_\_\_\_

Location \_\_\_\_\_

Audited by: \_\_\_\_\_ Time \_\_\_\_\_

\_\_\_\_\_ Floor safe lid in place and safe covered

\_\_\_\_\_ Change fund proper amount

\_\_\_\_\_ Amount in change fund

\_\_\_\_\_ X or Z register (attached tape to left corner)

\_\_\_\_\_ Cash drawer within cash limit

\_\_\_\_\_ Check under register, under tray and around entrance station for loose receipts, money

Currency	Coin	Check	
100 x _____ = _____	1.00x _____ = _____	_____ x _____ = _____	
50x _____ = _____	.50x _____ = _____	_____ x _____ = _____	
20x _____ = _____	.25x _____ = _____	_____ x _____ = _____	
10x _____ = _____	.10x _____ = _____	_____ x _____ = _____	
5x _____ = _____	.05x _____ = _____	_____ x _____ = _____	
1x _____ = _____	.01x _____ = _____	_____ x _____ = _____	
Total = _____	total = _____	_____ (#checks)	= _____ total

Grand total of funds on hand \_\_\_\_\_

Net sale on tape (NS) \_\_\_\_\_

Over/under \_\_\_\_\_

\_\_\_\_\_ Checks are endorsed to state, CDL and expiration listed, what check was used to buy

\_\_\_\_\_ Refund book in order and fill out completely

### Iron Ranger

\_\_\_\_\_ Iron ranger log completed, matches iron ranger receipt attached to DPR 156/156CR

\_\_\_\_\_ Iron ranger envelopes retained, match iron ranger log

**Register tape**

- \_\_\_\_\_ Receipt for iron rangers attached
- \_\_\_\_\_ Has the no sale key been used # of times, reasons listed, receipt attached
- \_\_\_\_\_ Refund slip with original receipt and refund receipt
- \_\_\_\_\_ Refund key used
- \_\_\_\_\_ Misc. key (open) been used, reasons listed
- \_\_\_\_\_ %- key used, reason listed
- \_\_\_\_\_ Misc. and all voids used reason listed

**Pass Records**

\_\_\_\_\_ Check Pass sales records

	Boat/Day	2 <sup>nd</sup> B/D	Day	Day	2 <sup>nd</sup>
Begin #'s (listed 156/156CR) _____	_____	_____	_____	_____	_____
Passes in sequence?	_____	_____	_____	_____	_____
Complete?	_____	_____	_____	_____	_____
Legible?	_____	_____	_____	_____	_____
Current?	_____	_____	_____	_____	_____
	Golden Bear	Limited GB	Disabled		Restricted
Begin #'s listed 156/156CR	_____	_____	_____	_____	_____
Passes in sequence?	_____	_____	_____	_____	_____
Complete?	_____	_____	_____	_____	_____
Legible?	_____	_____	_____	_____	_____
Current?	_____	_____	_____	_____	_____

\_\_\_\_\_ Replacement pass records complete and filled out properly, current

\_\_\_\_\_ Replacement pass #'s listed on the DPR156/156CR log and accounted for.

**Wood Sales**

\_\_\_\_\_ # of bundles on hand

\_\_\_\_\_ # bundles sold, log current

\_\_\_\_\_ funds balance

**Ice Sales**

\_\_\_\_\_ # of bags sold

\_\_\_\_\_ # of bags on hand

\_\_\_\_\_ funds balance

\_\_\_\_\_ At end of shift did accountability differ than at time of audit?

Other items/comments:

Periodic check of your internal controls, as well as a review of pertinent accountability requirements will minimize the substantial losses, which can occur due to employee theft.

Original documents generated from cash collections (DPR 156/156CR, Deposit Slips, **REV. 12/99** Transport Logs, etc.) should be reconciled weekly during the season to ensure accountability on all shift collections and to detect any irregularities in a timely manner. It is the responsibility of every reviewing State Park Peace Officer to promptly notify a supervisor of any deficiencies or problems noted. A corrective action plan should be developed which may include the notification of the Audits Office and Internal Affairs Unit if warranted.

Spot reviews should also be performed periodically when there are limited staffed operations during the off season.

### **Cash Registers**

- Monitor continuous cash register transaction totals for any breaks in numeric sequence from shift to shift. Any undocumented breaks could represent an early “Z”out (sub-total of the register tape) to hide an embezzlement scheme.
- Review “Z”out tapes for excessive no sales, voided transactions and “zero” sales which can be methods to hide embezzlement.
- View the frequency of such transactions identified above on the continuous register tape for obvious patterns. Also note any subtotals and/or “Z”outs during an individual shift for indications of irregularities.
- Require the Park Aids to retain all no sales, voids and zero sales receipts to support ending shift reconciliation to prevent passing of such receipts to the visitor in place of a valid receipt.
- When possible, have the register customer readout display facing the customer so they can witness that the charge is consistent with the readout. Keep the kiosk window clear so as not to hinder the customers view of the register readout.
- Perform periodic spot checks of visitor vehicles for proper display of register receipts. Observe date, time and amounts for inconsistencies that may indicate an embezzlement scheme.
- Have each person operating the register sign and date the continuous tape next to the last transaction when they start and end their shift. All continuous register tapes should be properly dated, stored and retained as accountable documents.

### **Tickets**

- Prior to the start of the season, Districts should take a complete inventory of ticket and pass stock. Records should be maintained in a central log along with all additional orders from the central warehouse. Just as a District must sign for all ticket stock from the central warehouse, so should each sector or park unit be accountable for issues received from the Districts central stock.
- A listing of all serially numbered ticket/pass stock should be maintained at each kiosk and dispensed for use in a logical manner for ease of accountability. A method of securing ticket/pass stock should be available at every kiosk and stock on hand should not exceed a reasonable amount commensurate with that location’s visitation.

- When kiosks are in operation, a spot reconciliation should be done once a month of the ticket/pass stock, by someone other than a Park Aid working at the kiosk.
- Compare each DPR 156 from the first ranger shift to the last to ensure that the numeric sequences of ticket stock are consistent and accountable from one shift to the next. Be alert for inconsistent patterns such as high number of dog or senior citizen tickets being sold that may not be normal for the location. Such techniques are used to pocket the difference from a regular admission ticket.
- Perform periodic spot checks of visitor vehicles for proper display of ticket receipts. Be alert to the type of ticket displayed for possible irregularity as cautioned above.
- When a kiosk is closed for the season, a full inventory of ticket/pass stock should be completed and compared with usage for the season.
- Inventory should be documented and transported back to the District to be centrally stored for the next season. At the earliest convenience, any seasonal ticket/passes that are obsolete should be listed and requested for destruction per DAM 0830.7 and DOM 1425.22.

### **Iron Rangers**

- Access to iron rangers should be restricted to as few employees as possible to limit the exposure of funds collected. Keys to the iron rangers should not be kept in the kiosk where they are accessible to anyone having access into the kiosk. Districts should attempt to standardize a collection time to provide greater control from unknown access that would be difficult to detect.
- If feasible, during the season when kiosks are staffed, iron rangers should be emptied by a duty State Park Peace Officer the morning or ending shift in the presence of a Park Aid. Iron ranger envelopes should be batched and retained for audit purposes.
- Periodic spot checks can be performed to determine patterns of irregularities. Such checks may include, counting total number of envelopes prior to the shift in which collections are scheduled to determine any discrepancies reported by the collector. Check envelope totals that are listed on the DPR156 with batched bundles. Dollar amounts listed on the envelopes do not always reflect the amount enclosed.
- Keys to iron rangers should be stamped “do not duplicate” and inventoried annually. A record of keys, key holders and dates of inventory should be maintained for adequate control and accountability.

### **Park Ur Self**

- Access to Park Ur Self machines should be restricted to as few employees as possible to limit the exposure of funds collected. Keys to the Park Ur Self should not be kept in the kiosk where they are accessible to anyone having access into the kiosk. Districts should attempt to standardize a collection time to provide greater control from unknown access that would be difficult to detect.
- Keys to Park Ur Self should be stamped “do not duplicate” and inventoried annually. A record of keys, key holders and dates of inventory should be maintained for adequate control and accountability.

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- If feasible, during the season when kiosks are staffed, Park Ur Self should be collected by a duty State Park Peace Officer while the kiosks are open and witnessed by the Park Aid on duty.
- Maintain a collection log that at a minimum identifies amounts, dates, ticket numbers and internal counter number. Someone who is not involved with collections for any abnormal inconsistencies or irregularities should review the log monthly.
- Ticket stock for the Park Ur Self should be inventoried and properly secured for adequate control and accountability.

### **Field Collections**

- Field collections should be made using the Miscellaneous Cash Receipt (DPR 176) as an accountable document. Booklets should be assigned to a specific collector and recorded to a master log for accountability. A summary of collections should be prepared (DPR 156) by the collector daily, identifying starting and ending receipts issued to support funds collected. Spent booklets should be signed, dated and returned in exchange for another issue.
- The used booklets should be retained as an accountable document for audit purposes. Periodic checks between reported collections and DPR 176's could be performed to detect any irregularities.

### **Miscellaneous Sales**

- The procedures and controls in place for handling collections from admissions should also apply to miscellaneous sales such as firewood, maps, brochures, etc. This also applies to funds collected on behalf of a cooperating association or anytime employees are handling funds that are not deposited into the State account. However, non-state funds must never be co-mingled with state funds.
- Profit and Loss statements should be prepared in order to determine the accuracy of reported sales. This requires at least a beginning and ending inventory.
- Monthly inventories should be performed and compared with monthly sales reports to detect any irregularities. Large discrepancies warrant additional review to determine cause.
- Excess inventory should be properly secured and access limited to as few people as necessary for the operation. A log of stored or warehoused inventory should be maintained to include the transfer and/or issue of stock.

### **Promotional & Complimentary Passes**

- A listing of all eligible promotional and complimentary passes should be available at all collection points and made known to the Park Aids. The list should be maintained and updated to ensure proper handling.
- Such passes should be exchanged for an appropriate admission receipt, with the pass being retained and attached to the DPR 156/156CR to support and offset the

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created by the admission. Before accepting, be sure all passes are properly completed with any required information.