



City of El Paso

Cash Management Policy

September 1, 2021

Prepared by:
Office of the Comptroller
Treasury Services Division

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The mission of the Office of the Comptroller is to provide fiscal management and financial reporting, administer treasury services and provide grant accounting information to City Management and elected officials so that they can make informed decisions regarding the provisions of City services.

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Note: The administrative policies outlined herein supersede all previous administrative policies in place prior to September 1, 2021, that may have been included in memorandums, emails or other means of communication. All questions or conflicts with departmental policies or procedures should be directed to the Treasury Services Division in the Office of the Comptroller at (915) 212-1173.

CITY OF EL PASO
Cash Management Policy

1.0 Purpose

This policy outlines the administrative policies with respect to the management of cash throughout the City. The Treasury Services Division of the Office of the Comptroller is responsible for the timely and accurate cash flow analysis and cash fund movement to ensure safety, liquidity, and an appropriate yield. This policy encompasses deposits, disbursements, and other cash transactions. Failure to follow any of these procedures may result in employee discipline, up to and including termination of City of El Paso (City) employment.

2.0 Definitions

Change Fund - A designated amount of money to be used for receipting monies and providing change when needed. This is typically used for the operation of cash registers.

Counterfeit Currency - A copy of currency with the intent to deceive.

Investments - The management of investments is governed by the City's Investment Policy.

P-Card - Otherwise known as a procurement card, it is the credit card that is used to facilitate small dollar purchases.

Non-Sufficient Check - A check received by the City that was not honored by the issuing bank for any reason; also known as NSF.

TSD - Treasury Services Division of the Office of the Comptroller.

Unclaimed Property - A check issued by the City that has not cleared the issuing bank account and is no longer in the City's possession. The check has been transferred to the possession of Texas Unclaimed Property, a division of the Texas Comptroller.

Wire Transfers - Electronic movements of funds with a Request for Wire Transfer of Funds form and backup substantiating the payment.

3.0 Introduction

The purpose of the cash management function is to fulfill the fiduciary responsibilities of the City and its departments in handling, safeguarding, and investing the funds of the City. This Cash Management Policy provides guidance on the handling of cash and internal controls to assure the safety of the cash.

4.0 Management of Cash

- 4.1** The City's accounting system and depository bank's on-line system will provide the general ledger account position of the bank activity concerning cash balances.
- 4.2** All City bank accounts shall be carried in the name of the City with additional secondary designations within the bank account name as to purpose of the bank account, where appropriate.

5.0 Depositing of Funds

- 5.1** In accordance with City Charter, Section 7.7 – Depositories, all monies received by any person in any department, in connection with the business of the City, shall be deposited promptly into a City depository account within one business day after its receipt.
 - a. All funds received by the City should be in connection with the business of the City. Under no circumstances should any checks be cashed and/or substituted for cash on hand.
 - b. All checks received should be dated with the current date. The City shall not accept post-dated checks.
 - c. In no instance should the cash handler alter or complete blank portions of the receipted checks in any way.
 - d. All checks received for payment should be processed as follows:
 - i. verify that the check signer's name, address, and phone number are printed on the check
 - ii. verify and write current ID number (Texas driver's license or Texas identification card) on the face of the check
 - iii. initial and date the check stub or envelope with the date received in order to document timeliness of payment
 - iv. no temporary checks should be accepted
 - v. only checks drawn on U.S. financial institutions should be accepted
 - vi. no third-party checks or payroll checks should to be accepted
 - vii. verify the numerical amount agrees to the written amount

- e. In order to maintain an efficient cashiering service at the different locations where the City accepts payments, the City's policy regarding reasonable amounts and denominations of coinage the City will accept as a form of payment is:
 - i. City personnel will not accept over \$10 in unrolled coins or \$20 in rolled coins in sleeves per payment
 - ii. Customers will indicate their name and phone number on each roll in order to provide contact information in the event questions arise on the coin roll
- 5.2** Departments must ensure that all monies are safeguarded at all times in a safe secured lockbox or secured money bag. Access to all safes should be limited to no more than three individuals, one being a supervisor.
- 5.3** Deposits may be submitted to the bank via armored car at the department's expense or may be taken to the bank by the individual(s) assigned by the department. Occasionally, department(s) may submit their deposit to the City's Cashier for processing but these incidents should be rare. All deposits of checks and cash are to be made to the bank in secure bags with identifying deposit slips indicating the amount and location of collection for tracking.
- 5.4** All departments that have a cash collection system in place should use a pre-numbered deposit slip system.
 - a. A flowchart of each collection point should be documented and updated by each department as needed, but not less than annually.
 - b. Monthly reconciliations are to prepared at the departmental level to confirm that all receipts have been recorded in the general ledger. A designated employee at the departmental level is to prepare and document those reconciliations.
- 5.5** Under no circumstances are employees authorized to take from collected receipts to pay for expenses for any purpose. All collected receipts are to be reconciled to the pre-numbered deposit slip system in place and any discrepancies are to be documented by the collector, and approved by the supervisor in charge.
 - a. Case I: An employee collects entrance fees for a special event. An employee may not take from this collection and pay for expenses of the event. There should be no comingling of receipts and related expenses.
 - b. Case II: Employee A collects cash from daily collections and Employee B requests reimbursement for office supplies from the daily collections. Employee A should not reimburse Employee B out of the daily collections.

- c. Case III. Employee A works 5 hours at a Parks' event. Employee B is managing the cash collection system at the door to the event. Employee A requests \$50 for his work at the Park event. Under no circumstance is Employee B to pay Employee A. Employee B should refer Employee A to the Parks' payroll division for the processing of paperwork for payment of hours worked.

- 5.6 Supervisor will keep a log on overages/shortages by cashier. This log should be reviewed to identify cash handling problems. On any overage/shortage the cashier(s) will write an explanation as to what happened. The supervisor will advise cashier(s) if the overages/shortages of more than \$10.00 will result in a verbal counseling being placed in the cashier's personnel file, which could be used as grounds for termination or disciplinary action. There will be no "force balancing" of the cashier's change fund. A copy of the Change Fund Overages/Shortages Report will be submitted to TSD each month after balancing the last deposit of the month.
- 5.7 Access to the cashiering area is restricted to cashiering personnel only. A supervisor must be notified of anyone having a need to access the cashiering area for any reason including business, to perform maintenance, or work of any kind inside the cashiering area. This individual must be kept under supervision at all times while in the cashiering area.
- 5.8 Each cashier is assigned his or her own cash box and must not allow anyone to access his or her cashier box. The cash box may be subject to verification by a supervisor or TSD at any time.
- 5.9 Each cashier is responsible for securing his or her cash drawer at all times. Money should be secured in his or her assigned locked money bag, cash drawer, or safe.
- 5.10 Each cashier must follow the Cash Management Policy. Other specified and established work duties may be incorporated into the cashier's workflow provided such duties do not reduce the controls established in this Cash Management Policy.

6.0 Credit Card Processing

TSD is responsible for city-wide coordination of acceptance of credit cards for payments to the City. Please refer to the Credit Card Policy for additional guidance.

7.0 On-Line Payments

- 7.1 The TSD is the point of contact for the coordination of on-line payments and is the credit card merchant administrator.
- 7.2 Payments can be made with a credit card or through an ACH transfer. This should be coordinated with TSD.

- 7.3 Website maintenance will be coordinated with the department, TSD and the IT Department.
- 7.4 Each department is responsible for posting its own revenue and fees. Reconciliation of payments to the general ledger are to be done on a monthly basis.
- 7.5 Under no circumstances should a single individual be responsible for both, the receiving and recording of revenues. If personnel are not available to segregate these functions, please contact TSD.

8.0 Disbursement of City Funds

- 8.1 All disbursements of City funds will be approved by the Comptroller and countersigned by the City Clerk or other designees as authorized by resolution of City Council. All checks will be processed from the City's automated accounts payable system. Distribution of checks shall be handled by the Office of the Comptroller per the Accounts Payable Manual.
- 8.2 User departments may designate accounts payable vendor checks be made available for pick only if the requesting department has obtained prior authorization from the Comptroller or Assistant Comptroller.
- 8.3 Once checks are mailed through the US Postal Service, the check is considered distributed and cannot be accessed.
- 8.4 Wire transfers of funds will be initiated by TSD. Authority to transfer monies shall be documented through the Request for Wire Transfer of Funds form to the TSD. All wire transfer requests must provide the following:
- a. Bank letter with wiring instructions from the beneficiary's bank.
 - b. Request for Wire Transfer of Funds form properly completed and signed by the employee requesting the wire transfer and the approval signature from a Department Head or Business Manager.
 - c. Backup documentation supporting the wire (invoice, purchase order number, purchasers' statement, memo – if applicable, etc.). TSD reserves the right to ask for more information as deemed necessary.
 - d. All wire transfers will require a dual-approval process initiated by TSD and seconded by City's Comptroller or designee.
- 8.5 Refer to addendum Wire transfer required information for additional requirements

9.0 Returned Checks/Non-Sufficient Funds Checks (NSF)

- 9.1 TSD initially handles NSF checks. Municipal Court, Airport and Ambulance Services checks are forwarded to the respective department for special handling.

- 9.2 Upon receipt of an NSF check, TSD will provide a copy of the returned check to the appropriate department and request the accounting information to adjust the appropriate cash and revenue accounts to which the monies were originally recorded. If the check was applied to an accounts receivable invoice, an invoice will be generated showing the amount unpaid. TSD will coordinate with the appropriate individual in the Accounts Receivable section of the Office of the Comptroller.
- 9.3 TSD will promptly notify the payer via a letter after the NSF check is received. The payer has ten (10) business days after receipt of the letter to respond to the City.
- 9.4 The payer may submit the payment (money order or cashier's check) via US Mail to TSD's attention. If paid in-person, the payer must go to City Hall 1 and request to speak to the TSD first in order to request the information required to be taken to the City Cashier's and to allow TSD to review the NSF check disposition. Payer must pay with cash, cashier's check or money order.
- 9.5 At no time will departments accept payments to clear NSF checks. Payment must be made at City Hall 1.
- 9.6 Once the payment has been deposited, an entry to the appropriate cash and revenue accounts will be recorded and the originating department will be notified. If available, the original NSF check will be returned to the payer at the time of payment resolution.
- 9.7 If payment is not received within the 10 days allowed by the TSD, the check will be sent to the County of El Paso Hot Check Section for collection. Once the check is turned over to the County Hot Check Section, the payer must resolve the matter with the County.

10.0 Unclaimed Property

- 10.1 Unclaimed property is considered unclaimed after a period of time that a check remains outstanding on the TSD bank reconciliation. If after one (1) year the check is still outstanding, it will be considered unclaimed.
- 10.2 Unclaimed property will be transferred to the Texas Comptroller's Office as required by state law. On July 1 of each calendar year, a report will be submitted with all applicable funds to the State Comptroller's Office.
- 10.3 Accounts Payable may void and reissue old/stale dated checks in an effort to notify/pay vendors for City checks that remain outstanding prior to the time frame stipulated in 10.1 above.

11.0 Change Fund

- 11.1 Change funds shall only be used to fund cashier's drawers and provide change after a transaction.

- 11.2 Every department that utilizes a change fund shall have a completely executed Change Fund Setup/Increase/Decrease Form on file with the TSD.
- 11.3 The City of El Paso Internal Audit Department will audit the change funds on a periodic basis.
- 11.4 The Department Head must confirm to TSD that there is a separation of duties and must identify the following on the City of El Paso Change Fund Authorization Form:
 - a. The primary custodian who is directly responsible for the safekeeping and disbursement of the cash.
 - b. The secondary custodian who substitutes during the absence of the primary custodian.
- 11.5 All overages and shortages shall be accounted for using the Change Fund Overages/Shortages Report.
 - a. Departments that have a change fund should only use the change fund to supply monies to the department's cashiers' drawers and to make change. The amount of the fund shall be reconciled monthly to monitor for overages/shortages.
 - b. If the reconciled amount is an *overage*, the monies should be turned in to the City Cashier. The change fund overage/shortage account should be credited and the general cash account should be debited. The form should be turned in at the time of the identification of the overage. In either case, the change fund will NOT be increased on the general ledger for this amount and should be accounted for separately by the City Cashier.
 - c. If the reconciled amount is a *shortage*, the form Change Fund Overages/Shortages should be used.

12.0 Account Receivable Payments

All payments related to Accounts Receivable must be sent to Accounts Receivable at the Office of the Comptroller (only for those departments that do not have an accounts receivable function in their department) for proper application to the corresponding Accounts Receivable invoice in the PeopleSoft System.

13.0 Counterfeit Currency

- 13.1 If you receive counterfeit currency:
 - a. Refuse the counterfeit currency
 - b. Contact TSD at 212-0040

- c. Note the passer's name, the passer's description, as well as that of any companions, and the license plate number of the vehicle used

14.0 Procedures for Posting of Incoming Cash Wires and Wire Transfers

- 14.1** Some transactions will have a Journal ID 'TR' prefix with a PeopleSoft generated number and will be posted with the date of the banking activity. This is being done to assist with posting cash wires to the general ledger on a timely basis. These types of transactions are postings that already have a designated accounting string and have a unique identification sequence that PeopleSoft automatically utilizes for posting through the Treasury module into their corresponding accounts.
- 14.2** All other incoming cash wires will be assigned a unique transaction identifier of 'CW' and the fiscal year. TSD will assign all outgoing wire transfer transactions with a 'WT' number and the fiscal year. TSD will notify the departments via email of the deposits and payments being assigned to their department for posting of these transactions. These (CW #'s and WT #'s) are to be used when the department is posting these transactions into PeopleSoft via a journal entry in the general ledger. This will allow TSD to verify that these cash wires have been posted.

15.0 Cash Donations

- 15.1** All donations under \$50,000 with no restrictions should be deposited immediately into the City's depository account in accordance with this Cash Management Policy. All cash donations must be recorded in the general ledger.
- 15.2** Departments must notify the TSD that funds have been donated to the City. If the funds need to be budgeted, the recipient department will need to work with OMB to appropriate the funds. In the event that the donation has a restriction, the department will confirm with Legal whether the donations can be accepted to allow appropriation.
- 15.3** In accordance with the current budget resolution, the City Manager or designee is authorized to appropriate funds associated with donations made to the City under the amount of fifty thousand dollars (\$50,000). All donations in excess of this amount shall be taken to City Council for acceptance and appropriation. It is the responsibility of the recipient department to place this item on the City Council agenda.

Appendix 1 - Cash Management Policy Forms

Change Fund Setup/Increase/Decrease Form

Change Fund Authorization Form

Change Fund Overages/Shortages

Request for Wire Transfer of Funds

Wire transfer required information



City of El Paso
Office of the Comptroller
Cash Management Policy
Change Fund Setup/Increase/Decrease Form

Department Name:			
Department Head Printed Name:		Department Head Signature:	
Primary Change Fund Custodian Printed Name:		Primary Custodian Signature:	
Date:			
Original Fund Amount:			

Type of Action	Amount	Dept. ID	Fund	Division	Account	Printed Name of Staff Requesting Account	Signature of Staff Requesting Account	Date of Request
					104500			
Comptroller Approval Signature								

Form Instructions:

1. A memo from the respective department head justifying the appropriate type of action must accompany this form.
2. Enter department name.
3. Enter department head printed name and signature.
4. Enter primary change fund custodian printed name and signature.
5. Enter date of request.

To Setup or Increase Change Fund:

1. Amount: If setting up initial change fund amount enter "None" in the Original Fund Amount. If increasing the change fund amount enter the current imprest amount.
2. Type of Action field: If setting up initial change fund amount enter "Initial Setup." If increasing the change fund amount enter "Increase."
3. Amount: If setting up initial change fund enter the desired amount. If increasing the change fund amount enter the desired amount of increase.
4. Enter department ID.
5. Enter the department fund and division.
6. Forward form and signed memo to Office of the Comptroller for Comptroller approval.
7. Account field will be 104500 for Change Fund.
8. Office of the Comptroller, Treasury staff will sign and date when account is posted in PeopleSoft and a copy will be forwarded to department.

To Decrease Change Fund:

1. Imprest Amount: Enter the current imprest amount in the Original Fund Amount.
2. Type of Action: Enter "Decrease."
3. Enter department ID.
4. Enter department fund and division.
5. Forward form and signed memo to Office of the Comptroller for approval signature.
6. Account field will be 104500 for Change Fund.
7. Office of the Comptroller will forward form back to change fund custodian. The custodian will make a copy for the change fund file and take the original form and the cash amount of decrease to City Hall 1 Cashier.
8. City Cashier's will receive cash, post to account on form and give a receipt to change fund custodian. The receipt shall be attached to the form copy in the department's change fund file.



**City of El Paso
Office of the Comptroller
Cash Management Policy
Change Fund Authorization Form**

To: Treasury Services Division Date: _____
From: _____ Title: _____

Department: _____

Department Head Signature: _____
RE: Department Change Fund Authorization

The following employees are authorized to handle Change Fund as indicated for the department listed as of the above date. This list supersedes previous lists.

Employee Name	Type of Authorization	Signature of Authorized Employee

Form Instructions:

1. Date: Enter date form authorized by department head.
2. From: Enter name of employee preparing form.
3. Title: Enter title of employee preparing form.
4. Department Name: Enter name of department.
5. Department Head Signature: Department head shall approve form with signature.
6. Employee Name: Enter printed name of employee. Only enter the names of employees that will be authorized to handle change fund.
7. Type of Authorization:
To ensure a separation of duties, employees that authorize shall not have ability to receive and disburse. Departments that post change fund transactions to PeopleSoft shall not allow change fund custodians to post accounts.
 - a. Authorize (AU) – Authorized to approve change fund transactions.
 - b. Receive (RE) – Authorized to receive cash from change fund custodian and City Cashier.
 - c. Cashier Function (CF) – Authorized to provide change, include primary and secondary change fund custodian.
8. Primary and secondary change fund custodians must be identified.
9. A current copy shall be kept in the department’s file and City Cashier’s file.



**City of El Paso
Office of the Comptroller
Cash Management Policy
Change Fund Overages/Shortages Report**

Department: _____

Custodian: _____

Phone Number: _____

Type of incident and amount:

Incident	Amount
Shortage	\$
Overage	\$

Explanation:

Custodian Signature (Date)

Department Head Signature (Date)

If shortage is over \$100, form should be approved by the Office of the Comptroller:

Comptroller (Date)

For City Cashier to Enter:

Fund	Department ID	Account	Receipt No.

Form Instructions:

1. Enter department name, change fund custodian name and phone number.
2. Enter shortage or overage amount.
3. Explain in detail the cause of shortage or overage.
4. Date and signatures of custodian and department head are required.
5. Fill out the appropriate account numbers for City Cashier to enter.
6. Submit to the City Cashier at City Hall 1 for entry.

City of El Paso
Office of the Comptroller
Request for Wire Transfer of Funds

Processing Verification		
	Initials	Date
Data Entry	_____	_____
Batch #	_____	_____
Reconciliation	_____	_____
Cancelled	_____	_____

Doc No.	WT #	Vendor No.	_____
Acct No.	_____	Vendor Name	_____
ABA No.	_____	Bank Name	_____
	_____	City	_____
		Other	_____

Project	Grant	Division	Fund	Department ID	Account	Amount
						0.00
Description >>>>>>>>>>						
Description >>>>>>>>>>						
Description >>>>>>>>>>						
Description >>>>>>>>>>						
						Amount Total
						0.00

Date Transfer To Be Made

Signatures	
Please sign and date where appropriate	
Requested by: _____	_____
Reviewed by: _____	Comptroller
Transferred by: _____	City Clerk



City of El Paso Wire transfer required information

1. Wire transfer or book transfer form filled and signed
 - a. Request for Wire Transfer of Funds
 - b. Request for Book Transfer of Funds
2. Bank account number to debit and credit if it is a book transfer
3. Letter from beneficiary's bank with the following information:
 - a. Routing number
 - b. Account number
 - c. Bank name
 - d. Bank address
 - e. SWIFT/BIC code if it is a foreign bank
4. Total dollar amount to transfer
5. Date the transfer is to be made
6. Description of what the transfer or payment is for/about
7. Dual signatures are needed, must include a Director, Department Head or Business Manager
8. If contract related Legal's signature must be visible in contract approval
9. Backup to support the book transfer and/or wire transfer request including the email with the request
10. If debt include the following:
 - a. Debt Service Schedule
 - b. Corporate Trust Services invoice
11. If wire is to a title company include the following:
 - a. Purchaser's Statement with GF number
 - b. Email from department requesting the wire
 - c. Real estate sales contract with signatures
 - (1) Legal's signature must be present in contract approval
12. If wire is to a bank outside of the United States
 - a. SWIFT Code
 - b. IRC#
 - c. Bank name and address