



Policy 5.7 Cash Management

Adopted by Library Board of Trustees: 1/27/2010
Revised: 3/22/2012; 9/26/2013; 02/26/2015

To provide guidelines for receiving, handling, reporting and disposition of cash, check, and electronic receipts by NOLS libraries and other petty cash funds held by NOLS libraries. Cash management procedures are contained in separate documents.

As a public entity, the North Olympic Library System (NOLS) is periodically audited by the State Auditor's Office. An essential element of the audit is a test of the Library's controls regarding receiving, handling, reporting and disposition of cash receipts. This policy sets forth the standards and requirements for handling cash receipts.

1. Appointment of cash custodians

Each Library Manager is officially appointed the custodian for all NOLS funds in the care of their libraries, which include daily cash receipts and imprest cash funds. The Library Managers may delegate custody of these funds to another staff member.

2. Imprest funds

Each library location is provided with an imprest change fund sufficient to provide operating funds for the cash register. Board of Trustees approval is required to increase or decrease the quantity of cash in a library branch change fund.

Administrative Services maintains several imprest checking accounts for various operational functions. Board of Trustees approval is required to create or close these accounts and to increase or decrease the fund balance of a petty cash checking account.

3. Handling of cash receipts

All official funds, including donations to NOLS from patrons, are processed through the cash register. Only bank deposit bags may be used for storing, shipping and receiving NOLS funds.

Cash receipts shall be submitted to Administrative Services on a daily basis for the Sequim Branch Library and the Port Angeles Main Library. The Clallam Bay and Forks Branch Libraries have the option of submitting deposits on a daily or weekly basis. Each branch must follow NOLS branch cash management procedures for balancing and submitting cash.

All deposits must be forwarded to Administrative Services in their entirety. No cash receipts may be held back for any purpose, including that of making change.

Whenever possible, cash counts shall be performed by two authorized staff members. Alternatively, cash may be counted by one staff member and the deposit verified by a second staff member. If a second staff member is not immediately available to verify the cash transmittal, the

deposit must be locked up and held until a second staff member is available to verify the deposit. In the event that this happens, the supervisor or next shift must be made aware that the deposit is unverified and waiting for completion. Staff should also notify Admin Services of the delay in submission.

Cash receipts must be properly protected during operating hours and secured overnight in a locked drawer or cabinet or other location approved by the Library Manager.

Since the Library's cash operations are an important portion of NOLS revenue, Library Managers are expected to spot check their library's cash operations. Each manager must periodically review and initial the cash register tapes and cash transmittal reports. Significant anomalies (\$10 or greater) must be initialed by the Library Manager before submitting to Administrative Services.

Administrative Services will process and verify branch cash receipts on the day they are received. Administrative Services must verify and record Electronic Funds Transfer (EFT) receipts weekly. A check from the appropriate imprest checking account for EFT receipts shall be included in the deposit each week.

Cash receipts from Library branches shall be deposited regularly at the Clallam County Treasurer's office to minimize the amount of cash held on Library premises. Administrative Services shall balance the Library's internal accounting system against the County Treasurer's record of cash receipts each month.

4. Other restrictions

Only U.S. currency and personal checks will be accepted. Neither patrons nor staff are allowed to cash personal checks.

All patron refunds must be processed through Administrative Services following NOLS patron refund request procedures and using the patron refund request form. Patron refunds must never be given from the cash register.

5. Excess cash and budgeted funds

The Library's cash account in the Clallam County Treasurer's Office shall retain only enough cash to pay monthly expenses. All excess cash shall be swept into a suitable investment account each month.

At year end, the Library Director shall consult with the Board of Trustees Finance Committee members to determine the disposition of excess budgeted funds. Transfer of funds shall be approved by Board resolution.