

## CASH RECEIPTS

<b>Policy Number:</b>	<b>FIN-103</b>
<b>Effective Date:</b>	<b>Approved by the Board of Trustees of the Eastern Washington State Historical Society (EWSHS) on May 5, 2021.</b>
<b>Application:</b>	Applies to all employees, board members, volunteers and contractors of the <b>EWSHS</b> .
<b>History:</b>	This policy updates and renumbers BP #116 dated February 1, 2017. BP #116 replaced HR #210, Deposit Policy.

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### Article I PURPOSE

1.1 This Policy is being implemented consistent with the EWSHS's obligation to adopt policies for handling of local cash receipts pursuant to Washington State Administrative and Accounting Manual (SAAM): Policy 85.20 Revenue and Cash Receipts, 85.24 Revenue and Cash Receipts - Illustrative Entries, 85.50 Cash.

### Article II POLICY STATEMENT

2.1 This policy contains the requirements for EWSHS's management and handling of cash receipts.

### Article III DEFINITIONS

3.1 Cash Receipts - Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, interagency payments (IAP), or electronic fund transfers (EFTs) received by a state agency during a period regardless of when the moneys are earned.

3.2 Change Accounts - Accounts used solely for making change in across-the-counter cash transactions.

3.3 Check - A written order on a bank to pay on demand a specified sum of money to a named person, out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It also differs from a voucher in that the latter is not an order to pay.

3.4 Credit Card - A card entitling the holder to buy services or goods on credit.

3.5 Point Of Sale - An electronic payment system in a merchant location where consumers pay for retail goods and services, through the use of credit cards and/or debit cards that directly access and deduct funds from the customer's bank account.

3.6 Refund - An amount paid back or credit allowed because of an over-collection or because of the return of merchandise.

**Article IV**  
**RESPONSIBILITIES FOR ADMINISTRATION AND COMPLIANCE**

4.1 Collection of Cash: The Executive Director shall ensure that collections made over the counter or in the field by EWSHS are documented by issuance of an official receipt or through cash registers or automated cashing systems.

4.1.1 Receipts must be issued in numeric sequence and that sequence must be strictly controlled.

4.2 Records of Receipts. The Executive Director will ensure that EWSHS maintains daily cash receipt records reflecting all daily receipts by account and source. Where cash registers or automated cashing systems are used, this can be the machine generated control tape or electronic daily transaction register.

4.2.1 It is not necessary to issue cash receipts for remittances received through mail, but the Executive Director and Chief Financial Officer shall ensure that other internal control procedures are established to ensure proper accounting of such remittances.

4.3 Reconciliation: The Executive Director will ensure that receipts are counted and reconciled with cash receipt records and local account deposit slips on a daily basis.

4.3.1 In the event of any differences between the deposits and records of receipts, the Executive Director shall ensure that such discrepancies are investigated and resolved and properly posted in the General Ledger.

4.4 Cash Over and Short: The Executive Director will ensure that cash over and short will be separately recorded in the EWSHS accounting records. The Executive Director will ensure that the necessary entries are made to properly reflect cash over and short in the General Ledger.

4.4.1 Revenue Source Code 0490 "Cash Over and Short" is to be used to record the amount of overage or shortage so that the total recorded in the General Ledger agrees with the amount deposited. Revenue Source Code 0490 provides a record on the books of the agency of the amount and the frequency of overages and shortages.

4.4.2 Recovery of cash shortages or redistribution of overages is to be processed through Revenue Source Code 0490.

4.4.3 The balances of Revenue Source Code 0490 and the transactions affecting these balances are to be analyzed regularly and controlled to reduce the possibility of misappropriated cash.

4.5 Deposits of Cash Receipts: Generally cash receipts must be deposited intact each day for the collections of the previous day in accordance with SAAM 85.50. Local account deposits will be controlled and documented by the use of bank deposit slips.

4.6 Prudent Collection Processes: The EWSHS will exercise prudent cash management in the handling of cash receipts. The Executive Director will ensure that the Museum's receipting policies ensure the most efficient and timely collection possible and minimize the cost of collection. Consistent with SAAM, Chapter 40, EWSHS may use lock box, electronic fund transfer and with approval from OFM, credit and debit cards as receipt mechanisms to collect amounts due to the agency.

4.7 Non-Revenue Receipts: If EWSHS receives non-revenue receipts which include, but are not limited to, recovery of expenditures, canceled warrants, refunds of forgeries, State Employee Insurance Board Insurance premium refunds, undistributed receipts, and interagency reimbursements, such amounts will be classified and recorded as non-revenue receipts in the General Ledger.

4.7.1 Receipts for recoveries of authorized current appropriation expenditures represent an offset to current appropriation allotment charges and are recorded either using Revenue Source Code 0902 "Recoveries of Current Appropriation Expenditures" or as a credit against the current appropriation expenditure that was originally charged. Entries needed to clear Revenue Source Code 0902 and adjust the current appropriation allotment charges are to be recorded at least monthly.

4.7.2 Receipts for recovery of an expenditure charged against a prior appropriation are recorded with a credit to GL Code 3210 "Cash Revenues" using Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority" and do not offset current appropriation allotment charges.

4.8 Undistributed Receipts: If there is difficulty in determining an account and source, EWSHS will seek permission from the Office of State Treasurer to deposit those receipts into Account 01R "Undistributed Receipts." When the source and account is identified, a Journal Voucher document must be submitted to Office of the State Treasurer transferring the funds from Account 01R to the proper account. The Journal Voucher document is to be restricted to information pertaining to transfer of amounts from Account 01R to the proper account and not commingled with other transfer transactions.

4.9 Receipts Placed in Suspense: If daily receipts are identifiable by account, but cannot be immediately allocated to a specific revenue source, the transaction can be credited to the applicable account and classified as Revenue Source 0920 "Items Placed in Suspense." Efforts will then be made to determine the proper revenue source code, and to clear the Revenue Source Code 0920 which shall have a zero balance at the end of the year. Receipts which are to be applied or refunded at a later date or moneys contingent on an unknown final disposition, and not subject to the Undistributed Receipts procedure above, are to be transmitted to the Office of the State Treasurer and deposited in the State Treasury by a credit to Account 01P "Suspense Account."

4.10 Refunds of Revenue: If event fees or other payments collected and deposited by the EWSHS are subsequently determined to be erroneous or excessive, the EWSHS may refund the overpayment in accordance with RCW 43.88.170 and 43.01.072 through 43.01.075.

4.10.1 Refunds may be made when there has been an error with respect to:

4.10.1.1 The amount of fee or payment collected;

- 4.10.1.2 The necessity of making or securing a permit, filing, examination or inspection;
- 4.10.1.3 The sufficiency of the credentials of the applicant;
- 4.10.1.4 The eligibility of the applicant for any other reason; and/or
- 4.10.1.5 The necessity for payment.

4.10.2 Unless an appropriation exists for such a refund, it is to be accounted for as a reduction of the revenue initially credited upon receipt of the overpayment.

4.10.3 No refund shall be authorized where the amount is two dollars or less unless demand for the refund is made within six months of the overpayment.

- A. 4.11 Subsidiary Records: Subsidiary records are to be used to record actual and estimated revenues by account and revenue source. In some cases, however, to allow for proper financial control and analysis, reporting revenues at a lower level may be required. Subsidiary records are to balance with general ledger control accounts.

**References that apply to this policy**

SAAM,Chapter 85.20	SAAM,Chapter 85.24
SAAM, Chapter 85.50	SAAM, Chapter 40
RCW 43.88.170	RCW 43.01.072 through 43.01.075

## **CASH RECEIPTS ADMINISTRATIVE PROCEDURE**

- Policy Number:** FIN-104A
- Effective Date:** Approved by the Executive Director of Eastern Washington State Historical Society (EWSHS) on May 5, 2021.
- Application:** Applies to all employees, board members, volunteers and contractors of the EWSHS.
- History:** This Administrative Procedure updates and renumbers the Administrative Procedure for Board Policy 116.
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### **Article I PURPOSE**

1.1 This Procedure is consistent with the EWSHS's Executive Director's obligation to adopt procedures for handling local cash receipts pursuant to Washington State Administrative and Accounting Manual (SAAM): Policy 85.20 Revenue and Cash Receipts, 85.24 Revenue and Cash Receipts - Illustrative Entries, 85.50 Cash.

### **Article II POLICY**

2.1 The procedures in this administrative procedure do not override the policies and procedures in SAAM. SAAM governs the local cash receipts policies and procedures if there are any conflicts between this administrative procedure and SAAM.

2.2 The Executive Director has ultimate responsibility to maintain proper process for local cash receipts.

### **Article III DEFINITIONS**

**3.1 CASH RECEIPTS** - Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, IAP's (interagency payments, or EFTs) received by a state agency during a period regardless of when the moneys are earned.

**3.2 CHANGE ACCOUNTS** - Accounts used solely for making change in across-the-counter cash transactions.

**3.3 CHECK** - A written order on a bank to pay on demand a specified sum of money to a named person, out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It also differs from a voucher in that the latter is not an order to pay.

**3.4 CREDIT CARD** - A card entitling the holder to buy services or goods on credit.

**3.5 POINT OF SALE** - An electronic payment system in a merchant location where consumers pay for retail goods and services, through the use of credit cards and/or debit cards that directly access and deduct funds from the customer's bank account.

**3.6 REFUND** - An amount paid back or credit allowed because of an over-collection or because of the return of merchandise.

#### **Article IV PROCEDURE**

4.1 Cash receipts are collected as charged for photocopying and reimbursement for limited supplies.

4.2 The Fiscal Analyst, Visitor Services staff, Store Manager, Archivist, Cafe staff, and Member Services Representative collect cash receipts for services or supplies provided and then gives a pre-numbered, dated, itemized and signed receipt to the recipient of the services or supplies. In addition to the Fiscal Analyst, Visitor Services staff, Store Manager, Archivist, Café staff and Member Services Representative, a second staff member initials and dates the receipt.

4.3 All cash receipts are immediately placed and kept in a locked safe by the Fiscal Analyst. Only the Fiscal Analyst and the Chief Financial Officer have access to the safe.

4.4 Per SAAM, 85.50.20.a, cash receipts for deposit in local accounts, established pursuant to RCW 43.88.195 or other statutory provision, are to be deposited intact each day for the collections of the preceding day unless:

4.4.1 A specific written waiver is granted by the Office of Financial Management, or

4.4.2 Total cash receipts on hand (exclusive of change accounts) are under \$500. However regardless of the amount on hand, local account receipts are to be deposited weekly.

4.5 Per SAAM 85.50.20.b, local funds are to be deposited in public depositories located in the state of Washington.

4.6 Deposits are credited to the appropriate Museum account and object code of payment.

4.7 The Fiscal Analyst prepares a credit memo itemizing the amount and object code of payments. The credit memo is listed on the EWSHS's A45 transmittal record and reflected in the EWSHS's voucher log and ledger.