



Policy #8.6 Cash Management

Adopted by Library Board of Trustees
1/27/2010

Purpose

To provide guidelines for receiving, handling, reporting and disposition of cash and check receipts by NOLS libraries and other petty cash funds held by NOLS libraries.

Background

As a public entity, the North Olympic Library System (NOLS) is liable to periodic audit 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 Library staff are expected to meet and the procedures to follow for handling cash receipts.

General Guidelines

- Each Library Manager is officially appointed the custodian for all NOLS funds in the care of their libraries, which include daily cash receipts and petty cash funds. The Library Managers may, at their discretion, delegate custody of these funds to another staff member.
- Each library is provided with a petty cash Change Fund sufficient to provide operating funds for the cash register. If an increase to the existing Change Fund is required, the Library Manager should contact Administrative Services. Approval from the Board of Trustees is required to increase or lower the amount of a library Change Fund.
- Cash receipts shall be submitted to Administrative Services on a **daily basis** for the Sequim Branch and the Port Angeles Main Library. The Clallam Bay and Forks branches have the option of submitting deposits on a daily or weekly basis. Each branch must follow NOLS procedures for balancing cash.
- All deposits are to be forwarded to Administrative Services **in their entirety**. No cash receipts will be held back for any purpose, including that of making change.
- **All** official funds, including donations to NOLS from patrons, are processed through the cash register. No coffee cans, boxes, envelopes or other containers will be used for storing and receiving any NOLS funds.
- 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. When a deposit has not been verified by a second staff member, the Cash Transmittal form must be marked as "Unverified".
- All patron refunds must be processed through Administrative Services following NOLS cash management procedures and using the Refund Request form. **Patron refunds must never be given from the cash register.**
- Cash receipts must be properly protected during operating hours and secured overnight in a locked drawer or cabinet or other location approved by the Administrative Services Manager.

- Since the library's cash operations are a significant portion of NOLS revenue, Library Managers are expected to spot check and review their library's cash operations. A regular part of this process should be to periodically review and initial the cash register tapes and cash transmittal reports on a periodic basis.
- Daily cash receipts from the Port Angeles and Sequim branches, and daily or weekly receipts from Clallam Bay and Forks branches, shall be processed and verified by the Administrative Assistant on the day they are received. Any significant anomalies must be initialed by the Administrative Services Manager.
- Cash receipts from Library branches shall be deposited at the Clallam County Treasurer's office at the end of each business week to minimize the amount of cash held on Library premises over the weekend.
- Deposits to the Clallam County Treasurer's office shall be prepared by the Administrative Services Manager. In the absence of the Administrative Services Manager, deposits must be designated as "Unverified" under the signature of the Administrative Assistant.

Payment Processing

- **Cashing of personal checks by patrons or staff is not allowed.**
- U.S. currency only. Canadian currency and/or coins will not be accepted.
- Due to widespread fraud, acceptance of traveler's checks, cashier's checks and money orders must be approved in advance of the transaction by the Library Manager or staff designated by the Library Manager. These instruments are processed as cash payments.
- Cash management procedures are contained in a separate document.