

	CITY OF DECATUR PERSONNEL POLICY		
Chapter 05	Conduct		
Section 14	Cash Handling Policy		
Revised By:	Nate Mara, City Manager	Revised Date:	February 13, 2026
Approved By:	Nate Mara, City Manager	Effective Date:	February 23, 2026

05.14 Cash Handling Policy

- A) Objective.** To ensure sound procedures and strong controls over the handling and safeguarding of cash; to reduce the possibility of loss or theft; to ensure the reconciliation of records, effective investigation, and resolution of discrepancies; and to mitigate the risk of misappropriation of funds. This policy has been developed to establish a uniform policy for collection, custody, reporting, deposit, auditing, and administration of cash handling.
- B) Responsibilities.** Cash received by the City should be guarded carefully. Each employee, from a front-line cash handler to a Department Manager, is expected to demonstrate a positive attitude in protecting the assets of the City. A clear responsibility lies with management to instill and maintain a cash-handling control system that will prevent, detect, or deter fraud.
- 1) Department Managers have the responsibility to:
 - a) Ensure the safeguarding of City funds;
 - b) Require clearly written and approved procedures for all areas of their department's cash-handling operation;
 - c) Ensure that procedures are in place in their departments to comply with this policy and to assume accountability for exceptions to and deviations from this policy; and
 - d) Report all losses to the Finance Director or the City Manager.
 - 2) Cash Handlers have the responsibility to:
 - a) Use due diligence in handling City assets so that reasonable protection is provided to those assets at all times;

- b) Report all losses to their department manager; and
- c) Report knowledge or suspicions of defalcation or a dishonest act by another City employee to their department manager, the Finance Director, or the City Manager.

C) Definitions.

- 1) Cash Handling - As used in this policy, cash handling describes the receiving, transmitting, safeguarding, and depositing of all funds of any type received by the City.
- 2) Cash Handler - As used in this policy, cash handler denotes any employee whose job description includes responsibility for receiving, transmitting, safeguarding, and/or depositing City funds of any type.
- 3) Cash Discrepancy - A cash discrepancy occurs when a cash handler drawer is over or short.
- 4) Dual Control - A process where two individuals verify funds.
- 5) Single Control - When an individual is solely responsible for funds.
- 6) Segregation of Duties – A process where no single person handles a transaction from beginning to end.
- 7) Chain of Custody – The documented, secure, and traceable process that tracks who collects, counts, transports, and deposits money.

D) Control Standards for Cash-Handling. Procedures should be in place which will ensure that all payments received are processed and accounted for. Each cash-handling operation shall include the controls listed below, as appropriate:

- 1) Maintain strict control over all receipts.
- 2) When warranted, each employee handling money should be assigned an individual cash box or drawer. Funds accepted by a cashier must remain under that cashier's sole control.
- 3) Shared cash drawers accessed by multiple individuals are generally not permitted without written approval of the Finance Director or their designee.
- 4) Maintain strict control over the access to funds. Never leave cash or checks unsecured.
- 5) Place a restrictive endorsement on checks at the time of receipt.
- 6) Use reserve cash for making change only.

E) Safeguarding Funds.

- 1) Strict control must be maintained over the access to funds at all times.
- 2) Dual control over the processing and storage of all cash funds should be used.
- 3) Individuals handling cash should be provided separate and secure work areas.
- 4) Private areas should be provided for cash reconciliation and deposit preparation. Only authorized individuals should be allowed in cash-handling areas.
- 5) Each cash handler is responsible to secure their station. No funds are to be left unattended or unsecured.
- 6) When funds are not in use, they must be stored in a locked location.
- 7) Vault combinations should be limited to the least number of individuals necessary, given the business needs of the department.
- 8) Vault or safe combinations should never be written down.
- 9) Duplicate keys (relating to safe boxes, etc.) will be placed in a locked key box under dual control.
- 10) It is the cash handler's responsibility to immediately notify their supervisor in the event a key is lost.
- 11) No replacement key will be made, but the lock on the cash receptacle in question is to be promptly replaced.

F) Transferring and/or Transporting Funds.

- 1) Chain of custody must be maintained at all times.
- 2) A cash count and reconciliation will occur whenever City funds change hands.

G) Reconciling, Depositing, and Recording Transactions.

- 1) Funds received through Utility Billing and Municipal Court must be reconciled and deposited daily. All other revenue sources must be reconciled and deposited on a weekly basis.
- 2) Confirmation must be sent to the Finance Department.

- H) **Robbery Incident Policy.** Each department should have written procedures for use should a robbery take place. Each department should consult with Decatur Police Department on the development of robbery procedures for their cash-handling environment.

- I) **Record Retention Requirement.** The Texas Local Government Code Local Records Retention Schedule requires the City to retain records pertaining to cash handling for three years after the close of each fiscal year.