Kings Community Action Organization
Administrative Policy

AP 4340
Finance

Cash Receipts

Purpose: To minimize financial risk and provide internal controls over cash receipts.

Definitions

Cash: Refers to actual currency.
Cash Receipts: Refers to all methods of payment received, such as cash, checks and money orders.

Policy

Cash receipts should be protected from misappropriation. Physical access to cash receipts and cash receipt records should be limited to authorized personnel.

Access to computerized cash receipts records is limited to Fiscal staff. Cash receipts are entered in the books of original entry (computerized) by Fiscal staff independent of the mail opening and check logging function.

Cash payments must not be accepted by employees at any time, unless authorized by the Executive Director or his/her designee. Child Care Parent Fees cannot be made in cash; payments must made via check or money order. Cash payments for donations or special events can be accepted by the Executive Director or his/her designee, separate from the deposit preparer. The Fiscal representative must receipt in all cash payments using a designated pre-numbered receipt book.

The Front Desk Administrative Assistant, who has no association with Accounts Receivable, Accounts Payable and the General Ledger duties, shall immediately open, endorse and log any cash receipts on a Check Log.

Once cash receipts have been restrictively endorsed (for deposit-only) and logged, the Front Desk Administrative Assistant will then immediately secure them in the Check Deposit Box. A Fiscal representative, separate from the deposit preparer, shall obtain the cash receipts and Check Log to verify all cash receipts are accounted for.

Acceptance of cash receipts at locations other than the Administration Building is prohibited, unless authorized by the Executive Director or his/her designee.

Acceptance of Fee-for-Service payments or Special Events payments must be authorized by the Executive Director or his/her designee.

Credit card payments must be authorized by the Executive Director or his/her designee.

Deposits shall be prepared by a Fiscal representative, independent of the collection process. All cash receipts shall be deposited at least on a weekly basis, and posted in the appropriate accounting period.
Cash receipts shall always be kept in a locking file cabinet until deposited.

Cashing checks out of currency receipts is prohibited.

Periodically the Finance Director, or his/her designee, will reconcile the Check Log to cash receipts and deposits.

The Executive Director or his/her designee may develop administrative guidelines to enforce a fair and consistent application of this policy.

Adopted by Board of Directors: February 15, 2017