

SOP

Cash & Payment Receipting Procedure

Division: FINANCE

Next Review: 06/2022

Scope: ALL PERSONNEL INVOLVED IN RECEIPTING, HANDLING OR DEPOSITTING CASH, CHECKS OR OTHER FORMS OF PAYMENT RECEIVED ON BEHALF OF THE DISTRICT.

Revised: 06/2020

Approved: 

CKFR Standard Operating Procedure

SOP #3-01

1.0 PURPOSE

- 1.1. Management and staff understand that cash receipting is a very important function of Central Kitsap Fire & Rescue ("CKFR" or "District") and work diligently to process and accurately account for all monies received.
- 1.2. Personnel identified and assigned cash handling duties are responsible for ensuring that proper internal controls over cash handling are practiced including segregating the duties of authorization, custody and reconciliation wherever feasible to do so.
- 1.3. The majority of monies received for deposit are handled through a third party billing agent for patient transports. Revenues from other sources are processed by District staff.

2.0 PROCEDURE

- 2.1. Payments Received by CKFR Staff Via Mail, Night Drop or Walk-in
 - 2.1.1. Attachment 4.1 provides an overview of the payment receipting workflow to be followed by front desk staff.
 - 2.1.2. The Administrative Assistant (or designated back-up as described in section 2.4) opens incoming daily mail at the reception counter which is an area widely observable by other staff.
 - 2.1.3. The Administrative Assistant then reviews any deposits received for accuracy and verifies the payment was properly made to CKFR, is signed, etc. and then enters the payment or donation information into the receipting module of the general ledger and creates a receipt.
 - 2.1.4. Any voided receipts are identified as such and copies are sent to the Accounting Specialist to be retained for file. All voided ARs should be periodically reviewed and approved by the Finance Director.



- 2.1.5. Payments by cash or check for ambulance transports paid directly to the District (not through the third party vendor) may be verified in the records management software by the Operations Administrative Assistant.
- 2.1.6. All checks received are stamped as "Pay to the Order of KeyBank, For Deposit Only Kitsap County Treasurer, Central Kitsap Fire & Rescue" immediately upon receipt.
- 2.1.7. The check and all supporting documentation is scanned and saved to the limited access network location disseminated by the Finance Director or designee.
- 2.1.8. All physical cash and checks received are put in a bank deposit bag and secured in a safe in a locked room until ready for deposit.
- 2.1.9. Per the attached waiver, bank deposits are prepared daily for combined amounts over \$250 and deposited within 24 hours. Aggregate receipts totaling \$250 or less may be held in a secure safe and deposited on at least a weekly basis (five business days excluding holidays). This amount may be modified due to a declared emergency, or as approved by the Kitsap County Treasurer and the Finance Director. Any deviation from this schedule for any reason must be reported to the Finance Director.
- 2.1.10. Deposits are made intact and all payments are deposited without substitution.
- 2.1.11. On the morning of a deposit to the bank, the Administrative Assistant gives all cash and checks to the Accounting Specialist for review/processing.
- 2.1.12. The Accounting Specialist reconciles/checks receipts to confirm the deposit total by generating and comparing totals from the receipt register with totals from the accounts receivable register.
- 2.1.13. The Accounting Specialist then prepares the deposit slip and turns over the deposit to the designated person as indicated in Section 2.4 to transport and deposit the funds in the approved bank and account.
- 2.1.14. That person returns the bank receipt to the Accounting Specialist who scans and tosses the bank receipt in accordance with the District's Scan and Toss SOP and initiates an on-line cash transmittal notification to the Kitsap County Treasurer.
- 2.1.15. After receiving deposit confirmation from the county treasurer's office, the Accounting Specialist posts the deposit in the general ledger



referencing the deposit receipt confirmation number and retains backup documentation stored electronically on the shared drive.

- 2.1.16. Open or unsealed payments received by CKFR staff for non-CKFR entities must be logged and the appropriate representative for that entity must be notified of the payment amount. Cash should be held in the safe until picked up by the designated representative.

2.2. Payments Received by Third Parties

- 2.2.1. All funds collected from third parties are to be deposited into a qualified public depository in accordance with RCW 39.58. Vendors should not deposit public funds in demand or investments deposits except in a public depository located in this state or as otherwise permitted by statute (RCW 39.58.080). Whenever feasible, vendors will settle funds directly into CKFR's Public Deposit Protection Commission (PDPC) approved bank account (RCW 39.58.080). However, if funds are not deposited directly into CKFR's approved account:
 - 2.2.1.1. The receipting provider or payment facilitator should remit the funds to CKFR within 24 hours of receiving them unless the treasurer has granted an exception of up to five days according to state law (RCW 43.09.240), or if the vendor contract's primary purpose includes services in addition to receipting, such as a collection agency, funds will be remitted at least monthly;
 - 2.2.1.2. To the extent possible, vendors will remit payments to CKFR electronically rather than through the mail; and
 - 2.2.1.3. Vendors are to ensure that sufficient safeguards are in place to protect the funds from loss and provide evidence to CKFR of said safeguards on demand.
- 2.2.2. No contract signed by the District should permit vendors to hold any part of CKFR's proceeds except for reserves for returns and chargebacks that are standard to merchant service provider and payment facilitator agreements.
- 2.2.3. Electronic Fund Transfers typically include three parties in the daily oversight thereof: The county treasurer's office, the District's billing agent (third party vendor) and the District's Accounting Specialist. A monthly reconciliation is also performed by the Finance Director.
- 2.2.4. The process for receipting third party transactions is as follows:



- 2.2.4.1. The Accounting Specialist checks for incoming ACH transactions on a daily basis.
- 2.2.4.2. The billing agent's representative notifies the Accounting Specialist and Finance Director via email of any funds deposited into the District's account and/or remitted by their office.
- 2.2.4.3. The Accounting Specialist then verifies transaction totals received with the ACH report submitted by the third party billing agent and initiates the cash transmittal notification to the county treasurer's office through the appropriate on-line web portal (Citrix).
- 2.2.4.4. The billing agent representative provides confirmation via email to the Accounting Specialist and Finance Director of all credit card payments through their Point and Pay system.
- 2.2.4.5. The Accounting Specialist posts the revenue to the financial system once the confirmation is received and retains all support documentation electronically on the shared drive.
- 2.2.4.6. For all other ACH funds received, the Accounting Specialist completes the on-line cash transmittal to the county treasurer and posts the revenue to the financial system once confirmation is received.

2.3. Monitoring and Reconciliation

- 2.3.1. The Administrative Assistant performs a reconciliation in the cash receipting module of the general ledger software for all cash and check totals received prior to deposit which is reviewed by the Accounting Specialist.
- 2.3.2. The Accounting Specialist reconciles and compares electronic payment notifications received from the third party billing agent with the amounts posted in the county's general ledger.
- 2.3.3. The Finance Director or designee reviews all revenue transactions on a monthly basis and reconciles deposit transactions between CKFR records, the general ledger and the county's monthly Treasurer's Report.



2.3.4. The Finance Director or designee may perform periodic spot checks to verify amounts recorded in the cash receipting module match actual receipts stored in the safe.

2.3.5. The results of the reconciliation and spot checks, if performed by a designee, will be reviewed by the Finance Director in a timely basis.

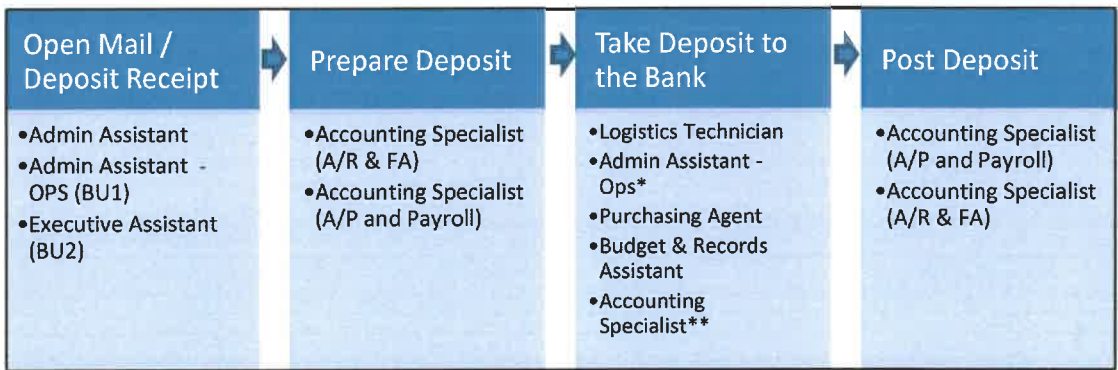
2.4. Assignment of Duties and Backup Personnel

2.4.1. Figure 1 illustrates the segregated duties of cash receipting and the CKFR staff which carry them out.

2.4.2. Whenever feasible, the person preparing the deposit will be different than the person posting the deposit. For instance, if the Accounting Specialist (A/P & Payroll) prepares a deposit, the Accounting Specialist (A/R & FA) should post the deposit.

2.4.3. This procedure will be reviewed no less than bi-annually and updated as needed.

Figure 1 - Cash Receipting Duties by Position



*This position cannot transport bank deposits while serving as back-up to the front desk.
 **This position cannot prepare or post deposits while serving as a backup for taking deposits to the bank.
 Final reconciliation between the county treasurer's report and the GL is performed by the Finance Director.

3.0 REFERENCE

- 3.1. Washington State BARS Manual – Section 3.6.1
- 3.2. Washington State Auditor’s Office – Third Party Receipting
- 3.3. SOP 2-07, Records Scanning and Tossing

4.0 ATTACHMENTS

- 4.1. Payment Receipt Workflow
- 4.2. Kitsap County Treasurer’s Daily Deposit Waiver Pursuant to RCW 43.09.240



Attachment 4.1

Payment Receipt Workflow



FIRST STEP: Search in BIAS under "Invoice Control Center" to verify if an open invoice exists for the customer
Cash Receipting > Invoice Control Center (Filter by Payment Status, Type and Source)



Use the following customer "groups" (whenever applicable)

Select appropriate Customer/Vendor/Employee from dropdown list

If no other option available

Enter into BIAS as "invoice payment" for that customer

Ambulance Billing
 Customer #1
 Type = Ambulance Receipts (COH)

Vendor Refunds - SELECT appropriate vendor as customer
 Type = Refund/Reimb

AR Miscellaneous
 Customer #2
 Type = Refund/Reimb or Treasurer's Receipts

Cash Receipting > Add New > Enter Password > Date > Customer # > Invoice Payment

Community Relations
 Customer #3
 Type = Treasurer's Receipts

Employee Payments - SELECT appropriate employee as customer
 Type = Refund/Reimb

Donations
 Customer #4 (unless customer exists in BIAS)
 Type = Treasurer's Receipts

Restitution Payments
 Customer #5
 Type = Treasurer's Receipt

Public Records Act
 Customer #6
 Type = Treasurer's Receipt



"Group" Descriptions

Customer	Name	Description
1	Ambulance Billing	For all ambulance billing related payments, unless they have an outstanding invoice in BIAS
2	AR Miscellaneous	For use <u>only</u> with payments that do not have an outstanding AR invoice or doesn't apply to one of the other established customer "Groups"
3	Community Relations	Payments for Kids' Day and other related activities where the customers change often, or are infrequent. This does <u>not</u> include payments for event coverage (these are invoiced)
4	Donations	Includes all donation types unless customer is already set up in BIAS
5	Restitution Payments	For all restitution payments and repayment agreements where the district receives a physical check or other form of payment not deducted from payroll
6	Public Records Act (PRA)	For public records act HITECH and other records requests where a customer is not already set up in BIAS

Most frequently used budget codes-
 342.60.00.0100 – Ambulance Billing
 362.00.00.0100 – Kids' Day
 341.81.00.0100 – Data/Word Process, Printing/Duplication
 369.40.00.0100 – Restitution Payments