

AMERICAN LIBRARY ASSOCIATION

CASH HANDLING PROCEDURE

POLICY- CASH COLLECTION AND DEPOSIT

Purpose

This document section defines and outlines the Association's policy concerning handling, receiving, transporting, and depositing cash. The term *cash* includes currency, checks, money orders, and negotiable instruments.

Association funds are received from sales of products and services, contracts and grants, revenues from eLearning, refunds, contributions, and all other sources of revenue or expense reimbursements, whether restricted or unrestricted. All checks are made payable to the Association: American Library Association. Any checks issued to a Division or Unit of the Association(ALA) are considered ALA funds. Customers should be instructed to issue payments to ALA. The remittance advice must include the invoice number or division/department name for easy identification of the payment.

Segregation of Duties

There must be a separation of duties between the person receiving the cash and the person responsible for maintaining the accounting records.

Cash receipt activity must be reconciled to the financial statements monthly. The reconciliation must be reviewed by someone independent of the cash handling or recording functions.

The following responsibilities are distributed among personnel, so one person is not responsible for all aspects.

- Opening mail
- Endorsing checks
- Preparing deposits
- Reconciling to budget statements
- Billing and collection
- Accounting(recording the transaction)

Counterfeit Currency

All authorized cash handling units are responsible for exercising care in screening cash transactions for counterfeit currency. If a questionable bill is received, the department should retain possession of the bill and contact the Association's finance office immediately. The suspected counterfeit bill is not to be returned to the payer.

Safekeeping of Funds

All forms of Cash (currency checks, money orders, negotiable instruments, are physically protected using vaults and fire-proof locked cabinets or drawers.

Requirements for Deposits

Frequency of Deposits

Deposits are to be made promptly (see chart below) to ensure proper posting of accounts and to ensure the safety of the Association's funds.

Cumulative Receipts	Minimum Frequency of Deposit
Up to \$1,000	Within 5 business days
\$1,000 to \$4,999.99	Within 2 business days
\$5,000 to \$49,999.99	Next Day
\$50,000 or More	Same Day
Any Single Item \$250,000 or more	Same Day / Immediately

Intact Deposit Requirement

Money should be deposited promptly and intact to the bank. Cashing checks from Association deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit to float checks, commingling of personal and Association funds, and modification of cash records are all serious violations of policy and may result in immediate discharge from employment and/or prosecution.

RECEIPT AND COLLECTION OF CASH

Methods to Record Cash Receipts

Incoming checks and currency will largely be handled in a centralized manner. The mailroom and designated staff will place all mail that appears to be a check payment in a secure box in the mailroom. Designated staff will maintain a centralized log of checks received and deposited daily. In the case a department receives a check directly, the department must maintain a log that includes the date the check was received, the date of the check, check number, amount, payor name, and purpose. The log will be maintained at the receiving department level until the deposit appears on the department's financial report. Checks received directly by departments must be placed in a secure mailroom checkbox promptly. All remittance advice (pay stubs, for example) must be included with the checks.

ALA uses a bank lockbox for deposits. A designated employee will collect checks, prepare the deposit, and send it to the lockbox via messenger promptly.

Check Acceptance

Checks are to be written payable to "American Library Association".

- All checks must be drawn from a U.S. Bank in U.S. Dollars
- Look for any messages pre-printed on the check, i.e., "not valid after 90 days" "not valid over \$500.00", "Final Payment", "Paid in Full", etc.
- Check the date. No stale date (older than 90 days). No postdate (dated in the future).
- Check should be made payable to "American Library Association." If the check is made out specifically to a department or a person's name, the check must be endorsed as such.
- The written amount and numerical amount must be the same.
- The check must be signed.
- Restrictively endorse immediately with the American Library Association's bank deposit stamp.

Payment by Check in Person

- Checks should have the customer-payor information pre-printed on the face of the check.
- Starter/blank checks may not be accepted without approval by an authorized supervisor. Proper identification (Driver's License or ALA ID) or affiliation to ALA must be presented and name, address, and phone number will be noted on the face of the check before being approved by a supervisor.
- The payor's telephone number(s) should be written on the face of the check.
- Payor must show some form of photo ID, such as a Driver's License or state photo ID. The ID information should be written on the face of the check.
- The individual receiving the funds is to initial the face of the check as evidence of personal responsibility for complying with all information and identification requirements.

Endorsement of Checks

All checks should be restrictively endorsed to the Association immediately upon receipt. This protects the check if lost or stolen.

Returned Checks

- Any check cashed by the Association and returned by the bank is subject to a Service Charge of \$35
- Immediate remedy by the payor for the returned check and service fee is required.