PURPOSE

To establish a framework of administrative guidelines for the reporting, review, documentation, and recording of cash overages and shortages in revenue collection.

AUTHORITIES

The Director of Finance shall administer and enforce all ordinances and regulations relating to the collection of City taxes. Administer and supervise the risk management of the City.

SCOPE OF APPLICATION

This policy applies to all City employees responsible for handling City funds.

POLICY

Proper safeguarding and reporting of monies is of critical importance to the City. Cash overages and shortages occurring in the collection of City revenue should be promptly reported to management, investigated to determine the cause, and properly recorded in the accounting records.

All forms referenced in this policy can be found at the Finance Department’s Intranet site.

PROCEDURES

The following procedures are intended to establish the reporting requirements related to cash overages or shortages that are identified. In any instance of a cash shortage of $50 dollars or more where theft is suspected, the incident must be reported to the Police Department.

Reporting Cash Overages and Shortages

1. Individual cash overages and shortages less than one hundred dollars ($100) must be reported to the employee’s immediate supervisor and the respective Department’s Fiscal Officer.

2. Individual cash overages or shortages of one hundred dollars ($100) or more must be reported to the employee’s immediate supervisor, the Department’s Fiscal Officer, the Department Director and the Finance Department, Treasury Division Manager. The Department Director must submit the Cash Overage/Shortage Form, available on the Finance Department’s intranet site, within three (3) business days of identifying the occurrence.

3. Cash overages or shortages that accumulate to five hundred dollars ($500) or more for a single individual during a 12 month period must be reported by the Department Director, the Finance Treasury Deputy Director, and the Director of Finance. The Department Director must submit the Cash Overage/Shortage Form available on the Finance Department’s intranet site within three (3) business days of identifying the occurrence.

4. Individual cash overages or shortages of five hundred dollars ($500) or more must be reported by the Department Director to the Finance Treasury Deputy Director and the Director of Finance. The Department Director must submit the Cash Overage/Shortage
5. Any cash overage or shortage of fifty dollars ($50) or more where theft is suspected must be reported by the Department Director to the Finance Treasury Deputy Director, the Director of Finance, the City Auditor, and the City Manager’s Office. The Department Director must submit the Cash Overage/Shortage Form available on the Finance Department’s intranet site within three (3) business days of identifying the occurrence. In addition, any cash overage or shortage where theft is suspected must be reported to the Police Department.

### Summary of Notification Requirements

<table>
<thead>
<tr>
<th>Amount of Cash Shortage</th>
<th>Immediate Supervisor</th>
<th>Department Fiscal Officer</th>
<th>Department Director</th>
<th>Finance Department Treasury Deputy Director</th>
<th>Director of Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100 or more</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Individual or accumulated total of $500 or more in a 12 month period</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>$500 or more</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

### Departmental Action Items for Cash Overages & Shortages

The following action items are intended to ensure that each instance of an overage or shortage is thoroughly reviewed, and to ensure that existing processes and procedures are evaluated to mitigate future occurrences. In all instances, the employee’s immediate supervisor must perform a reconciliation to verify the overage or shortage. In all instances of an overage or shortage of $100 dollars or more, a second reconciliation will be performed by the Department’s Fiscal Officer.

### Summary of Departmental Action Requirements

<table>
<thead>
<tr>
<th>Amount of Cash Shortage</th>
<th>Supervisor Performs Reconciliation</th>
<th>Cash Reconciliation Is Performed by the Fiscal Officer</th>
<th>Department Director Submits the Online Report to Finance Within 3 Business Days of the Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>$100 or more</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
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<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>$500 or more</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Less than $100</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
Reporting Suspected Theft

For cash shortages of $50 dollars or more where theft is suspected, the following actions must take place:

**RESPONSIBILITY** | **ACTION**
---|---
Department Fiscal Officer | 1. File a police report.  
2. Notify the Department Director of the occurrence.  
3. Notify the Finance Department, the Treasury Deputy Director, and the Director of Finance of the occurrence.  
4. Maintain a record of all overages/shortages.

Department Director | 1. Within three (3) working days of determining theft is suspected, the Department Director must submit the Cash Overage/Shortage Form, available on the Finance Department’s intranet site, to the Treasury Deputy Director and the Director of Finance. Copies must be provided to the City Manager and the City Auditor.  
2. Upon completion of the Police investigation, a copy of the police report must be provided to the Treasury Deputy Director, the Director of Finance, the City Manager, and the City Auditor.

Police Department | 1. Conduct an investigation in cooperation with the Department involved and the Finance Department.  
2. Provide the Department with the investigation findings.

Recording of Cash Overages and Shortages by Department

1. **Change Funds:**

**RESPONSIBILITY** | **ACTION**
---|---
Employee | 1. Report overages and shortages to Supervisor/Fiscal Officer.  
2. Enter cash overages and shortages into the Cash Collection Edit List or Revenue Voucher (form 142-30) as separate entries using the appropriate overage or shortage revenue source.

Department Supervisor/ Fiscal Officer | 1. Review documents and re-counts change fund.  
2. Maintain a record of all overage/shortages.
Finance Department  1. List overage and shortage accounts in the Monthly Revenue Status Report issued to Departments.

2. Petty Cash Funds:

<table>
<thead>
<tr>
<th>RESPONSIBILITY</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>1. Report overages and shortages to the Department’s Fiscal Officer.</td>
</tr>
<tr>
<td></td>
<td>2. Enter cash overages and shortages into the Journal Voucher as separate entries using the appropriate overage or shortage revenue source.</td>
</tr>
<tr>
<td>Department Supervisor</td>
<td>1. Review documents and recounts petty cash fund.</td>
</tr>
<tr>
<td>/Fiscal Officer</td>
<td>2. Maintain a record of all overage/shortages.</td>
</tr>
<tr>
<td>Finance Department</td>
<td>1. List overage and shortage accounts in the Monthly Revenue Status Report issued to Departments.</td>
</tr>
</tbody>
</table>

Approved:

___________________________       ________________
Director of Finance                Date