Cash Management Policy

This policy provides direction for the collection, custody, and reporting of cash and cash equivalents.

Strong internal controls of each collection are necessary to prevent mishandling of funds. They are designed to safeguard and protect employees from inappropriate charges of mishandling funds by defining their responsibilities in the cash handling process. All changes to this cash management policy must be approved by the Village Library Board of Trustees.

Periodic review and audit of cash handling procedures will be conducted by the Director, Treasurer, or Bookkeeper. It is the responsibility of the Library Director, Bookkeeper, and/or Treasurer to bring faulty practices to the attention of the Board.

The Village Library Board has the authority to inspect Library cash records, including overages, shortages, practices, and procedures. The Village Library Board has the authority to rescind cash handling authorization of any Cash Handler who fails to comply with the established rules and procedures described herein. A Cash Handler is defined as any Library officer or employee who accepts cash or cash equivalents for the Library.

All incoming cash and cash equivalents must:

- Be accounted for as received.
- A cash transaction log must be maintained, and a receipt must be provided upon request
- Never be left unattended or accessible to unauthorized persons.
- Be in a secure cash box, drawer, or safe which will be locked when not used.
- Be kept to a minimum at all times. Excess funds should be stored in a secured place and deposited as soon as possible by the Treasurer or other authorized persons.
- Be counted and handled out of sight of the general public when recording.
- Be reconciled to the total receipts for that day, if there are receipts.
- Removed and secured in a lock box at the end of each business day.

Responsibilities of Village Library Director and Bookkeeper:

- The Bookkeeper and Library Director are responsible for the care and liability of all cash and cash equivalents received by or for the Library until deposited by the Treasurer or other authorized person.
- Provide for the safekeeping and timely, accurate deposit of the cash and cash equivalents.
- Assign the receiving of cash and cash equivalents only to those persons authorized by the Library Director.
- Ensure adequate separation of duties and checks and balances, which include cash collecting, depositing, reconciling, and reporting.
- Notify the Library Director of any loss or theft immediately upon discovery, and within twenty-four hours have a written notice of discovery sent to the Village Library Board.

        - The board must review the incident and determine corrective actions, including potential policy updates, retraining. or disciplinary action.
    - Allow for onsite inspections and observations of cash handling procedures by the Treasurer or his/her designee.
    - Protect employees from risk by following established policies and procedures described herein.

Responsibilities of Cash Handlers

- Must be authorized in writing by the Library Director for handling of cash and cash equivalents.
- Must comply with established cash handling policies and procedures.
- Must balance the cash and cash equivalent weekly, or more frequently if transaction volume warrants.
- Must report any overage or shortage immediately to the Library Director.
- Under no circumstances should any individual commingle Library cash or cash equivalents with their own personal funds, or take library funds home for safekeeping.

Reporting

The Bookkeeper shall keep all cash receipts and related documents in accordance with the state of Pennsylvania Records Retention Schedule and the Village Library Record Retention Policy. The Treasurer shall have access to the statements, records, and accounts.

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