



Date: March 4, 2005
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Library Reviews

The Internal Audit Division has reviewed the operations of the Central Library and its six branches for cash handling procedures and internal controls. Attached you will find our report of this review, the departmental response and our reply to their response. We feel that the corrective measures already instituted and measures to be implemented will be sufficient as we move forward. If you need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read 'Len Lucas', with a long horizontal flourish extending to the right.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Bob Morgan, Assistant City Manager
Rick Lusk, Finance Director
Sandy Neerman, Director of Libraries



Date: February 21, 2005
To: Sandy Neerman, Director of Libraries
From: Internal Audit
Subject: Library Audit

The Internal Audit Division has conducted surprise petty cash counts and a cash-handling/operations audit of the Central Library and its six branches. A total amount of **\$316,608.72** was reviewed for the period of February 1, 2003 through December 15, 2004. The Library collects money for fines of overdue and lost books, fees for copies, and sells bus passes. Individual branch collections for the period under review are reported below.

Period under Review: February 1, 2003 through December 15, 2004

Branch Name	Library Collections	GTA Collections	Total Collections
Central	\$ 99,801.00	\$29,185.24	\$128,986.24
Benjamin Parkway	\$ 43,939.96	\$ 1,622.00	\$ 45,561.96
McGirt Horton	\$ 6,490.16	\$ 8,457.00	\$ 14,947.16
Guilford College / Kathleen Clay Edwards	\$ 38,400.54	\$ 5,048.25	\$ 43,448.79
Vance Chavis	\$ 7,860.68	\$10,954.50	\$ 18,815.18
SouthWest / Hemphill	\$ 32,046.81	\$ 5,472.25	\$ 37,519.06
Glenwood	\$ 13,781.33	\$13,549.00	\$ 27,330.33
Total of Collections	\$242,320.48	\$74,288.24	\$316,608.72
Grand Total			\$316,608.72

This review was conducted to determine whether funds were being properly safeguarded and whether accounting policies and procedures were being adhered to. In order to accomplish this, Internal Audit requested a copy of the library's written policies and procedures and reviewed prior years audit reports. We requested and reviewed all of the libraries weekly cash reports, GTA weekly reports of collections and the courier logs for the period under review. These reports were logged and each one was traced to the bank account to final recording in the general ledger. Internal Audit also performed a thorough evaluation of the internal control structure to ensure strong accountability and stewardship over the funds.

As a result of our review, we found the following areas of concern and offer our recommendations:

Findings:

- **The Library's written cash handling policies and procedures need to be updated.** "Interim" procedures established by the library in September 2000 have not been finalized. They appear incomplete and outdated. For example, the bank name and location is incorrect. The draft provided to Internal Audit does not include instructions regarding the retention period for the various library reports. None of the staff was sure as to how long the cash reports, courier logs, register tapes, etc. should be retained. The procedures lacked details for the handling of GTA inventory sold at the various branches. The Treasury's Cash Handling Manual requires "written cash handling policies" for each department using imprest funds and requires training for the custodian.
- **Written procedures do not address some important review procedures.** For example, the procedures do not contain details of what items the dual control party should be reviewing when he or she signs off on the weekly reports or other review procedures to be performed by management. Due to a lack of proper review procedures, it was discovered during our audit that some of the branches have on occasion recorded deposit information in the wrong section (another branch location) of the weekly report. This causes the revenue for the proper branch to be understated and the incorrect branch's revenue to be overstated in the general ledger.

It was also noted that the branches on occasion were using GTA deposit tickets for library deposits and vice versa. Therefore, branch personnel have not been trained or instructed of the difference in the location numbers that are encoded on the deposit tickets. This results in the deposits not showing up in the correct deposit detail on the bank statement and consequently makes reconciling more time-consuming.

- **Internal controls are deficient for proper safeguarding of cash.** Although all branches have safes to secure their money, too many employees have access to both keys and combinations to the safes. It has also been noted that the *courier has the combination to the safe at the Central Library*. The effect of all or most of the employees having access to the safe negates the purpose of the safe. The fact that the courier has the combination to the safe at the Central location negates the purpose of the log.

While the daily cash reports are being signed by two parties, the true meaning of dual control is not being exhibited. The custodian retrieves the money from the safe, counts the cash alone and verifies the money to the register tapes. Only after this is done do they have another employee verify the transactions and sign the report. Therefore, the *opportunity* for dishonesty is present.

All of the libraries have only one cash register, with the exception of the Main library which has two. The Branches have several staff members concurrently work out of the same cash register. Having more than one employee with access to the same cash register increases the risk of cash being used for unauthorized purposes, and that the person committing the wrong will not be identifiable.

At the present time, the Library does not have an integrated system to handle customer transactions. The staff relies on the honesty of the branch employees and solely on the cash register tapes as an indicator of revenue earned. The computer system that generates the amount of fines and fees accessed to the customer is not linked to the cash register. At the present time, the Library does not generate any type of report to indicate the amount of fines and fees that have been accessed which could serve as validation of the total cash

register sales. As the City of Greensboro continues to grow, and the volume of transactions increases, an integrated system could serve the library system well.

Upon our surprise visits, only two out of seven custodians knew that they should remain present to safeguard the cash and GTA inventory during the counts. The others had to be asked to stay and observe the counts.

- **In some cases, courier logs are not being properly maintained.** Internal Audits' review of the courier logs revealed that the dates of pickup listed on the logs by some of the branches do not agree with the normal Thursday pickup dates of the courier. It appears as though they are listing the dates that deposits are prepared. Our review also revealed that, in some instances, the branches are listing incorrect deposit amounts. The Southwest branch had the most exceptions in this regard. Southwest incorrectly listed 66 of 97 library deposits and 17 of 97 GTA deposits. It appeared that the custodian was only listing the actual cash amount contained in the bag rather than the total deposit of cash and checks. The new Hemphill location appears to have corrected this problem. However, the Library is to be commended for no exceptions to missing signatures (transfers of accountability to the courier) for the period of review.
- **The Vance Chavis Branch did not retain the Bus Pass logs for the period of February 2003 through December 2003.** Upon request by Internal Audit of the Bus Pass logs, the Vance Chavis Branch was unable to locate them. We were told by staff that the logs had been thrown away and that they had not been told that they were supposed to keep them.
- **There are no month-end or year-end cutoffs being performed for the cash receipts.** G.S. 159-32 requires that "regardless of the amount on hand, a deposit should be made on the last business day of the month." At the end of each month, the cash register tapes showed three (3) to five (5) days of prior month cash receipts being reported in the current month of activity. During the review of general ledger transactions, Internal Audit found that each month cash receipt reports dated for the prior month were being recorded in the current month. This compounds the month-end/year-end cutoff problem increasing the number of days of prior month transactions being reported in the current month of activity to approximately ten (10) days and sometimes more.
- **Library deposits exceed G.S. 159-32 cash limitation amount.** "G.S. 159-32 requires daily deposits of cash receipts..... to a maximum of \$250." The City of Greensboro has been granted a local modification to this statute that increases its cash limit to a maximum of \$500. Most of the branches have not been adhering to the modified cash limit. The Central Library exceeded the \$500 cash limitation amount 100 out of 105 times during the period of our review.
- **The Central Library deposits are being held over and are not being deposited in a timely manner.** In reviewing the deposits for the Central Library, it appears as though even though cash reports were being prepared on a weekly basis, the money was being held over in the safe. Our review of the deposit dates on the bank statements indicates that on many occasions there were two weeks of cash transaction reports being deposited on the same day. This intensifies the problem mentioned above and increases the amount of cash being held in the safe at any given time.

Bus Pass Inventory held by the Library:

- There are no perpetual inventory records being kept for Bus Pass Inventory held by the Central Library for sale at the various branches. In the surprise count of the Bus Pass inventory held by the Vance Chavis Library, it was discovered that the branch had 70 bus passes valued at \$1,350 that were not included on their inventory sheets being reported to the Central Library. Internal Audit found that the Central Library is not keeping a perpetual inventory of the Bus Passes for which they are accountable and was unaware of the overage of the Vance Chavis Branch. The Central Library did not know how much inventory the branches should have on hand. Internal Audit also asked GTA for the amount of Bus Pass inventory that the Libraries should have and found that GTA is not keeping a perpetual inventory of the Bus Passes entrusted to the various locations that sell them. Therefore, GTA could not readily supply Internal Audit with the number or dollar value of the Bus Pass inventory that is being held by the Library.

Recommendations:

- Finance should assist the Library in updating and finalizing its written cash handling polices and procedures. They should be updated to include the retention policy, review procedures, GTA Bus Pass collection/inventory procedures, etc. The procedures should be approved by Finance. Staff should be trained in their custodial responsibilities to ensure that the City's funds are being properly safeguarded and to make sure that they can be properly reflected on the bank statement and on the general ledger.
- Review and true dual control procedures should be implemented and included in the written guidelines to ensure proper controls over the cash handling process. Spot checks should be implemented by the branch managers to ensure proper monitoring of compliance with the written guidelines. Emphasis should be placed on safeguarding the assets entrusted to them by putting into practice the suggested internal controls and monitoring of activities.

Staff should label the GTA deposit tickets as "GTA Bus Passes" and the Library deposit tickets with the "branch name" in order to prevent them from being confused. The Library should request that the bank add identifying labels ("GTA Bus Passes" on GTA deposit tickets and the "Branch Name" on the Library deposit tickets) on new orders of deposit tickets. This will serve as a visible aid to staff members who are unfamiliar with the location numbers and prompt them to use the correct deposit tickets.

- Sound internal control dictates that the safe be entered only in the presence of another party. At this point, the money should be taken out, counted initially in the presence of another party who witnesses the process. The money should then be recorded on the daily report/deposit ticket, placed in the plastic security bag, sealed and locked in the safe in the presence of the witness. Access to the safe should be limited to employees involved in the opening and closing process. If the branch has a key/combo safe, no employee, with the exception of the Branch Manager, should have access to the key and combination to the safe. The safe opening and closing should require the presence of two people. Internal Audit recommends that the Library change the combinations to all of their safes and institute the above suggestions. The courier should not have access to the safe.

Internal Audit recommends that the Library employ preventive cash register controls. We strongly recommend that the employees assigned to work the registers be limited to one

or two people. The Library should assign pass codes to the register for each cashier so that transactions can be traced directly to an individual. We also recommend that the Library put into operation the use of count-ins and count-outs of employees assigned to registers in order to establish and transfer accountability for the cash.

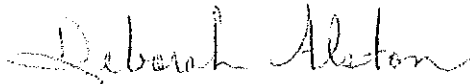
During discussions with the Library staff at the various locations, we were informed that limiting the number of staff assigned to work the registers at a given time as suggested by Internal Audit would present a problem. If this recommendation would pose an undue hardship on the service to our citizens, monitoring activities should be put in place. The Library could verify the weekly charges accessed via the computer with the amount of cash receipts deposited during the week. If cash receipts do not equal the charges accessed, there is a problem. However, Internal Audit prefers the Library employ the use of the preventive controls suggested above rather than detective controls. Detective controls do not prevent a loss from occurring; they only detect that a loss has occurred.

The Library should look into the feasibility of integrating the computer and cash register system. This would enhance the internal control structure and make it more difficult to subvert or circumvent the system. Controls should exist within the computer system that would prevent any overrides of charges without proper approval. This may be a long-term goal for the Library. However, a short-term goal would be determining if a report of daily/monthly charges as accessed by the computer and shown as paid could be retrieved from the present system. A report of this sort could serve as a source of validation and comparison of cash register totals.

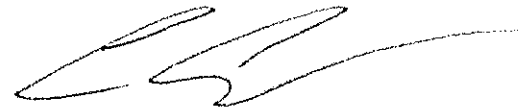
- Library staff should be instructed in filling out the courier logs properly. In the event of any loss, the logs can serve as critical pieces of evidence in determining whether the courts grant the City of Greensboro restitution from an employee. The logs should be revised to contain the date of pickup by the courier, bag number, the total amount of the deposit, signature of the staff member who transfers accountability to the courier and signature of the courier as acknowledgment of the transfer and receipt of the deposits.
- Staff members entrusted with cash handling responsibilities should be properly trained. They should be given a copy of the written procedures which should be updated to include the retention period for the logs, reports, etc. To emphasize the importance of the procedures, the staff members should be required to sign a statement indicating that they have received a copy of the written procedures and that they have been read.
- Library personnel should be instructed to comply with G.S. 159-32 which states that "regardless of the amount on hand, a deposit should be made on the last business day of the month." All money collected as of the last business day of the month should be reported on a daily cash report and dated as of the last working day of the month. The money should be deposited and the reports should be sent to Collections the same day. Accounting personnel should be instructed to ensure that all receipts of revenue are recorded in the proper period as required.
- The Library should adhere to the G.S. 159-32 modified cash limit for the City of Greensboro of \$500 and schedule additional courier pickups of deposits if necessary to protect the City's assets. Finance should notify the cash handling locations of changes in the General Statute cash limit so that they can remain in compliance. The branches should be apprised of these changes so that they can make the necessary adjustments to stay within the limit.

- The Central Library should make certain that all weekly deposits are taken to the bank. In the absence of the custodian, an alternate should be assigned to ensure that deposits are prepared and given to the courier to be taken to the bank as scheduled.
- Custodians of cash should be reminded to never leave the money or bus pass inventory unattended. The Bus Pass Inventory represents revenue to the City of Greensboro and it should be safeguarded and accounted for. The Branch manager should perform surprise reconciliations on the bus pass inventory. The Central Library should institute a perpetual inventory system of the Bus Passes and should know how much inventory should be on hand at each branch at all times.

Internal Audit would like to thank the staff members of the Library for the courtesy and cooperation shown to us during this review. We request a written response by March 7, 2005. If there are any questions or comments regarding the details of this review, please contact us at 373-2203.



Deborah Alston
Internal Audit Technician



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
Bob Morgan, Assistant City Manager
Rick Lusk, Finance Director



City of Greensboro

Date: *March 2, 2005*

To: *Deborah Alston, Internal Audit*

From: *Sandy Neerman, Library Director*

Subject: *Response to Library Audit*

I would like to thank Deborah Alston of the Internal Audit Division for her thorough review of the Greensboro Public Library's petty cash accounts and cash-handling/operations for the period of February 1, 2003 through December 15, 2004. The Library will instigate whatever internal control structures that are needed to ensure strong accountability and stewardship over the funds collected in the Greensboro Public Libraries. In crafting the following response to the report, I tried to balance stewardship over the funds, customer service, resources to make changes, safety of employees, and additional support and participation from the Finance department. Listed below are the changes that the library plans to make in the cash-handling operations in response to the auditor's recommendations listed on pages 4 through 6 of the February 21, 2005 report.

- The Greensboro Public Library Procedures for Library Collections/ Bank deposits will be updated by March 15 and forwarded to the Finance department for review and approval. Suggested changes or additions will be made within seven working days following the Finance department's response. A representative from the Finance Department to assist in annual update and training would be appreciated. Then, needed changes could be made on an annual basis. The procedure update will reflect and incorporate the suggestions made by the auditor in the February 21, 2005 report. This update will include the following:
 - G.S.159-32 (identifying cash limit and mandatory report/deposit on the last business day of each month).
 - Retention policy.
 - Detail definition of the review procedures.
 - GTA collection/inventory procedures.
 - Dual control procedures incorporated to open and close safe, count and handle collections.

- Duties of the Verifier, Branch Manager/Section Supervisor and Administration will be clarified and assigned.
 - Designated cash handling employees will be expected to sign a statement indicating that they have received a copy of the written procedures and that they have been read.
- Branch Librarian/Section Supervisor will begin spot reviews of the cash handling and all report activities required to appropriately meet the cash handling procedures approved by the Finance department. The Branch Librarian/Section Supervisor is responsible for the accuracy of all cash handling activities and reports prepared in their location. These checks will begin immediately. The Executive Assistant at the Central Library in Administration will also review all collections reports to ensure that all recorded deposit information is correct for the location reporting.
 - All collection forms, library deposit tickets, and GTA deposit tickets will be appropriately printed with the branch name or GTA. The library will request and need the assistance of GTA to have this change made in the GTA deposit ticket. The library will immediately begin to work with GTA and the bank to ensure the forms and deposit tickets reflect these changes. With the assistance of GTA, a perpetual inventory of bus passes held by the library system will be established by March 7, 2005.
 - To ensure internal control of library and GTA collections, the following will be instituted by March 15, 2005:
 - Safe can be entered only in the presence of another party. Only Branch/Section Supervisor can enter alone.
 - Four employees in each branch/section will be assigned to work the cash registers and each will be assigned pass codes to the register. (Branch/Section Supervisor is authorized in addition.)
 - Couriers will not have access to the safe.
 - Four employees in each branch/section will be designated to have access to the safe and will be designated to do the opening/closing processes involving collections. (Branch/Section Supervisor is authorized in addition.)
 - All cash counting and report preparation must have a second person present.
 - Safe combinations will be changed by March 15, 2005.

- Four cash count-ins and count-outs by employees working the cash register will be instituted in a twelve-hour workday, and three in an eight hour work day, and two in a four-hour day.
- Computer report of daily cash transactions will be generated at end of the workday to validate and compare to the cash register totals. This will begin as pilot project by March 15, 2005.
- All branches/sections will prepare a cash report on the last business day of the month and date it as the last business day of the month. Deposit will be made and reports sent to Collections the same day with the exception of when the last business day falls on Saturday/Sunday or bank holiday.
- The Courier will pick up branch deposits on Monday, Wednesday, and Friday. If additional pickup is needed on Tuesday and Thursday to adhere to the G.S. 159-32 cash limit for the City of Greensboro of \$500, the Branch Librarian will bring the deposit to the Executive Assistant at Central Library in Administration. The Courier will then be notified to deliver to the bank.
- Central Library deposits will be picked up by the Courier daily, Monday through Friday to take to the bank.

The detail of the February 21, 2005 report in explaining the areas of concern and what to do to correct them is most appreciated. The library's prompt implementation of new procedures will be dependent on the review of the proposed procedures and assistance to modify and meet the Finance department's approval. To ensure that the library department stays updated, on-going annual updates from the Finance department would be appreciated.



Date: March 3, 2005
To: Sandy Neerman, Library Director
From: Internal Audit
Subject: Reply to Library Responses to Review

The Internal Audit Division has reviewed and carefully considered your responses provided to our review dated March 2, 2005. We feel that your responses to our findings and recommendations are sufficient and when implemented will address the areas of concern. Internal Audit will revisit the Library to review the changes that have been made to the procedures, perform test to ascertain whether the controls put in place are working as they should be to protect the City's assets.

The Internal Audit Division would like to thank you for your appreciative attitude, cooperation and prompt response to the findings and recommendations. If you have any questions regarding the audit or our recommendations, please contact Internal Audit at 373-2203.

A handwritten signature in cursive script that reads 'Deborah Alston'.

Deborah Alston
Internal Audit

A handwritten signature in cursive script that reads 'Len Lucas'.

Len Lucas
Internal Audit Director

cc: Ben Brown, Assistant City Manager for Economic Development
Bob Morgan, Assistant City Manager
Risk Lusk, Finance Director

Greensboro Public Library

Memorandum

Date: May 24, 2005
To: Len Lucas, Internal Audit
From: Sandy Neerman
Re: Changes to Library Response to the Internal Audit Recommendations

After spending time discussing the new procedures with the library staff, who have to perform the duties and with the Finance Department, the library has adopted the attached Cash Handling Procedures. The procedures have been approved by Finance. Listed below are the changes that we have had to make to the original document that I sent you on March 2, 2005.

- The original document stated that "Four employees in each branch/section will be assigned to work the cash registers and each will be assigned pass codes to the register." That statement has been changed to the following:

Central Library, Chavis Branch, Glenwood, Benjamin and McGirt Horton Branches will have five cash register operators and the branch manager. In trying to schedule the public service desk at these locations, we realized that an adjustment had to be made in order to meet customer needs; therefore, the additional cashiers were added.

- The original document stated that "Four employees in each branch/section will be designated to have access to the safe and will be designated to do the opening/closing processes involving collections. (Branch/Section Supervisor is authorized in addition.)" That statement has been changed to the following:

Central Library, Chavis Branch, Glenwood, Benjamin and McGirt Horton Branches will have five cash register operators and the branch manager. In trying to schedule the public service desk at these locations, we realized that an adjustment had to be made in order to meet customer needs; therefore, the additional cashiers were added.

- The original document stated that, "Four cash count-ins and count-outs by employees working the cash register will be instituted in a twelve-hour workday, and three in an eight hour work day, and two in a four-hour day."

The cash count-ins and count-outs are being done after each desk shift. The library has purchased a second cash register drawer for each location, so that the money can be counted at the beginning and end of each desk shift without impacting customer service.

- The original document stated that “Computer report of daily cash transactions will be generated at end of the workday to validate and compare to the cash register totals. This will begin as pilot project by March 15, 2005.”

Due to the operation of the library's automated catalog system, the reports have to be run at the beginning of the next business day.

The library is currently operating with dual control procedures in place and the cash reports are being done as outlined in my previous memo to you. It is our plan that all procedures and documents outlined in the Cash Handling Procedures will be in full implementation by July 1, 2005.

If you have any questions, please contact me or Brigitte Blanton.

Procedures for Library Collections, Bank Deposits & GTA Bus Pass Deposits

GENERAL

1. Branch Manager/Section Supervisor will have oversight and the responsibility for the accuracy of all cash handling activities and reports prepared in their location.
2. Four employees and the Branch Manager/Section Supervisor will be designated to have cash register access and safe access. There are no exceptions.

Note: Central Library will have six cash register operators, due to volume of fines and the hours that that library is open. The Chavis, Glenwood, Benjamin and McGirt Horton branch libraries will also have six cash register operators, because the managers of these locations oversee two branches.

3. All cashiers are required to give customers receipts for every transaction. There are no exceptions. If the customer will not take the receipt the receipt should still be printed.
4. Branch/Section Manager or one of the other four designees will prepare Library collections/Bank Deposits and Bus Pass Reports. Managers/Section Supervisors are responsible for informing the Executive Assistant where money is kept and the names of the staff members, who have been designated to prepare the reports. If two of the four designees are not present in the building, one designee may enter the safe and prepare the money in the presence of another non-designated staff member. Both the designee and the non-designee must sign the Dual Control Safe Log, verifying that the safe was entered in their presence. Please note that the non-designee cannot count the money, nor can they have the combination to the safe. They are there to serve as dual control only.
5. Each Library/Branch will be furnished a supply of disposable "Deposit Security Bags" that will be used for transporting monies and the original bank deposit slip. The Executive Assistant will be responsible for distributing the supply of deposit bags, deposit slips.
6. Each Library/Branch will also be furnished with Library Department Cash Receipt Form LIB 22-438, Cash Report Receipt, Cash Receipts Courier Logs, GTA Report Form GTA-1-330, Weekly Bus Pass Inventory Report, Bus Pass Cash Report Receipt. The Executive Assistant will be responsible for distributing the supply of Library Department Cash Receipt Form 22-438, Cash Receipts Courier Logs, Dual Control Safe Logs, Cash Report Receipt Forms, Bus Pass deposit slips, GTA Report Forms GTA-1-330, Weekly Bus Pass Inventory Reports and Bus Pass Cash Report Receipts and Bus Pass Courier Logs.
7. The supply of deposit slips and security bags will be ordered through the appropriate Business Office of the Central Library and distributed to each Branch

Library and Central Library Sections. Additional orders for deposit slips, security bags and all forms will be placed to and furnished by the Executive Assistant in Administration.

8. Branch deposits will be picked up on Monday, Wednesday, and Friday. If additional pickups are needed on Tuesday and Thursday to adhere to G.S. 159-32 cash limit for the City of Greensboro of \$500.00, the Branch Manager will notify the Executive Assistant at the Central Library Administration Offices and the courier will be notified to pick up the deposit and deliver it to the bank.
9. Central Library cash receipts and bus pass deposits will be picked up daily, Monday through Friday and taken to the bank daily.
10. All branches and sections will prepare a cash report and a bus pass report on the last business day of the month and date it as last business day of the month. Deposits will be made and reports sent to Collections the same day with the exception of when the last business day falls on Saturday, Sunday, or a bank holiday. Original cash receipts courier logs, bus pass courier logs and bus pass daily sales log will be sent to the Executive Assistant at the end of the day on the last day of the month.
- 11. Cashing of employee and/or customer checks is not permitted at Library cash registers.**
- 12. Non-compliance with documented cash procedures will be cause for termination.**
13. Copies of all records should be retained for a period of 3 years.

LIBRARYBRANCH/SECTION REPOSIBILITIES

1. Dual Control is required for all cash handling activities, which include counting the cash, preparing the reports and entering the safe. This means that two of the four designees or the Branch Manager/Section Supervisor must be present during these activities.

Note: If two of the four designees are not present in the building, one designee may enter the safe and prepare the money in the presence of another non-designated staff member. Both the designee and the non-designee must sign the Dual Control Safe Log, verifying that the safe was entered in their presence. Please note that the non-designee cannot count the money, nor can they have the combination to the safe. They are there to serve as dual control only.
2. There will be four cash count-ins and counts-outs instituted for a twelve hour workday; three in an eight hour workday, and two in a four hour workday. The cash count-ins and count-outs are to be done by the four designated staff members or the branch manager/section supervisor.

Note: Do not mark on Z or X tapes. Any changes made to Z or X tapes should be typed in an official memo and submitted with the report. Please address the memo to the Executive Assistant in Library Administration and list all changes.

Procedures for Cash Count-ins and Count-outs Procedures:

- a. When placing the cash drawer into the cash register, the cashier should verify that the till amount is correct and this should be done with dual control.
 - b. At the end of the cashier's shift, the cashier should run an X1 tape. Then take the till to the appropriate area to be counted. The next cashier on duty will take the second casher drawer and place into the cash register (step (a) should be done, prior to putting the drawer in the cash register).
 - c. The first cashier will count the cash with dual control. The cashier should count out the original till amount. The amount above the original till amount should match the X1 tape. Any mistakes or discrepancies should be documented in a memo and attached to the X1 tape, so that the cashier doing the final daily report is aware of all problems.
 - d. The final cash-out at the end of the day should be done thirty minutes prior to closing. Fines will not be collected after 8:30 p.m. on the days that the library closes at 9:00 p.m. and they will not be collected after 5:30 p.m. on the days that the library closes at 6:00 p.m.
3. A Horizon generated daily cash transactions report will be generated at the beginning of each workday and should be validated and compared to the cash register totals from the previous day.
- Note: This is due to day end processing for the Horizon System.
4. Prepare Library Department Cash Receipt Form # Lib 22-438 in triplicate. Include telephone number of branch and bank bag number on report.
5. Keep two separate notebooks for Cash Receipt Courier Logs and Bus Pass Courier Logs.
6. Prepare bank deposit slip for monies :(There must be two of the four designates present during the preparation of these reports.)
- a) Currency, coins, and checks (as deposit slip shows).
 - b) Roll all coins that can be rolled and stamp coin roller with branch name for identification.
 - c) Stamp **all** checks with For Deposit Only stamp.
Example of Stamp:
For Deposit Only
City of Greensboro
(Name of branch)
(Each branch will be responsible for ordering their endorsement stamp.)

- d) Prepare deposit slip (3 copies) original is placed in the disposable security bank bag along with the monies. No internal reports should be included in the bank bag.
- e) Prepare three copies of the cash report receipt and the bus pass cash report receipt. One copy should be given to the Library Courier when he/she picks up the deposit.
- f) All other copies of deposit slips, a copy of the cash report receipt, Horizon Reports, memo regarding corrections/changes related to the Z2 tapes and cash reports should be stapled or paper clipped together and placed in a sealed interoffice envelope. All items related to the Library Cash Receipts should be stapled or paper clipped together and all items related to the GTA Bus Pass should be stapled or paper clipped together. The check off slip should also be marked to identify items that are included in the Interoffice envelope and should be placed on top of the other items that have been stapled or paper clipped together and sent to the attention of Executive Assistant in the Library Administration Offices.

Note: These are the items that should be placed in the sealed Interoffice Envelope and sent to the Executive Assistant in the Library Administrative Offices.

1. *Check Off List*
2. *The Z2 Tape*
3. *Memo Regarding Corrections/Changes*
4. *Copy of the Deposit Slips*
5. *Pink Copy of the Library Department Cash Receipt Form*
6. *The tear-off strip of the Deposit Bag with the Number*
7. *The Cash Receipt Report*
8. *GTA Report Form 1-330*
9. *Weekly Bus Pass Inventory Report*
10. *Bus Pass Cash Report Receipt*
11. *Horizon Cash Reports*

You should maintain a copy of these documents for your files.

- g) The person preparing the deposit should email the Executive Assistant of the date and the amount picked up by the courier.
7. Library Courier picks up deposits from branches, including Central Library and drops off at Wachovia on N. Greene Street. Library Courier will follow the procedures listed below:
- a) Library Courier will pick up deposits from each library branch on Mondays, Wednesdays and Fridays.
 - b) Library Courier will pick up deposits from Central Library each day, Monday through Friday.
 - c) Library Courier will sign the Cash Receipts Courier Log and the Bus Pass Courier Log indicating the date he/she picked up the deposit.

- The library staff member in charge of cash reports or other four designated staff member should also sign the cash report log indicating that the deposit was picked up.
- d) After picking deposit up from the last location, the Library Courier will deliver the deposit bags to Wachovia on N. Greene Street.
 - e) The Library Courier should have cash report receipt signed by bank personnel for each individual deposit, noting the date received.
8. Library Courier will deliver Cash Report Receipts, Bus Pass Cash Report Receipts and sealed interoffice envelopes to the Administrative Office.
- a) The Library Courier will deliver the Cash Report Receipts, Bus Pass Cash Report Receipts and all interoffice envelopes to Executive Assistant, who will review all collections reports and see that appropriate corrections are made to ensure that all deposits are correct and credited to the appropriate account. The Executive Assistant will then attach the Cash Report Receipt with bank signature to the deposit slip, Cash Report Receipt, Library Department Cash Receipt, Z2 Tape, Memo Regarding Corrections/Changes received from all the library locations.
 - b) When the yellow copies of the Library Department Cash Receipt Reports are received from the collections department, the Executive Assistant will attach it to the deposit information received from the library locations.
 - c) The Executive Assistant will maintain files for each library location with the Cash Receipt Reports.
 - d) The Executive Assistant will review the Weekly Bus Pass Inventory Report to ensure all deposits are correct and that the perpetual inventory for all locations are accurate. The Executive Assistant will also report to the Greensboro Transit Authority the Libraries monthly sales of bus passes. Bus pass sales which are rung up incorrectly will be charged to the branch/section.

BANK RESPONSIBILITIES

1. Processing Bank Deposits:
 - a. If the deposit is short or over the bank will change within \$10.00. If more than \$10.00 difference, the bank will call Library Executive Assistant for approval to change the deposit.
2. The Executive Assistant should instruct the bank branch manager to hold validated original deposit slips at specified place at the bank for pick up by the Library Courier on the next business day.

COLLECTIONS RESPONSIBILITIES

1. Process report and deposit slip into City revenue accounts.

2. Send one yellow copy of each validated report and original deposit slip validated by the bank back to the Executive Assistant.

Finance Department Responsibilities

1. After the Finance Department has approved the Procedures for Library Collections, Bank Deposits & GTA Bus Pass Deposits, they will notify the Library Department that the procedures have been approved.
2. The Finance Department will review the approved Procedures for Library Collections, Bank Deposits & GTA Bus Pass Deposits annually and submit to the Library Department by June 15th of each year, the approval to continue to use the current procedures or recommend changes to the procedures.

Procedures

Cash Handlers Procedures:

- Staff prepares 3 part deposit ticket
 - Original goes to the bank in the plastic bank bag and includes deposit ticket, cash and checks. **No internal reports should be placed in this bag.**
 - Copy to the Executive Assistant with a copy of all reports in a **SEALED** interoffice envelope via the courier.
 - The sealed interoffice envelope should contain all other copies of deposit slips, a copy of the cash report receipt, Horizon Reports, memo regarding corrections/changes related to the Z2 tapes and cash reports should be stapled or paper clipped together and placed in a sealed interoffice envelope. All items related to the Library Cash Receipts should be stapled or paper clipped together and all items related to the GTA Bus Pass should be stapled or paper clipped together. The check off slip should also be marked to identify items that are included in the Interoffice envelope and should be placed on top of the other items that have been stapled or paper clipped together and sent to the attention of Executive Assistant in the Library Administration Offices.
 - Copy for the file
- Staff member sends an e-mail to the Executive Assistant stating a deposit in the amount of XXX dollars has been picked up.

Dual Control Responsibilities:

This person has the responsibility of being present during the counting of money and the entering in of the safe. This person must also recount the monies to ensure that the amount that is recorded by the initial designee is correct. Both staff members must sign off on the amount.

Verifier Responsibilities:

This person has the responsibility of observing the counting of money and the entrance into the safe, in emergency cases when a second designee is not available. This person is not to physically count the money, but must verify and sign off that they were present when the money was counted and agree with the amount that has been recorded by the designee.

Courier Procedures:

- The courier signs the log stating that he/she received the bank deposit bag
- Courier takes the bank deposit bags to the bank and has the bank to sign that they received the deposit bag
- Courier picks up all the previous days **validated** deposit tickets and delivers them to the Executive Assistant.

Executive Assistant Procedures:

- Executive Assistant receives the e-mail from the section that the deposit has been picked up and watches for the paperwork from each section
- Executive Assistant **matches validated deposit slips with reports** from the sections and sends to Collections for processing in general ledger
 - Matches e-mail from branch/section to reports received via courier from each branch/section
 - Matches validated deposit ticket to report (shows that money actually got deposited in the bank)
 - Matches copy of yellow report from Collections with reports. (Revenue was recorded in the General Ledger)
- Executive Assistant **should order all bank deposit slips from the Finance Designee** and all other bank supplies directly from the bank via fax, until further notice.
- All copies of reports and other deposit documents should be retained for 3 years.

Additional Procedures for Executive Assistant:

- If a validated deposit ticket is not received back from the bank (via the courier) within three business days of receiving reports and e-mail from branches/sections, the Executive Assistant should begin to trace the transaction by contacting Library/Branch staff and bank personnel. If following research (2-3 days) the discrepancy cannot be resolved, the Executive Assistant should notify the Finance Reporting and Treasury Manager, who will determine the procedure for follow-up investigation.

Care should be taken by the Executive Assistant to report any unresolved discrepancies in a timely manner.

Manager/Section Supervisor Responsibilities:

- Manager/Section Supervisor is responsible for providing training to staff and all new employees on cash handling procedures.
- Manager/Sections Supervisor is responsible for making sure that each employee is given a copy of the cash handling procedures and signs that they have read them.

- Manager/Section Supervisor does spot checks of compliance with policies
- Manager/Section Supervisor does monthly reviews of the general ledger revenue accounts for their division/section

Collections Responsibilities:

- Processes and sends yellow copy to Executive Assistant so that it can be matched and filed