

KARUK TRIBE HOUSING AUTHORITY
CHAPTER 19
CASH CONTROL

- 1) The Karuk Tribe Housing Authority (KTHA) recognizes the need to have a system established which provides for internal control for cash. The following procedures will provide the KTHA staff with internal controls for cash.

This system will provide a method to record the receipts and disbursements of cash. Cash checks, money orders, wire transfers, etc. will be referred to as cash in the following procedures.

No rental or homebuyer payments are received in our office, other than checks or money orders that are mailed. These payments are deposited directly into our banking account. The only payments received are unit and key deposits in the form of check or money order made out to KTHA and received by the Fiscal Clerk or Fiscal Officer only. No cash is to be handled at any time other than counting, routing, and depositing of laundry facility and soda machine coins, and no staff is allowed to do field collections.

2) **Cash receipts:**

Unit deposits are credited to tenant rent account and deposited at bank.

Receipts issued will contain the following information: 1) KTHA, 2) Name of payer, 3) date and 4) amount paid. The original receipts go to the payee, with copy retained for records.

The Fiscal Officer verifies receipts and prepares deposit slips. The ED reviews and initials deposit slips before deposits are made. The deposit receipt is kept in the deposit book and entered into the cash receipts register.

3) **Cash Collection Control Procedures:**

- 1) At a minimum, there will be a segregation of duties so that the employee who receives cash and issues receipts is not the same employee who prepares deposits and maintains cash register receipt.
- 2) All receipts will be stored in a locked safe until they are deposited.
- 3) Checks received will be stamped immediately For Deposit Only.
- 4) Unassigned receipt books shall be adequately safeguarded by individual not authorized to collect cash.
- 5) A receipt must be issued for all cash collected.
- 6) Disbursements will not be made from collections.
- 7) The Housing Committee (HC) will appoint a person to make periodic, surprise audits of cash collections. A record will be maintained of cash audits.

4) Cash Disbursements:

- 1) All cash disbursements other than petty cash must be made by check and recorded on the cash disbursement register. The register will show the date, payee, check number, amount and the project to which the expense applies.
- 2) A voucher check (VC) with two copies is to be utilized for cash disbursements. The VC shall be pre-numbered and used in numerical sequences. The VC copies must bear the same numbers as the VC. One VC copy is to be attached to the documents supporting the disbursement with the other being filed numerically for reference. Voided VC and both copies should be attached and filed numerically with reference copies.
- 3) VC in payment of services rendered and/or materials furnished should not be issued until all supporting documents such as invoices, purchase orders, receipts, travel reports, payrolls, etc. have been properly verified, assembled and approved for payment. The VC should show the accounting distribution for use as a posting medium in recording the check.
- 4) Postings to the cash disbursement register are made from information shown on the VC copy. Each disbursement should be recorded in the cash disbursement register promptly in consecutive order by VC number.
- 5) Unused checks must be adequately safeguarded in the custody of persons who are not authorized check signers.
- 6) The Housing Committee shall designate authorized check signers, and checks will require two signatures. Individuals shall not sign a check on which he/she is a payee.
- 7) Checks will never be written for CASH. Checks for petty cash shall be made out in the name of the authorized petty cash custodian.
- 8) The Fiscal Officer shall compile supporting documentation to invoice for payment and submit them to the ED who reviews supporting documentation such as purchase orders, invoices, receipts, etc. to determine the goods or services were received, discounts or adjustments are in place, computations are correct and funds are available for payment and authorize payment.
- 9) The Fiscal Clerk then prepares the check and marks the invoice PAID with date and check number. The Fiscal Officer submits the checks for signatures and supporting authorization for payment, and disburses payment.
- 10) Check signers will disapprove any checks that show evidence that it has been altered.
- 11) Checks will not be signed in advance of being completely filled out.
- 12) Within ten days of receipt, bank statements will be reconciled to the cash receipts and disbursement registers. The statement will be reconciled by the Fiscal Clerk and Fiscal Officer. It will not

be reconciled by the person who mails the checks.

13) All adjustments of accounts for errors require ED approval.

5) Petty Cash:

- 1) The Petty Cash fund will be established by HC Resolution and should identify the petty cash custodian by position, title, the amount of the fund and rules which govern the fund, including its disbursement and reimbursement.
- 2) The petty cash fund should be placed in a locked box. It should be removed from there by the custodian only.
- 3) The custodian will not have access to accounting records.
- 4) All petty cash disbursements must be supported by pre-numbered petty cash vouchers which must be approved in advance by the ED.
- 5) Petty cash vouchers must be in ink and supported by receipts. A separate voucher is issued in numerical order for each disbursement and supporting documents are attached to supplement the voucher. Voided vouchers must be retained for accountability.
- 6) Total disbursements from petty cash should be summarized by account classification, and a voucher check should be drawn for the exact amount of disbursements from the fund to date of reimbursement. Petty cash vouchers and receipts should be attached to the VC copy. The VC copy should be used at a posting medium to record disbursements in the cash disbursements register.
- 7) Upon reimbursement of the petty cash fund, all supporting documents should be canceled to preclude duplicate reimbursement.
- 8) The custodian cannot cash personal checks.
- 9) Reimbursement checks are made out to the custodian of the fund and prepared at least quarterly.
- 10) Unannounced audits of the petty cash fund should be made by the designated HC representative or staff, with audit records maintained.
- 11) Petty cash cannot be given to vendors with whom KTHA has charge accounts.
- 12) At the beginning and end of each day the fund is used, the custodian must verify fund balances and maintain a record of verification.

6) Monthly Closing and Balancing:

- 1) The Fiscal Clerk and Fiscal Officer individually total disbursements and deposits and balance them to the bank statement. Any variances between the registers and financial statements shall be resolved immediately.
- 2) Prepare a report to the ED and HC to include a check list and comparison between the budget and actual expenses.

- 3) Submit to the ED a copy of the check register and general ledger.

CERTIFICATION

The above policy was adopted by the Karuk Tribe Housing Authority Housing Committee on _____, 1993. Motion was made by _____, seconded by _____. Motion carried by _____ yea, _____ nay, and _____ abstentions.

Carol Day, Secretary

Date