

# CITY POLICY AND PROCEDURE

**SUBJECT:** Depositing, Disbursing and Check Cashing

**NO:** F-3.0

**REVISED:** April 20, 1998

**REVISED:** September 1, 2008

**REVISED:** October 14, 2013

**REVISED:** August 23, 2016

**APPROVED:** Constance P. Sanchez  
**Constance P. Sanchez**  
**Director of Financial Services**

**Date:** 8-23-16

## **PURPOSE:**

This Policy and Procedure replaces the previous City Procedure. It is the responsibility of all City departments to accurately collect and account for all payments made to the City. Depositing funds needs to be accomplished daily. Personal, two-party, or governmental checks must not be cashed by any City cashier or department.

## **POLICY:**

It is the City's objective to aggressively pursue the collection and processing of all payments made to the City. Actions to encourage expedient payment to the City may include credits for early payment, enhancing payment ease, and prompt follow-up on delinquent payments.

### **A. Critical features in processing include:**

#### **1. Timing**

Mail time between customer mailing or delivering payment and the City processing payment;

#### **2. Internal recording and processing time**

Internal recording and processing time needed to prepare receipts for deposit; ("Internal recording" for this policy means recording into the cash receipts system or an Excel spreadsheet that has an interface with the general ledger.); and

#### **3. Dual Control**

Each deposit must be prepared by dual control (prepared by one person and verified by another with each person initialing and dating all receipts).

## **B. Receipt of Payment by Central Cashiering**

An automated receipt is generated for all payments made to the City, and a receipt is given to the payer if paid in person. An automated report attached to the bank deposit ticket is signed and dated by the preparer. Central Cashiering processes all deposits received, performs a "global update" by 7:00 p.m., each evening on all utility payments and accounts receivable payments, and runs all automated transaction reports the same evening. Then the next business day, the deposit tickets and automated transaction reports are forwarded to the Cash Management Division of the Financial Services Department.

## **C. Depositing Procedures**

Depositing funds the same day as received is critical to maximizing the interest income. Every attempt to deposit funds the same day as received must be made. All funds not deposited on the current day must be kept in a vault or safe in a secure area on the premises as approved by the Director of Financial Services. If extraordinary circumstances prevent depositing daily, the Department Director needs to request in writing an exception from the Director of Financial Services.

### **1. Depositing by City Departments**

All City departments having collection centers must deposit funds at the bank depository within 24 hours of receipt. In addition, they are to ensure that the deposit slips containing cash and/or checks ***must*** balance to the Cash Receipts Report.

### **2. Depositing by Central Cashiering**

Central Cashiering deposits are transported by armored courier service to the bank depository daily. For deposits of cash and checks, a four-part deposit ticket must be prepared, and two parts are to be included with the deposit to the bank. One copy of the deposit ticket must be attached to the daily transaction report and sent to the Cash Management Division. One part of the deposit ticket is attached to a copy of the daily transaction report and remains in Central Cashiering.

## **D. Disbursing Procedures**

All invoices are paid when due, but not before, to ensure maximizing interest income and avoiding penalties on late payments. The only exception to this would be to pay an invoice early in order to receive a vendor discount. This situation would require proper authorization from the City Director or their designee. Complete documentation, including proper authorization, is required for all disbursements. Checks will be issued in the amount of the invoice or supporting documentation. Payments through electronic transfers allow the City to plan its cash flow more accurately, expedite payments, and simplify administrative and accounting procedures.

### **1. Payment by Check**

Payment requests can be made by either submitting a Direct Order Memorandum or by Purchase Order. A Direct Order Memorandum payment request is used for items or services that cannot be procured by Purchase Order and for emergency purchases. For emergency purchases, please refer to Purchasing Policy – No. P-3.

- a. The Direct Order Memorandum must include the invoice to be paid and must be approved by the Department Director or designee who ensure all coding and prices are correct, as well as all materials were received or services performed.
- b. The approved Direct Order Memorandum with invoice is due to the Accounts Payable Division of the Financial Services Department by Friday 5:00 PM.
- c. The Accounts Payable Division will enter the invoice into the City accounting system and the payment will be processed by the Cash Management Division by noon on Friday of the following week.

### **2. Payment by P-Card (Procurement Card)**

The Accounts Payable Division makes payments by P-card on an “as needed basis” to individual vendors for expenses incurred City-wide. The Accounts Payable Manager of the Financial Services Department approves whether payment is made via the P-Card. If payment is made via the P-Card, then:

- a. Departments must submit to the Accounts Payable Division an invoice to be paid by P-card with the funding code and approval from the Department Director or designee.
- b. The invoice information must be entered onto individual spreadsheets, by vendor, by the Accounts Payable Division.
- c. The Accounts Payable Division will process the payment and send the vendor a spreadsheet electronically to accompany the payment so that the vendor knows which invoices are being paid.
- d. The Accounts Payable Division will save the spreadsheet on the shared directory.

### **3. Payment by Express Check**

- a. Requests for express checks must be approved by the applicable Assistant City Manager and the City Director of the requesting department.

- b. The Director of Financial Services or designee will review the request and will make a decision as to whether or not to approve the express payment request.
- c. Items that have completed the approval process and are submitted to the Accounts Payable Division with all proper documentation and aligned budget will be paid the same day. Items need to be submitted between 9:00 AM and 4:00 PM, so that the Cash Management Division has adequate time to complete the processing of an express item.

#### **4. Payment by Wire**

- a. The following is required from the City Department to be submitted to the Cash Management Division to process a wire:
  - i. Account coding
  - ii. Invoice (and any invoice documentation)
  - iii. Vendor number
  - iv. Due Date
  - v. Dollar Amount
  - vi. Department Approval
  - vii. Electronic Funds Transfer Information Form (form is available from the City Treasurer and must be fully completed by organization requesting the wire.)
- b. All of the above mentioned required documentation is due to the Cash Management Division from the Department by 9:00 AM to have a wire processed in the same day. If the approved invoice is not received by 9:00 AM, the wire will be processed the next day.
- c. Once all the required documentation is received from the City Department, the Cash Management Division assigns a wire number.
- d. Immediately after the wire has been processed by the Cash Management Division, the approved invoice is due to the Accounts Payable Division by the Cash Management Division with the assigned wire number.
- e. The Accounts Payable Division must enter the voucher into the Accounting system and return the information to the Cash Management Division.

## **E. CHECK CASHING PROCEDURES**

### **1. Customer Checks**

The City accepts checks that are made payable to the City of Corpus Christi and preprinted with the party's name and address. The cashier must write the customer's telephone number and account number on the face of the check. Temporary checks cannot be accepted.

It is imperative that all checks presented to the City for payment of services be endorsed on the back of the check with the City of Corpus Christi and the City's bank account number immediately upon receiving the check from the Customer.

### **2. City Disbursement Checks**

Petty Cash reimbursement checks written to a City Petty Cash Custodian are the only employee reimbursement checks that will be cashed if funds are available at Central Cashiering, and after endorsement by the employee. If funds are not available, the employee will be asked to return later in the day.

### **3. Returned Checks - Nonsufficient Funds (NSF)**

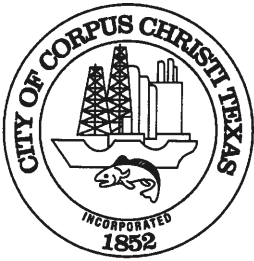
- a. When the City receives checks, the checks are sent to the City's bank for clearing. At any point when checks are returned to the City for any reason, they are sent directly to a third-party processor. Departments that make deposits will be notified of a returned check by the Senior Accountant and should take appropriate steps to discontinue services (i.e., Latchkey, Municipal Court, etc.). All returned check fees are to be paid by the customer at the third-party processor location and not at City Hall.
- b. After the City is notified by the bank that a check in payment of utilities is returned as insufficient or uncollectable, the City will charge the amount of the check to the customer's account.

### **VIOLATIONS OF THIS POLICY AND PROCEDURE:**

Failure to comply with this Policy will result in disciplinary action up to and including termination.

### **QUESTIONS REGARDING THIS POLICY:**

Questions regarding this Policy and Procedure shall be directed to the Director of Financial Services or designee, at (361) 826-3613.



**CITY OF CORPUS CHRISTI, TEXAS  
F-3.0 DEPOSITING, DISBURSING, AND CHECK CASHING  
POLICY AND PROCEDURES**

**ACKNOWLEDGEMENT FORM**

I have received a copy of the City of Corpus Christi's policy F-3.0 Depositing, Disbursing, and Check Cashing Policies and Procedures, revised August 23, 2016, and I understand that compliance with this policy is a condition of employment with the City of Corpus Christi.

I have carefully read this policy and understand its content. I have been given an opportunity to ask questions about this policy.

I agree to comply with this policy. I understand that failure to do so will result in a violation of this policy and will subject me to disciplinary action up to and including termination.

\_\_\_\_\_  
Employee's Name (Printed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Employee ID

\_\_\_\_\_  
Department