

Cash and Checks Procedures - RENAME TO Financial Transactions and Internal Controls

202.1 PURPOSE

~~To establish a uniform control design for cash receipting.~~

The purpose of this procedure is to establish internal controls and standardized processes for the receipt, deposit, disbursement, and reconciliation of District funds. These procedures are intended to safeguard public resources, ensure accurate financial recordkeeping, and promote accountability and transparency in the District's financial operations.

These procedures support the District's Purchasing Policy, accounting practices, and applicable state laws governing local districts.

202.2 INTERNAL CONTROLS

The District strives to maintain appropriate separation of duties in the handling of cash receipts, deposits, disbursements, and financial reconciliation whenever practical. Due to the limited administrative staffing of the District, complete separation of duties may not always be possible. In such cases, compensating internal controls including supervisory review, documentation requirements, and oversight by the Fire Chief and Board of Trustees shall be used to ensure accountability and the proper handling of District funds.

202.3 RECEIVABLES

- ~~1. All cash and check payments monies received by the District shall be documented through the District's receipting process and recorded in the District's accounting system. must be recorded in the pre-numbered receipt book with the date, amount, and who the cash was received from.~~
- ~~2. Cash monies will be kept in a deposit bag in a locked drawer in the Administrative Assistant's office until the deposit is prepared.~~
- ~~3. Each cash receipt will be listed on a log of received cash/checks and entered into the accounting system by the Administrative Assistant.~~
- ~~4. The Administrative Assistant will open the incoming mail containing payments shall be opened by administrative staff assigned to that duty daily. All payments received must be documented as received by date stamped ing the received date on the check stub or in the case of a personal check without a check stub, date stamping a copy of the check/money order. or otherwise documented as received.~~
- ~~5. Each check will be listed on a log of received cash/checks and entered into the the accounting system by the Administrative Assistant. Payments in the form of cash shall be issued a receipt from the District's pre-numbered receipt book or other approved receipting system.~~

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6. Payments received in the form of checks or money order shall be retained with supporting documentation such as a check stub, invoice, or a copy of the check if no stub is included.
7. ~~Checks will be kept in a deposit bag in a locked drawer in the Administrative Assistant's office until the deposit is prepared.~~ All payments received shall be recorded in the accounting system and included in the next available bank deposit.
8. Cash and checks awaiting deposit shall be secured in a locked drawer, safe, or deposit bag within the administrative office until the deposit is prepared.
9. If a transaction ~~needs to~~ must be voided, corrected, or adjusted after the entry, the adjustment shall be documented and approved by the Administration Division Chief or designee with Administrative Assistant will make the entry and it will be additionally signed off by the Fire Chief with an explanation of the circumstances ~~causing the adjustment.~~
10. Every effort should be made to minimize the amount of cash held in the office. ~~ensure that large quantities of cash are not on hand in the office.~~ If there is a large cash transaction leaving cash on hand over \$500.00 the deposit should be made within 2 banking business days. If cash on hand exceeds \$500, the funds should be deposited as soon as practicable and no later than two banking business days. ~~This stipulation does not include funds received via check.~~

202.4 ACCOUNTS RECEIVABLE

1. The District may issue invoices for services, fees, permits, inspections, cost recovery, or other charges authorized by District policy.
2. Invoices shall be created and maintained in the District's approved accounting system.
3. The accounting system may allow payments to be received through multiple methods including online payment portals, mail, phone, or in-person payment.
4. All payments received for invoices shall be recorded in the accounting system and applied to the appropriate customer account.
5. Online payments processed through the District's approved payment processor shall be recorded in the accounting system and reconciled to the corresponding payment reports.
6. Administrative staff assigned by the Administration Division Chief are responsible for monitoring outstanding invoices and ensuring payments are properly recorded.
7. Adjustments, credits, or write-offs to receivable accounts must be documented and approved by the Administration Division Chief or designee.
8. Accounts deemed uncollectible under \$100 may be written off with Administration Division Chief approval.
9. The District may accept electronic payments through an approved third-party payment processor. Electronic payments may be subject to the policies, processing timelines, and settlement procedures of the payment provider.

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10. The payment processor may charge the District a processing fee for electronic transactions. The District may assess a convenience or service fee to the payer in an amount intended to recover the cost of the processing fee as authorized by the District fee schedule. Any such fees will be disclosed at the time of payment and may be adjusted as necessary to reflect changes in processing costs.
11. Electronic payments shall be recorded in the District's accounting system and reconciled to the corresponding processor settlement reports. The District reserves the right to reverse or adjust payments in the event of returned payments, chargebacks, or processing errors.
12. Accounts receivable reports may be reviewed periodically to identify outstanding balances and ensure accurate financial reporting.

202.5 DEPOSITS

1. ~~Per Utah State code for local districts~~ In accordance with Utah State law governing local districts, all cash monies and checks received by the District shall be deposited within 3 business days, with the exception of s
2. ~~Small amounts deposits totaling that equal~~ less than \$100 per transaction may be held until it is reasonable and practical to prepare a deposit. -
3. ~~Small deposits may be held until it is feasible for a deposit to be made.~~
4. ~~The Administrative Assistant will be responsible for preparing the bank deposit.~~ Bank deposits will be prepared by administrative staff assigned by the Administration Division Chief.
5. ~~An authorized account member will make the deposit transaction.~~ Deposits shall be delivered to the District's financial institution by an authorized account member.
6. ~~All d Deposits must should~~ be verified by an authorized account member or supervisory staff separate from the one that made the deposit independent of the preparer whenever possible.
7. Deposit receipts from the bank financial institution shall be retained must be accompanied with supporting documentation so that to verify all funds can be verified deposited.
8. Supporting documentation includes a deposit record, check stubs, copies of personal checks that do not include check without stubs, and copies of receipts made out issued for cash monies payments, and other documentation supporting the payment.
9. ~~The Administrative Assistant will match all completed deposits to the log of received cash/checks and will record the deposits in the accounting software.~~ Deposits shall be recorded in the District's accounting system and matched to the corresponding documentation.
10. ~~The District Administrator will reconcile all applicable documentation at the time of bank statement reconciliation.~~ Bank statements and deposit records will be reviewed during the monthly reconciliation process.

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202.6 DISBURSEMENTS AND PAYMENT PROCESSING

1. All District disbursements ~~shall~~ **will** be supported by appropriate documentation and authorized in accordance with the District's Purchasing Policy.
2. Disbursements may be made by pre-numbered check, ~~except for pre-authorized payments made by~~ credit card, direct deposit ~~or EFT/ACH withdrawal.~~ or other approved electronic payment methods. ~~At this time, there is no necessity for petty cash to be maintained.~~
3. ~~The Administrative Assistant is authorized to prepare checks and process the bi-weekly payroll and prepare payroll checks and direct deposits. In the absence of the Administrative Assistant, the District Administrator will prepare these disbursements. Administrative staff assigned by the Administration Division Chief are responsible for preparing accounts payable payments, payroll processing, and other disbursements.~~
4. Whenever practicable, the preparation of disbursements should be performed by a staff member different from the individual approving the payment.
5. ~~All checks will be~~
6. ~~signed independently of the check preparer and only by authorized account members on the signature card on file with the District's financial institution. The District Administrator and the Administrative Assistant are not authorized account members on the signature cards.~~
7. ~~Two signatures are required for all checks.~~
8. ~~Whenever possible, the two signatures on the check will be obtained by the Board Treasurer and the Fire Chief. If the Board Treasurer or the Fire Chief are not available, an alternate signer may be used who is authorized on the signature card on file.~~
9. ~~Checks that have been prepared that are awaiting signatures will be kept in the District Administrator's locked file cabinet in the "Signature/Review file."~~
10. ~~All prepared checks must be accompanied by supportive documentation i.e. vendor invoices, receipts for reimbursement, payroll timecards, etc.~~
11. ~~In the event that there is no supportive documentation attached, a reasonable explanation must be offered and documented.~~
12. ~~Authorized check signers should compare the supportive documentation with the prepared check to ensure the accuracy of the check amount and that the transaction is authorized.~~
13. ~~All supportive documentation should be ink-stamped as APPROVED and accompanied by both check signers' initials.~~
14. ~~Signing of blank checks in advance is prohibited.~~
15. ~~Checks made out to "cash" or "bearer" is prohibited.~~

202.6.1 CHECK PAYMENTS

1. All checks shall be generated through the District's approved accounting software using pre-numbered check stock.

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2. [Authorized signers shall be those individuals listed on the District's financial institution signature card.](#)
3. [Two signatures are required for all checks.](#)
4. [Whenever possible, the Board Treasurer and Fire Chief shall sign checks. If either is unavailable, an alternate authorized signer may be used.](#)
5. [Checks that have been prepared that are awaiting signatures shall be secured in a locked file cabinet or other secure location.](#)
6. [Signing of blank checks in advance is prohibited.](#)
7. [Checks made out to "cash" or "bearer" is prohibited.](#)

202.6.2 SUPPORTING DOCUMENTATION

1. [All disbursements must be supported by documentation such as vendor invoices, receipts, payroll records, reimbursement requests, or other supporting records.](#)
2. [In the event that there is no supportive documentation attached, a reasonable explanation must be offered and documented.](#)
3. [Authorized check signers or approving officials should review the supporting documentation to verify the accuracy and authorization of the payment prior to signing the check.](#)
4. [Supporting documentation should be marked or otherwise documented as APPROVED once payment has been issued to prevent duplicate payment.](#)

202.6.3 ELECTRONIC PAYMENTS

- [Electronic payments including ACH transfers, direct deposit payroll payments, online bill payments, credit card transactions, and payment processor settlements are permitted when authorized in accordance with the District's Purchasing Policy.](#)
- [Electronic disbursements shall be recorded in the District's accounting system and supported by appropriate documentation.](#)
- [Payroll direct deposits and other automated electronic transactions are not subject to the two-signature check requirement but must be reviewed through the payroll approval process or financial reconciliation procedures.](#)

202.6.4 OVERSIGHT AND REVIEW

1. [Disbursement records are subject to review through the District's monthly financial reconciliation process and by the Board of Trustees during the review of monthly financial reports.](#)

202.7 CHECK STOCK

1. All check stock ~~must shall~~ be pre-numbered and [checks shall be generated using the District's approved accounting software.](#) ~~must be used to prepare the checks.~~
2. [Blank check stock shall be stored in a locked cabinet, safe, or other secure location accessible only to authorized administrative staff.](#)

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3. Access to unused check stock shall be limited to personnel designated by the Administration Division Chief.
4. The sequence of check numbers of all pre-numbered checks should shall be ~~regularly checked periodically reviewed to ensure all checks are and~~ accounted for, ~~and all unissued/excessive checks should be kept in the locked file cabinet.~~
5. Any missing or unaccounted-for checks shall be reported to the Administration Division Chief and Fire Chief immediately.
6. Handwritten ~~ing~~ ~~of~~ checks ~~is~~ are prohibited except in emergency situations approved by the Administration Division Chief and the Fire Chief.
7. ~~The office in which the file cabinet is stored is to be kept locked during non-business hours. Voided checks and other documents should shall~~ be ink-stamped as clearly marked "VOID" and retained with the corresponding ~~monthly~~ financial records.

202.8 BANK STATEMENT RECONCILIATION

1. Bank statements ~~will shall~~ be reconciled on a monthly basis ~~by the District Administrator. using the District's approved accounting system.~~
2. ~~The Treasurer and the Fire Chief are authorized to review the reconciliation report for accuracy. Bank reconciliations shall be performed by the Administration Division Chief or assigned administrative staff.~~
3. Whenever practicable, the reconciliation should be reviewed by another authorized individual independent of the reconciliation process.
4. The Fire Chief, Board Treasurer, or other authorized official may review reconciliation reports for accuracy and completeness.
5. ~~Each month the Board of Trustees will review the monthly reconciliation during the monthly board meeting. Financial reports, bank reconciliations, and supporting documentation shall be provided to the Board of Trustees during regular board meetings. This review provides an additional level of oversight for financial transactions.~~
6. ~~Monthly~~ Bank statements, and the reconciliation reports, and supporting documentation will shall be ~~stored~~ retained with the corresponding monthly financial records.
7. Any discrepancies identified during reconciliation shall be investigated and resolved promptly.

202.9 CONTINUITY OF OPERATIONS

1. ~~In the event that either the District Administrator or the Administrative Assistant is unavailable, either position will act as a back-up and complete the necessary procedures. In the event that administrative personnel responsible for financial procedures are unavailable, other qualified administrative staff may perform the necessary duties to ensure continuity of operations.~~

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2. Responsibilities related to receipting, deposits, disbursements, payroll processing, and reconciliation may be temporarily reassigned by the Administration Division Chief or Fire Chief to maintain the timely processing of financial transactions.
3. Financial duties reassigned under this provision shall continue to follow established internal control procedures to the extent practicable.

202.10 RECORDS RETENTION

1. Financial records for the current and previous fiscal year ~~will~~ shall be ~~stored~~ maintained in the ~~District Administrator' s~~ administrative offices and ~~filed~~ organized by month or other appropriate accounting period.
2. All ~~other~~ financial records including receipts, deposit records, invoices, disbursement documentation, bank statements, and reconciliation reports, shall be retained in accordance with the records retention schedules established by the Utah State Archives for governmental entities. ~~will be retained according to the State of Utah Records Retention Schedule- <http://www.archives.state.ut.us> :~~
3. Records may be maintained in electronic or physical format provided they remain accessible for the required retention period.
4. The District's accounting system serves as the official record of financial transactions.