

| | | |
|--|--------------------------|-------------------------------|
| CASH MANAGEMENT AGENCY MANUAL | | NUMBER 02 18 01 PO |
| OFFICE OF THE STATE TREASURER | POLICY | EFFECTIVE December 1, 2006 |
| CHAPTER | CASH MANAGEMENT | |
| PART | DEPOSIT OF CASH RECEIPTS | |
| SECTION | | APPROVAL |

Authority ORS 293.265

PURPOSE OF THE POLICY

- .101 To describe the responsibilities of state agencies, boards, commissions, and other public entities for compliance with ORS 293.265 and the collection of state moneys. To describe parameters and provide examples of what justifies a “*reasonable, longer period*” when not depositing receipts by the end of the business day following the date of collection.

AGENCY RESPONSIBILITIES

- .102 State agencies, boards, commissions and other public entities subject to ORS 293.265 shall deposit cash, checks and other negotiable instruments received within one business day after collection or receipt of such moneys. A *reasonable, longer period* for the deposit of particularly identified funds or categories of funds is permitted if the entity documents a valid business reason for using a longer transmittal period and that period is no longer than necessary to satisfy that business reason. ORS 293.265 requires this information be filed with the Secretary of State, Audits Division. An additional copy is to be filed with the Office of the State Treasurer.
- .103 Examples of what could be considered legitimate business reasons for not meeting the next business day deposit requirement include:
- Receipts are collected in a field office or by field staff in locations that are not near a bank branch with which the State Treasurer maintains an account.
 - Aggregate receipts on hand total less than \$1,000.
 - The entity has severely limited staff resources such as boards or commissions with only one or two staff members.
 - Peak, infrequent volume of receipts received is so great that existing staff cannot meet the next business day requirement. All other reasonable alternatives such as changes in processing

procedures, use of temporary employees, and use of a bank lockbox operation must first be considered.

- .104 In the event agencies elect to document a valid business reason for a “*reasonable, longer period*” than the statutory requirement of next business day deposits, procedures should include that:
- Bank deposits are made not less than weekly.
 - Checks held overnight are restrictively endorsed on the date received. Agencies are encouraged to adopt procedures which restrictively endorse checks when mail is opened.
 - Cash, checks and other negotiable instruments are placed in an area secured by some form of locking device such as a safe or locking file cabinet. A dual control storage device requiring two individuals to open the device is recommended.
- .105 The State Treasurer recognizes that agencies may receive checks that are precluded from deposit immediately (or ever) for legal or contractual reasons. Instances may include bid deposits, Good Faith Deposits on bond sales, payments on loans in foreclosure proceedings, and items that appear to have been altered. Negotiable items received under these, or other unusual circumstances, are not subject to restrictive endorsement nor being deposited in any specific time period.
- .106 If an agency finds isolated events where they were unable to comply with the next business day deposit requirement due to unusual circumstances beyond their control, it is not necessary, nor encouraged, that the agency file documentation explaining the circumstances causing late deposit. Documenting the reasons for the occurrence in the agency files is required and may prove beneficial to the agency in the event of an audit.

EXCEPTION PROCEDURES

- .107 Agency determines they receive particularly identified funds or categories of funds which they are unable to deposit by the following business day after collection, and they have a valid business reason for these occurrences.
- .108 Agency documents the valid business reasons for these receipts and submits the documentation to the Audits Division. A copy of such documentation is also submitted to the Office of the State Treasurer, Finance Division.
- .109 Agency maintains copies of the documentation in its official files.
- .110 Agency updates and submits new documentation as changing circumstances dictate.
- .111 The Audits Division will mail agencies a letter confirming receipt of such documentation. Any review of such documentation will be performed as deemed appropriate by the Audits Division.