

# Town of Greater Napanee

## Corporate-Wide Cash Receipts Control Policy



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Department:	Finance	Contact:	Treasurer
Approval Authority:	Council	Policy No:	FN-2026-04

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### 1. Introduction

The Town of Greater Napanee shall ensure proper and consistent cash handling, and establish a system of strong internal controls to prevent mishandling of funds, to safeguard against loss, and to ensure security of staff and protect employees from allegations of misuse or misappropriation of Town funds by defining responsibilities in the cash handling process.

### 2. Purpose

The purpose of this policy is:

- To ensure that all cash receipts received by the Town are maintained under secure conditions, recorded properly in the Town's financial system, and deposited to the Town's bank accounts in a timely manner.
- To ensure the completeness of cash receipts as they relate to the Town's financial management system and financial statement presentation and disclosure.
- To clarify users' and stakeholders' responsibilities regarding this Policy.
- To ensure segregation of duties in the cash handling process and where segregation is not feasible, determine the responsibilities for alternate controls or procedures to reduce exposure and protect Town assets.

### 3. Scope

This policy applies to all departments and staff whose duties involve receipting, handing/processing of cash and cash receipts of any type.

### 4. Definitions

**Employee** – Individual responsible for collecting and recording municipal payments.

**Cash Handling System** – electronic equipment or a computer system that records the receipt of money and all activity processed.

**Deposit** – Funds transferred into an account at a financial institution

**Deposit Slip** – a written notification accompanying a bank deposit that specified and categorizes the funds (cheque, bills, or coin) being deposited

**Safeguarding** – the act of keeping something safe, protection from harm, damage, loss, or theft; the storage of assets in a protected area.

**Town** – The Corporation of the Town of Greater Napanee

## **5. Responsibilities**

### **5.1. Town Council**

Council is responsible for:

- a) Approval of the policy and any amendments.

### **5.2 Treasurer**

The Treasurer, or designate, is responsible for:

- a) The administration, training and implementation of this policy.
- b) Directing the review of this policy at a minimum every four (4) years and recommend updates as required

### **5.3 Deputy Treasurer**

The Deputy Treasurer is responsible for:

- a) Communicating and providing on-going support on the use of this Policy;
- b) Investigating cash shortages and/or overages in excess of \$100, and providing guidance and/or mitigating strategies in an effort to eliminate such occurrences;

### **5.4 General Managers, Directors and Managers**

Management staff are responsible for:

- a) Facilitating compliance with this Policy and ensure that cash receipts handling procedures are established, communicated, monitored and updated as required;
- b) Reporting cash shortages/overages greater than \$100 to the Deputy Treasurer; and
- c) Reporting to the Treasurer any and all suspected misappropriation of cash.

### **5.5 Employees**

All employees are responsible for:

- a) Becoming familiar with and complying with this Policy and cash receipt handling procedures developed for and implemented in their respective service areas;
- b) Reporting to management, immediately, all cash shortage/overages; and
- c) Reporting to management any and all suspected misappropriation of cash.

## 6. Policy

### 6.1 General Controls

- a) All payments are to be deposited and/or processed within 24 hours of receipt. If alternative arrangements are required, these must be approved by the Deputy Treasurer.
- b) All cash shall be immediately recorded upon receipt.
- c) Documentation for each transaction may be generated manually (receipt form) or through the use of a cash handling system. However, where possible, the use of a cash handling system is recommended to increase cash processing efficiency, provide more detailed support for reconciliations, and provide a better audit trail.
- d) Receipts should include the following:
  - Purchase price (broken down by line item/services rendered);
  - Sub-total;
  - HST amount (where applicable);
  - Grand total;
  - Method of payment (e.g. Cash, Debit. Cheque);
  - Unique Receipt/transaction number;
  - Transaction date/time;
  - Identification of cashier; and
  - Name of customer (where applicable)
- e) Each cash drawer will have a starting cash amount (cash float) which requires daily verification by the cashier responsible.
- f) For security and regulatory reasons, employees that receive cash amounts that are well above a normal amount for their department, and in all cases where payment, by paper currency, exceeds \$10,000 (Canadian), must politely refer the customer to the Deputy Treasurer or Treasurer to complete the payment.
- g) When cash receipts are transferred between individuals, cash must be recounted and the gross dollar amount signed off by both parties.

### 6.2 Security Controls

- a) Where practical, access to cash drawers should be limited to the cashier collecting the cash and/or the manager. Cash drawers should not be shared by cashiers.
- b) Cash must be kept secure at all times – lockable cash register, safe, floor safe, locked storage, etc.
- c) Safeguarding shall take into account the amount of cash on hand during various periods; and
- d) Periodic draw-downs required during the days of large collections to ensure the amount of cash in each drawer does not become excessive.
- e) Where possible, cash drawers should not be visible to the general public
- f) Active cashiering or cash counting stations are not to be left unattended, at anytime, without being properly secured.

- g) Any undeposited cheques or cash will be stored in a secure facility at the end of each business day.
- h) Any “paid” or “received” stamps shall be stored and locked at the end of each business day.
- i) Physical access to cash will be restricted to authorized personnel.
- j) Only limited staff shall have safe combinations or keys to lock boxes where funds are being locked for safekeeping
- k) POS system access shall be restricted based on individual staff’s roles and responsibilities
- l) Cash must not be sent through inter-office mail.
- m) Cash receipts must be deposited at least weekly.
- n) Where possible cashiers should have access to a security alarm or buzzer to alert authorities of theft, robbery or any other threatening activities.

### **6.3 Cash**

- a) Payments can only be made in Canadian Funds. No other foreign currency is accepted.
- b) Payments can be made using coins. For payments with large amounts of coin, all coin must be rolled.

### **6.4 Cheques**

- a) Personal cheques from a Canadian Financial Institution made payable to the Town of Greater Napanee may be accepted as payment for various goods and services and must be made payable to the Town of Greater Napanee.
- b) Third party cheques are not accepted.

### **6.5 Debit Cards**

- a) Debit cards are acceptable payment options, provided the staff/department has access to a Point of Sale (POS) machine for processing. Staff must do the following:
  - Confirm the transaction was approved and provide the customer with a copy of receipt generated through the POS machine;
  - Enter payment in POS as debit payment
  - “Cash Back” services are prohibited;
  - Give customer a copy of the debit card receipt;
  - Retain paper/electronic copy of original received in a safe place for reconciliation of revenue

### **6.6 Credit Cards**

- a) Credit cards are accepted as payments for the following revenue sources at outside facilities.
  - Facility / Recreation Bookings
  - Online Property Taxes
  - Online Utilities Payments

- Online Parking Tickets
  - Online Tax Certificates
  - Online Zoning Certificates
  - Online Marriage Licenses
- b) Accepted credit cards are designated by the Treasurer and the acceptance of credit cards is subject to the terms and conditions of the credit card provider and all industry standards.
  - c) Staff must follow Payment Card Industry (PCI) Standards and all internal Town procedures. Staff must never store credit card information in any media including, but not limited to, hardcopy paper records or electronic data. Any system used to process a payment on behalf of the Town must be approved by the Treasurer.

### **6.7 Segregation of Duties**

- a) Where practical, no individual will have responsibility for both the receipt of cash and the deposit, recording and reconciliation of the cash. Where segregation of duties is not practical, deposits are reviewed and signed off the by the supervisor or designate.

### **6.8 Cash Over and Short**

- a) Cash overages or shortages must be reported immediately to management on duty upon discovery.
- b) Individual shortage/overage in excess of \$100 must be reported immediately to the Deputy Treasurer.
- c) Shortages are to be replenished as soon as possible.

### **6.9 Refunds and Voids**

- a) In Ontario, vendors are not legally required to offer refunds or exchanges.
- b) Departmental procedures may dictate whether or not:
  - A refund is offered;
  - A refund is full or partial ;
  - The good or service is exchangeable; and/or
  - Credit is applied towards a future purchase.
- c) All refunds and voided transactions must be approved by a manager/supervisor and be supported by:
  - Documentation stating the reason;
  - The name and signature of the person recording the refund or void;
  - The name and signature of the manager/supervisor responsible for reviewing/approving the refund or void; and
  - The name and signature of the individual receiving the refund.
- d) Where refunds are offered, they should:
  - Be made to the original purchaser and include the original proof of purchase;

- Be made via cheque or EFT, with the exception of BookKing payments made via credit card, which should be refunded by the original payment method. Cash refunds shall be avoided; and
- When a personal or business cheque was accepted as the method of payment, confirmation must be obtained that the cheque has cleared the Town's banking system. Upon confirmation a Town cheque is the only acceptable form of a refund.

**7. Non-Sufficient Funds (NSF) Cheque**

- a) The Town is notified of non-sufficient funds when cheques are returned by the bank as unpaid. Finance staff will contact the applicable department, journal the amount from the revenue account which was credited, and return the cancelled cheque to them. It is the responsibility of the department to contact the payer and seek a replacement cheque. All NSF cheques are subject to a fee as per the rates and fees schedule, which is deposited to the department account.

**8. Enforcement**

- a) The administration, enforcement of, and compliance with the policy is assigned to the Municipal Treasurer.

**9. Related Documents**

- Corporate Accounts Receivable Policy

**Revision History**

Date	Number	Description
Mar 24, 2026	FN-2026-04	NEW