

Funds and Cash Equivalents Controls

Effective Date:	07/07/26
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Issuing Authority: Chief Probation Officer	

231.1 PURPOSE:

To establish guidelines for the request, use, handling, and accounting of Probation Department funds and cash equivalents.

231.2 DEFINITIONS:

Auditor-Controller/Treasurer/Tax Collector (ATC) Internal Controls and Cash Manual (ICCM): The official countywide authority that establishes required standards for internal controls, safeguarding, and handling of county assets.

Card Custodian (CC): An employee designated to be the custodian in charge of prepaid cards.

Cash: U.S. currency, inclusive of coins and bills.

Cash Equivalents: Negotiable instruments and prepaid cards that can be easily converted into a determined amount of cash without risk of change in value.

Fund Custodian (FC): An employee accountable for the physical location and handling of cash, and the maintenance of the receipt books of a specific cash fund.

Negotiable Instruments: Blank warrants, checks, cashier's checks, drafts, money orders, and receipts.

Petty Cash Fund: A reserve fund used for payment of miscellaneous expenses or charges incurred while conducting official County business.

Prepaid Cards: Any prepaid debit card, gift card, gift certificate, voucher, or coupon obtained in exchange for cash and used for the sole purpose of assisting clients who meet program-specific requirements.

Requesting Party (RP): An employee authorized to make cash or cash equivalent requests from a specified fund account.

Trust Fund: An account where funds generated from gifts, donations, program fees, fundraising proceeds, or monetary awards for training programs are held in trust and used to benefit youth in department programs.

San Bernardino County Probation Department

MANUAL

Funds and Cash Equivalents Controls

231.3 GUIDELINES:

- A. This procedure shall follow all guidelines as outlined in the San Bernardino County's Internal Controls and Cash Manual (ICCM).
- B. Fund and Card Custodians will be established at every site where cash or cash equivalents are handled.
- C. One individual shall not have access to the entire cash process. The responsibilities of cash receipting, bank deposits, bank reconciliation, cash disbursement, and accounts receivable posting shall be segregated.
- D. One individual shall not have access to the entire prepaid card process. The responsibilities of purchasing, receipting, distributing, inventorying, reconciling, and reporting shall be segregated.
- E. ATC Internal Audits Division (IAD) and/or Probation Accounting can perform surprise audits of cash counts of departmental cash funds and prepaid card inventories.
- F. Required forms are located in the ProbTools folder.

231.4 RESPONSIBILITIES:

- I. Requesting Party (RP):
 - A. Request:
 - 1. Complete the Probation Department Staff Requests form specifying the appropriate expenditure type and card merchant, if applicable, and obtain the required signatures.
 - 2. Submit the form to the Probation Accounting/Finance unit for processing.
 - 3. Obtain prior written approval from a Division Director or above to use personal funds with the expectation of reimbursement. The use of personal funds before written approval shall be reserved for emergencies and/or unusual circumstances. Under no circumstances will prepaid cards be distributed for employee expense reimbursement.
 - 4. Sign for the receipt of funds or prepaid cards on the Receipt of Funds Acknowledgement Form or the Card Custodian's (CC) Prepaid Cards Inventory Log, respectively, in the presence of the designated custodian.
 - 5. Complete the Pre-Paid Negotiable Instrument (PPNI) Authorization for Issuance and Receipt form, indicating the eligible recipient's information, the card information, and justification.
 - B. Use:
 - 1. Only use funds and cash equivalents in accordance with the specified fund account and according to the purpose stated on the Probation Department Staff Requests Form.
 - 2. Do not use prepaid cards for County procurement purposes under any circumstances.

San Bernardino County Probation Department

MANUAL

Funds and Cash Equivalents Controls

3. Funds and cash equivalents shall not be combined with personal funds.
 4. Purchases shall not be commingled with personal purchases on the same receipt.
 5. Purchase items for date-specific events before or on the day of the event. Purchases made after the event date will not be accepted.
 6. Prepaid cards must be hand-delivered to the eligible recipient only and not mailed or given to a third party.
 7. Confirm the PPNI Authorization for Issuance and Receipt form has the recipient's printed name and signature, and obtain all other required signatures.
- C. Receipts Accounting:
1. Submit receipts for all purchases and any unused funds to the Fund Custodian (FC) within fourteen (14) business days from the date of purchase. Any exceptions require approval from a Deputy Chief Probation Officer.
 - (a) If reimbursement is requested, receipts must be attached to the request form.
 - (b) If funds are advanced, receipts must be provided after a purchase is made.
 - (c) Receipts must include.
 - i. A printed store or vendor name and date. A handwritten or stamped name and date is also sufficient.
 - ii. An itemized description of each good or service purchased. (Request an itemized receipt if it is not a standard practice for the vendor or store).
 - iii. The printed name and signature of the RP and immediate supervisor, acknowledging that items purchased were approved by a Division Director and used for its intended purpose.
 2. Ensure a white carbon copy receipt is received for unused funds returned to the FC.
 3. Conduct a reconciliation of prepaid card inventories in accordance with ICCM standards, once a month and annually on June 30th, or the last business day prior to June 30th if that date falls on a weekend.
 - (a) Record the reconciliation on the Prepaid Debit/Gift Card Reconciliation Sheet.
 4. Return the PPNI Authorization for Issuance and Receipt forms and Prepaid Debit/Gift Card Reconciliation Sheet to the CC.

San Bernardino County Probation Department

MANUAL

Funds and Cash Equivalents Controls

5. Return any undistributed cards, when applicable, to the CC in person, not via inter-office mail.

II. Accounting Staff:

- A. Review all applicable department and ATC procedures, complete the Signature/Fund Custodian Authorization form, as appropriate, and submit it to the Manager/Administration for approval.
- B. Process all Probation Department Staff Request forms.
- C. Trust funds must not be used for or received from County General Funds.
- D. Purchase prepaid cards in accordance with the requirements stated in the Internal Controls and Cash Manual (ICCM) from a large, well-known vendor that has no known likelihood of ceasing operations.
- E. Notify the RP by telephone or email when funds or prepaid cards are available for pickup.

F. **Fund Custodian (FC):**

1. Sign the Cash Controls, Treasury Deposits, and Trust Fund Procedures Acknowledgement form, submit it to the immediate supervisor, and retain an employee copy.
2. Maintain no more than two (2) 3-part carbon copy receipt books at a time.
3. Ensure cash and cash equivalents are counted, balanced, and verified by a second accounting staff.
4. Seal in an envelope, with the name and date of the class/event, all cash and cash equivalents, the white carbon copy of receipts, class attendance rosters, and cash count sheets. Initial and secure in the onsite safe.
5. Submit sealed envelopes to the Probation Budget Coordinator or designee on a weekly basis or when the cash balance on hand reaches \$1,000.00, for deposit. Obtain a receipt of the deposit amount and retain it for records.
 - (a) Notify the Probation Budget Coordinator or designee via email if no cash has been received for a weekly deposit. Retain emails in accordance with the County Policy 10-01 Record Management Manual, for audit purposes.
6. Return all receipt books, outstanding deposit receipt copies, and cash and cash count sheets upon appointment of a new fund custodian to the Probation Budget Coordinator or designee.

G. **Card Custodian (CC):**

1. Account for all prepaid cards to include cards on hand, distributed cards, and cards on order from any vendor and store.
2. Do not commingle prepaid cards between different department programs or functions.

San Bernardino County Probation Department

MANUAL

Funds and Cash Equivalents Controls

3. Conduct prepaid card inventories in accordance with ICCM standards, monthly, and annually on June 30th, or the last business day prior to June 30th if that date falls on a weekend.
 - (a) Verify the reconciliation of distributed or returned cards by the RP, return any unused cards to inventory when applicable, and adjust the written log accordingly.
 - (b) Consolidate into a single report inventory for a single program or function maintained in multiple locations.
 - (c) Record inventory on a Prepaid Debit/Gift Card Inventory Sheet.
 - H. Confirm and report any cash and cash equivalent shortage incidents to the Probation Budget Coordinator.
 - I. Prepare a detailed Trust Fund Quarterly Report for the deposits, withdrawals, and balances of each account and submit it to the Probation Budget Coordinator and the Director of Probation Administration or their designee.
 1. Uploaded the report into the Trust Fund Quarterly Reports folder (located in Probation Tools).
- III. Probation Budget Coordinator or designee:
- A. Review the ICCM Cash Controls, Treasury Deposits, and Trust Fund Procedures with the FC, obtain signatures on the Procedures Acknowledgement forms, maintain copies, and provide a copy to the FC.
 - B. Ensure staff comply with this procedure and follow ICCM standards.
 - C. Issue and receive all 3-part carbon copy receipt books to and from the FC.
 - D. Submit to the manager for review and approval a new "Signature/Fund Custodian Authorization" form when approval for an account to distribute cash or cash equivalents is established, or the Fund or Card Custodian changes.
 - E. Advise the manager of changes in the physical location of funds or cash equivalents.
 - F. Ensure bank deposits are made on a weekly basis or when the cash balance on hand reaches \$1,000.00, whichever comes first, in accordance with the ICCM standards. Provide the FC with a receipt for the deposit amount.
 - G. When each bank statement is received, reconcile the account in accordance with the ICCM standards.
 1. The statement shall be reconciled within twenty (20) business days from receipt.
 2. The statement shall be retained in a file by Accounting staff for auditing purposes.
 - H. Review, approve, and sign the Trust Fund Quarterly Report, and the Prepaid Debit/Gift Card Inventory and Reconciliation Sheets.

San Bernardino County Probation Department

MANUAL

Funds and Cash Equivalents Controls

- I. Follow all ICCM procedures regarding cash and cash equivalent shortages and report all incidents to the immediate manager and ATC Internal Audits Division (IAD) using the appropriate ATC form.
- IV. Managers and Administration:
 - A. Ensure staff comply with this procedure and follow ICCM standards.
 - B. Designate a department Fund Custodian and a Card Custodian.
 - C. Provide written approval for reimbursement of use of personal funds, as appropriate.
 - D. Verify and approve exceptions when receipts and unused funds are submitted late, as appropriate.
 - E. Review, approve, and sign the Trust Fund Quarterly Report.
 - F. Submit all necessary documents to ATC for authorization to request to distribute and purchase prepaid cards, and to advise of changes with the Fund or Card Custodian or the physical locations of prepaid cards per ICCM standards.
 - G. Review, approve, and submit completed "Signature/Fund Custodian Authorization" forms to the ATC Accounts Payable Section.