

Subj: CASH HANDLING

J9

04 Sep 19

JOINT REGION MARIANAS (JRM) WARFIGHTER AND FAMILY READINESS
(WFR) NON-APPROPRIATED FUND (NAF) (SOP)

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Ref: (a) DOD 7000.14-R Department of Defense Financial
Management Regulation

(b) CNICINST 7000.3

(c) AIMS User Handbook FY16

(d) CNIC N9/18U923 Letter of 29 OCT 18

(e) CNIC FFR Cash Handling Procedures Training Guide

Encl: (1) Change Fund Request Letter

1. Purpose. To provide Joint Region Marianas (JRM) Warfighter and Family Readiness (WFR) procedures and guidance in the handling and management cash and cash instruments. This policy is issued in accordance with references (a) through (e). Cash receipts represent WFR income/revenue (currency, coins, checks, money orders, and charge sales received in payment for services, facility usage, and purchase of retail goods). The cashier must record all cash receipts as they are received. The Fund Custodian of the Regional Single Fund will designate in writing an Installation Fund Custodian (IFC). The IFC must be a NF4 or GS equivalent and is responsible for the cash and daily deposit and ensuring adherence to all Standard Operating Procedures (SOPs) related to cash and cash handling.

2. Policy. The procedures and guidance contained in this standard operating procedure (SOP) apply to JRM J9 Programs handling cash and cash instruments. Deviations from this SOP are not permitted without the WFR Regional Service Support Center Director's (J94) concurrence, and Warfighter and Family Readiness Regional Director (J9) approval.

3. Process. The IFC will issue Change Funds/Petty Cash Funds to Central Cashiers and managers/employees of certain activities to support activity operations. To maintain the chain of custody and positive internal controls, all personnel designated to handle or control cash will be designated in writing by a sub-

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custody letter of designation specifying amount and his/her responsibilities.

4. Training. All personnel designated to handle or control cash are required to take mandatory cash and cash handling training upon initial designation and every fiscal year, thereafter.

(a) Employees will be issued the "Cash Handling Training" certificate.

(b) A copy of the signed and dated "Cash Handling Training" certificate and serialized Letter of Designation will be placed in:

1. The employee's Official Personnel File (OPF)
2. The employee's change fund bag, box, and/or safe
3. The supervisor's training records

(c) After completion of "FFR Cash Handling Training" the Region or Installation designee, will record completion of training for each employee in SAP HR:

1. Cash Handling Instructor-Lead Training (Classroom)
2. Cash Handling On-The-Job Training (OJT)

(3) All cash processes, either manual or automated, must meet the objective to safeguard the asset; and prevent, deter, and detect errors and fraud.

b. To meet this objective, WFR operations must ensure receipts and disbursements are controlled and recorded. All cash must be properly safeguarded against fraud, waste, abuse and theft; strict compliance is required. Managers and/or supervisors are ultimately responsible for ensuring adherence to this cash handling policy.

c. Any individual who signs for custody of funds is responsible for that fund and must use it only for WFR Operations. Borrowing, theft, or any other personal use of these funds is strictly prohibited and may result in termination. Change funds will not be used for payroll under any circumstances.

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5. Internal Controls. Segregation of duties and independent verification are the two key controls in cash processes. Segregation of duties is both a preventive and detective control. The division of responsibilities provides a means to cross check the work of each individual function. This ultimately increases the chance of detection and reduces the chance of concealment without collusion with at least one other employee. Since the cashier's duties direct and control cash assets, they must be separated from the cash recording process.

6. Access to Central Cashier Office. A video camera shall be used to monitor both the door into the cashier's office and the interior of the office. The camera should have a fixed lens with a view that will include the employee or patrons(s) at the door, the employee while conducting his/her cashiering duties, and all items being carried in or out of the room. The camera system is to have a DVR storage system of at least 30 days and the capability to view specific dates and times on a secure monitor. The monitor for the surveillance system is to be placed in the IFC's office. Only those persons authorized in writing by the IFC will be allowed in the Central Cashier's Office. A list of authorized persons will be posted inside the Central Cashier's Office and a copy will be maintained by the IFC. Other personnel may be admitted as approved by the IFC.

7. Verifying Daily Receipts. The cash and cash receipts collected from each day's business must be deposited in a drop safe located within the facility (i.e. bowling alley, golf course, etc.), outside the facility in a designated drop safe located in a secure, well lighted location, or in the central cash office. There will be a drop log at, on, or near the drop safes; this must be filled out by each cashier when they deposit or "drop" their bank bags. The log will annotate the date, time, name, and quantity of bags, numerical number of the bag or serial number, and signature of the person dropping the bank bag. As no one person shall handle the cash transactions from beginning to end, the following procedures are outlined as the cashiers close his/her shift:

a. Upon completion of the cashier's shift, the cashier will count receipts, prepare applicable portion of the Daily Activity Record (DAR) (either manual or automated), and place cash receipts (cash, credit card receipts, checks) and DAR into a lockable bank bag or plastic courier bag. If using the courier bag, pull off the serial number from the bag and staple to the second copy of the DAR.

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b. Deposit or "drop" the bank bag into the designated drop safe. At a minimum, the cashier will annotate on the cash drop log all required information to show when and how many bags were dropped.

c. Every morning except weekends and holidays, the Central Cashier (or designated courier) and a witness will open the drop safe(s) to obtain the daily receipts and DAR, validate the number of bags in the safe against the drop log, sign the log annotating how many bags were picked up, and match the bag number and quantity prior to closing the safe. The deposit bags will not be opened until the cashier is at the cashier's office.

(1) Each business day drop bags must be transported to the Central Cashier for processing. Internal controls must be in place to ensure all bags have been properly logged for the bank deposit.

(2) Upon arriving at the cashier's office or delivery by the contracted courier, the cashier will verify the cash and cash receipts against the DAR and certify the appropriate sections on the DAR.

(3) Dropped bags are opened, one at a time, counted/verified by the Central Cashier. A second person should be in the cashiers' office to verify the daily counts. The following actions should be taken:

(a) Verify all receipts by locked moneybag.

(b) Complete Section II of the DAR form enclose in the bag for all manual DARs.

(c) Notate discrepancies in monies counted by striking through the Activity Cashiers amounts in Section I and indicate the actual amount counted and verified. All differences will be verified by a second person; both parties will initial each change.

(d) Sum all the daily receipts and complete deposit slip. A deposit slip for each day of the weekend will be completed separately (i.e. on Monday you will complete a deposit slip for Friday, a deposit slip for Saturday, and a deposit slip for Sunday). Do not combine the weekend drops into one deposit.

(e) Record the deposit slip number on the bottom of each DAR form.

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(f) Prepare the accounting entry to record total deposits and attach it to the appropriate business day's Activity DAR, along with a copy of the deposit slip.

(g) Forward all completed DARs and the Cash Cage Deposit Form to the DAR/accounting technician; provide a copy of the daily deposit slip to the Accounting Supervisor or Business Office Manager to maintain on file until the deposit has been recorded on bank records.

d. After the DAR and cash are balanced, a separate employee (designated by the IFC or Installation MWR Director; can be the same person that witnessed the retrieval of the bank bags) verifies the deposit in the presence of the Central Cashier. After the DAR and cash are verified, the cash is placed in a locked deposit bag and placed into the safe until it is transported to the bank. Funds are to be deposited on a daily basis, unless the amount of funds received is less than \$100.

e. The bank deposit slip and cash are put into the bank deposit bag, locked, and transported to the bank by two staff members or one staff member with a security escort provided by the base/command or by contracted bank courier to complete the bank deposit.

f. After the deposit by the Central Cashier or contracted bank courier, and upon returning to the accounting office, the Central Cashier will provide the DAR technician with the original bank deposit slip, retain a copy for his/her records, and provide a copy to the Accounting Supervisor/Business Manager. g. The Central Cashier provides a copy of the DAR and deposit slip to the DAR/accounting technician. The DAR/accounting technician matches the activity DAR to the second copy or manager's DAR. The accounting clerk completes the breakdown of revenue and records all transactions into SAP by:

(1) Matching all copies of the DAR; and

(2) Recording the total deposit from the deposit slip.

8. Purchasing Change. The Central Cashier will have a change fund that will provide change to department cashiers. This change fund is normally in small bills and coin. The Central Cashier will make arrangements with the bank, Personnel Support

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Detachment (PSD) or the contracted courier in advance for any change needed. The funds will be counted and verified by the cashier and a separate employee (designated by the Local Business Office Manager or MWR Director) prior to transporting to the bank/PSD and upon return to the Central Cash Office.

9. Point of Contact. My point of contact for this matter is Mr. Eric R. Barnes, J94. He may be reached at COMM: (671) 349-3300, DSN (315) 349-6678, or via email at eric.barnes@fe.navy.mil.

A handwritten signature in black ink, appearing to read 'S-A' followed by a stylized flourish.

S. A. JUNGK
Director, Warfighter and
Family Readiness (J9)
Joint Region Marianas

Copy to:
NAVBASE GUAM
NSAA GUAM

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Sample Letter of Designation

Date

From: Commander, Joint Region Marianas

To: (Name of Designee)

Subj: DESIGNATION AS INSTALLATION FUND CUSTODIAN

Ref: (a) DoD 7000-14 R Department of Defense FMR

(b) CNICINST 7000.3

(c) CNICINST 1710.3

(d) AIMS User Handbook FY16

(e) Fleet and Family Readiness Change Fund and Central
Cashier Cash Controls Standard Operating Procedure

1. Per references (a) through (e), you are hereby designated as Installation Fund Custodian for (Insert Installation Name); Morale, Welfare and Recreation (MWR), Navy Gateways Inns and Suites (NGIS). (If one person is not the IFC for all, then you will need multiple letters).

2. You will familiarize yourself with the provisions of references (a) through (e) and other current regulations established by competent authority. All cash must be properly safeguarded against fraud, waste, abuse and theft; strict compliance is required. Any discrepancies or issues related to this transfer of responsibility will be reported in your relieving acknowledgement. You are directed to assume financial management of Nonappropriated Funds (NAF) and assist the Region Program Directors in oversight responsibilities for all NAF operations.

3. In your absence from (Installation) for any period beyond 3 business days, but less than 30 days, the designated acting custodian shall deliver to you a memorandum for all daily receipts. If your absence is for more than 30 days, you will be relieved per procedures prescribed in reference (a).

4. You are authorized to establish change funds not to exceed the following amounts

a. MWR Petty Cash Fund: _____ MWR Change Fund: _____

b. NGIS Petty Cash Fund: _____ NGIS Change Fund: _____

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c. CYP Petty Cash Fund: _____ CYP Change Fund: _____

5. This designation terminates when you detach from your present duty station, or sooner, if relieved/replaced by proper authority.

Signature

FIRST ENDORSEMENT

From: *(Name of Designee)*

To: Commander, Joint Region Marianas

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1. I hereby acknowledge this designation and the responsibility in managing the cash per references (a) through (e).

Name

Date