



City of Kyle, Texas  
**POLICY & PROCEDURES FOR  
HANDLING OF SEALED BANK DEPOSIT BAGS RECEIVED  
FROM CITY DEPARTMENTS**

February 1, 2024

The City of Kyle maintains and adheres to financial policies that comply with accounting and financial reporting standards, internal controls, and incorporates best practices for the safeguard and protection of City's financial assets.

The policy and procedures for Handling of Bank Deposit Bags Received From City Departments is hereby established to provide staff responsible for this function with a standard set of procedures and guidelines in carrying-out their day to day job duties and responsibilities pertaining to handling bank deposit bags and to ensure employee accountability.

One of the objectives of the policy and procedures for Handling of Bank Deposit Bags is to help protect City employees against errors, fraud, theft, overages and shortages, and to improve employee accountability.

**Background Information**

Several City departments receive payments in the form of cash, checks, debit cards, credit cards for fees, fines, and other charges associated with providing City services. All forms of payments are accounted for and recorded in the user department's operating software systems when recording and posting the original transaction including cash, checks, debit and credit cards, money order, etc.) All checks received by the various City departments as a form of payment for services are scanned and electronically processed for deposit to the City's bank.

However, when cash is received by a City department as a form of payment for City services, the cash must be physically deposited to the City's bank.

The following City departments prepare bank deposit tickets (slips) and bank deposit bags for cash received, seal the bags, and physically bring the sealed bank deposit bags to the Financial Services department for taking to the City's bank.

1. Library Services Department
2. Police Department - Records

3. Parks and Recreation Department
4. Administrative Services Department – Utility Billing
5. Administrative Services Department – Municipal Court

This policy and procedures for Handling of Bank Deposit Bags Received From City Departments specifically covers the procedures that must be followed during the custody of the sealed bank deposit bags received from the City departments and to ensure that all bank deposit bags received in the Financial Services Department from other City departments are secured, accounted for, and deposited in the City's bank on a regular basis.

**Procedures for City Departments Bringing Sealed Bank Deposit Bags to the Financial Services Department**

1. All City departments are responsible for counting the amount of cash received.
2. Prepare cash deposit ticket/slip for the amount of the cash and itemize currency on the bank deposit ticket/slip.
3. Place the cash and the completed bank deposit ticket/slip in the bank deposit bag.
4. Seal the bank deposit bag.
5. Bring the sealed bank deposit bag to the Financial Services Department at City Hall.
6. The sealed bank deposit bag must be delivered to the physical custody of the assigned Staff Accountant in the Financial Services Department.
7. Complete, sign, and date the log maintained by the Financial Services Department for receiving sealed bank deposit bags from City departments. Refer to Exhibit A attached to this policy and procedures.
8. Contact the Finance Staff Accountant assigned to receive the bank deposit bags from the City departments. In the absence of the assigned Staff Accountant, contact the Accounting Manager or the Finance Director.
9. Under no circumstances shall the City department staff/representative leave the sealed bank deposit bag with another City staff at City Hall other than the assigned Staff Accountant in the Financial Services Department or leave the sealed bank deposit bag unattended in the inter-office mailbox, or in someone's office or desk or chair, etc.

**Procedures for Financial Services Department When Receiving Sealed Bank Deposit Bags From City Departments**

1. When receiving the sealed bank deposits bag, the assigned Staff Accountant in the Financial Services Department shall ensure in the presence of the City department staff delivering the bank deposit bag that the bank deposit bag is completely sealed.
2. If the bank deposit bag is found to be unsealed or partially sealed, the assigned Staff Accountant in the Financial Services Department is not to accept the bank deposit bag and immediately return to the City department staff that brought over the bank deposit bag.
3. If the sealed bank deposit bag is deemed to be acceptable, then the assigned Staff Accountant will ensure that the City department staff completes, sign, and date the log

maintained by the Financial Services Department for receiving sealed bank deposit bags from City departments. Refer to Exhibit A attached to this policy and procedures.

4. After the receiving log has been completed by the City department staff and the sealed bank deposit bag has been accepted into custody by the assigned Staff Accountant in the Financial Services Department, the sealed bank deposit bag shall be secured in the Finance department safe by the Accounting Manager or in their absence, by the Finance Director (back up).
5. Each business day after the designated lunch hour break, the assigned Staff Accountant shall prepare for transporting and depositing all sealed bank deposit bags received from the City departments.
6. The assigned Staff Accountant shall request the Accounting Manager to retrieve all sealed bank deposit bags secured in the safe operated and maintained by the Financial Services Department.
7. Under no circumstances shall the assigned Staff Accountant, Accounting Manager, or the Finance Director unseal or open the sealed bank deposit bags.
8. For each sealed bank deposit bag, the assigned Staff Accountant will then update the daily deposit log maintained by the Financial Services Department to track and reconcile Wells Fargo Bank Deposits. Refer to Exhibit B attached to this policy and procedures.
9. The above procedure for updating the daily deposit log will identify for each sealed bank deposit bag, the City department and cashier, date of the deposit, and the total amount of cash shown on the bank deposit ticket/slip.
10. After all sealed bank deposit bags are logged into the daily bank deposit tracking log, only then will the assigned Staff Accountant will place and secure all individual sealed bank deposit bags (without unsealing any of the bags) into a single large numbered bank deposit bag and seal it.
11. The assigned Staff Accountant will then enter the bag number from the large sealed bank deposit bag in the daily bank deposit tracking log maintained by the Financial Services Department.
12. After completing step #11 above, the assigned Staff Accountant will then place the large numbered sealed bank deposit bag inside a secure carrying handbag to transport the deposit to the City's bank. This step is necessary because the large numbered sealed bank deposit bag is transparent or a see-through plastic bag.
13. After step #12 above has been completed by the assigned Staff Accountant, the deposit bag is ready to be transported to the bank for depositing in the secured overnight drop-box at the City's bank.
14. The assigned Staff Accountant is responsible for physically taking all of the sealed bank deposit bags from the City departments to the City's bank to deposit (drop-off) in the secured overnight drop-box at the City's bank. This procedural step will change if and when the City secures the services of a secured courier service to transport all sealed bank deposit bags to the City's bank.

15. If the assigned Staff Accountant is unable to make the daily bank deposit due to the weekend, City holiday, bank holiday, illness, etc., then the sealed bank deposit bags shall remain secured in the Financial Services Department safe until the next bank deposit day.

#### **Reconciliation of Cash Deposits Made at City's Bank Drop-Box**

As part of its bank reconciliation responsibilities, the separate bank reconciliation staff in the Financial Services Department is responsible for ensuring that the daily bank deposits logged in the tracking log and deposited at the City's bank (overnight drop-box) are reconciled at least on a weekly basis. Any missing cash deposits and or reconciliation differences in the amounts received when compared to actual deposits shall be immediately reported to the Accounting Manager and the Finance Director.

#### **Procedures for Handling of Sealed Bank Deposit Bags Received From City Departments Reviewed & Concurred By:**



Andy Alejandro  
Accounting Manager

#### **Approved By:**



Perwez A. Moheet, CPA  
Director of Finance