Safeguarding Procedures for the Court Change Fund, Cash Boxes, and Dual Control Key Box[1]

Criteria

UCA § 17-36-45. Internal control structure.

UCA § 51-4-2. Deposits by political subdivisions.

Suggested Accounting Procedures for Utah Justice Courts, Accounting System, Section 2.00; General Policies and Procedures, Section 3.00; Change Fund, Section 4.00; Cash Receipts, Section 5.00; and Reconciliation, Section 9.00.

Internal Control of Court-Collected Funds, by Robert W. Tobin, National Center for State Courts. III. Cash Control Procedures, C. Intake Process, D. Receipt Process, E. Use of Cash Registers and Computerized Cash Drawers, K. Security of Receipts, and L. Timely Reconciliations.

Procedures

1. *Designate one clerk as the Cash Change Fund Custodian.*
   - The Custodian needs to forward a copy of this documentation to the local government auditor as the official record of the amount of the fund held by the court. The Cash Change Fund should be a fixed amount that remains intact and is counted each time the daily balancing occurs.
   - The custodian needs to assign a portion of the total change fund to each clerk designated to receipt court payments. Each clerk is then responsible to keep the clerk's assigned portion of the cash change fund secure in a locking cash box or bag, per the procedures described under no. 2. below. The cash change fund assignment should be documented on a Change Fund Log. A sample Change Fund is available on the web at: *http://www.utcourts.gov/courts/just/audit/forms.asp*
   - Each clerk's assigned change fund needs to remain intact and only be used to make change. The fund should not be used to balance daily deposits, for example, by making up a shortage, or by increasing the fund with an overage.
   - Each clerk's cash change fund needs to be verified by a second person on a regular basis. The verification needs to be performed in the presence of the clerk to whom the fund is assigned. The verification count should be performed during the daily balancing process when the cashier clerk prepares a Cash Count Form to document the monies collected and turned in for deposit, as described under no. 4 below.
2. *Provide each clerk designated to receipt court payments with a separate locking cash box or bag.*

[1] This document is available on the web at: *http://www.utcourts.gov/courts/just/audit/procedures.asp.* The procedures have been compiled from various resources, including various state laws and judicial rules applicable to justice court, the Suggested Accounting Procedures for Justice Courts, and the monograph published by the National Center for State Courts, Internal Control of Court-Collected Funds, by Robert W. Tobin.

- Only designated clerks should receipt court payments. Each cashier clerk is responsible to secure the cash box and its contents (court payments, the change fund assigned to each clerk, and hand receipt book). No other person should have access to the contents of a cashier's box, except when using the dual control procedures described under no. 3 below. The key to the cash box needs to remain in the possession of the clerk.
- During the day, each clerk should keep the assigned cash box in a place that is out of reach and out of sight of the public, such as a desk drawer All cash boxes should be locked and stored in a safe or other secure, limited access area overnight. The safe needs to remain locked unless opened by an authorized employee.

3. *Store duplicate keys to the cash boxes in a dual-control key box.*

   - Two employees, each using a unique key, would be required to open the key box to access the duplicate key. The duplicate key could then be used to access the cash box in the clerk's absence. The two employees should remain together when accessing the cash box contents and performing the verification count.

4. *Require each clerk, designated to receipt court payments, to complete and sign a Cash Count Form.*

   - At the end of the day, each cashier clerk that has been designated to receipt court payments should complete and sign a Cash Count Form to document monies collected and transferred to the deposit clerk. The clerk's change fund balance is also documented on the form. A sample Cash Count Form is available on the web at: *http://www.utcourts.gov/courts/just/audit/forms.asp.*
   - The amounts documented on the form need to be verified by a second person, usually the deposit clerk. The deposit clerk compares the coin, currency, check and money order amounts to the amounts recorded on the Cash Count Form before accepting custody of the monies. The clerk's assigned change fund is also counted in this process. The verification count is performed in the cashier clerk's presence, but out of public view.
   - The deposit clerk signs the form on the "Verifier's Signature" line to acknowledge that the amounts recorded on the form are accurate and the transfer is complete. The receipting clerk retains a copy of the Cash Count Form and his/her assigned cash change fund, and forwards the original form with the monies transferred to the deposit clerk.
   - The deposit clerk secures the funds in a locked device to which only that clerk has access until the funds are delivered for deposit.

5. *If the clerk preparing the deposit also cashiers, that clerk also prepares a Cash Count Form to document monies receipted and the change fund balance.*

   The deposit clerk's form and monies collected needs to be verified by a second person, which could be the other clerk.