

Operational Policy

Policy title:	Receipting of Checks and Other Negotiable Instruments		
Policy number:	DHS OHA-040-013		
Original date:	02/07/2010 (DHS only)	Last update:	12/04/2015 (Joint DHS OHA)
Approved:	Jim Scherzinger, DHS COO Mark Fairbanks, OHA CFO		

Purpose

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) are committed to communication and collaboration on operational policies affecting both agencies, including those developed by the Shared Service offices. The Office of Financial Services (OFS) ensures honesty, integrity and accountability by efficiently and effectively providing accurate, accountable and responsive financial management, management and business services to their clients, stakeholders and employees. In this way OFS supports the DHS|OHA mission and ensures the agency is in compliance with state laws and federal policies, rules and regulations.

Description

This policy outlines the expectations for the agencies to maintain control over accepting, receiving, depositing, processing or reporting monies in the possession of, or controlled by, DHS and OHA.

Applicability

This policy applies to all DHS and OHA staff including employees, volunteers, trainees and interns.

As keepers of the public trust, all agency employees have a responsibility to comply with state and agency policies, administrative rule, and state and federal law. The agency takes this responsibility seriously and failure to fulfill this responsibility is not treated lightly. Employees who fail to comply with state or agency policy, administrative rule, or state and federal law may face progressive discipline, up to and including dismissal from state service.

Policy

1. The Office of Financial Services (OFS) shall use strict controls and close management to properly record money received, prepare deposits, and report and correct cash receipt transactions.
2. DHS and OHA managers, supervisors and delegated employees shall ensure:
 - a. Proper internal controls are established to account for and safeguard cash, negotiable instruments and monetary transactions.
 - b. Separation of duties are sufficient to mitigate risk and loss, such as having the duties of receiving incoming mail, receipting, recording, and depositing monies performed by different employees.

- c. Adequate controls exist to prevent or detect missing cash, cash recording and reporting errors, or misappropriation of cash, negotiable instruments and monetary transactions.
 - d. Monies are deposited timely and related transactions are accurately recorded in the statewide account system.
 - e. All cash, checks, money orders, credit card transactions and other negotiable instruments are sent to the OFS Receipting Unit, unless a request for exception is approved by the Controller.
 - f. Employees receive the necessary training to perform their delegated responsibilities.
3. Managers, supervisors and delegated employees shall:
 - a. Establish standards of performance for their employees.
 - b. Take corrective action when an employee is unwilling or unable to perform their duties.
 - c. Document any cash shortage or overage, including information on the responsible employee with custody over the monies, monetary transactions or negotiable instruments.
 4. Employee position description shall describe the duties and responsibilities for their assigned receipting function: receiving incoming mail, receipting, depositing, recording, reporting, and correcting deposits.
 5. Employees shall receive training in internal controls, DHS and OHA policies, and applicable laws, rules and regulations governing cash receipting procedures.
 6. Employees responsible for receiving credit card payments shall have access to, receive training in and demonstrate sufficient knowledge of Oregon State Treasury Rules, US Bank Merchant Terms of Service (MTOS), Discover Business Services Merchant Operating Regulations (MOR), and rules, policies and guidelines that govern safeguarding confidential information.
 - a. All negotiable instruments records, receipts, card imprints, electronic data or other documentation containing cardholder account numbers shall be considered confidential information under the Public Records Law.
 - b. DHS and OHA employees shall maximize the use of current and evolving technology to minimize the quantity of cash, negotiable instruments and monetary transactions received and manually deposited by OFS Receipting.
 7. Unless specifically authorized by the DHS|OHA Controller to use the designated lockbox, all negotiable instruments shall be mailed to:
 - Financial Services Receipting Unit
 - PO Box 14006
 - Salem, OR 97309-5030
 8. Managers shall maintain a chain of custody over all monies in transit by ensuring adequate security of cash, negotiable instruments, monetary transactions and all receipting records supporting the amount to be deposited.
 9. Employees are prohibited from exchanging or trading any form of coin, currency or other negotiable instrument to further personal consideration or gain.
 10. DHS and OHA shall comply with State Treasurer requirements related to deposits, including:
 - a. All pre-coded deposit slips shall be ordered by OFS using form DHS 0029.
 - b. All monies received shall be deposited not later than the close of business one (1) day after they are received or accepted, unless approved by the DHS|OHA Controller.
 - c. All occurrences of cash, negotiable instruments and monetary transactions not deposited according to this policy shall be documented.
 - d. By the close of business on the date of occurrence, the manager shall provide the DHS|OHA Controller a written explanation describing the reason for non-compliance and the corrective actions taken to prevent future incidences.
 - e. The DHS|OHA Controller shall file the necessary documentation with the Secretary of State, Audits Division and the State Treasurer, Finance Division in accordance with ORS 293.265.

11. If receipt records reflect that an overpayment was made and the correct payer can be identified the OFS Disbursements Unit will initiate a payable transaction to generate a warrant and reimburse the payer upon proper approval.
12. In the event of a cash shortage of \$100 or more, managers shall immediately prepare a report explaining the shortage and send it to the DHS|OHA Controller by the end of the business day. The report shall include:
 - a. The date of the occurrence and the total amount of the cash shortage.
 - b. The name of the employee(s) who had custody of the monies, negotiable instruments, or monetary transactions.
 - c. A detailed explanation showing date, place, and complete circumstances that caused the shortage.
 - d. A statement of the corrective actions taken to prevent reoccurrence.
 - e. The date and signature of the custodial employee's manager.
13. The DHS|OHA Controller shall file a report with the Secretary of State, Audits Division for any cash shortage of \$100 or more.
14. The manager, supervisor or delegated employee shall be responsible for the safekeeping of all negotiable instruments in safes or vaults by:
 - a. Ensuring the combination is adequately controlled.
 - b. Maintaining a record showing names of employees who have access and the date the combination was last changed.
 - c. Changing the combination when an employee's access is no longer required, either through a change of duties, termination or transfer to another position.
15. Employees may be held personally responsible for cash discrepancies.

References

[Office of the State Treasurer](#): 02 18 13

Oregon Accounting Manual [10.10.00](#), [10.20.00](#)

ORS [30.701](#), [293.265](#), [293.990](#), [297.110](#), [297.120](#)

Department of Administrative Services: Acceptable Use of State Information Assets, [107-004-110](#)

[VISA Merchant Guides](#)

[Common Terms](#) for all Finance policies

[Common Terms](#) for all Administrative Services Division policies

Forms referenced

[DHS 0029: DHS General Receipt book \(electronic version not available\)](#)

[DHS 0844: Request for Exception to the DHS|OHA Policy Receipting of Checks & Other Negotiable Instruments](#)

[DHS 0135: Credit Card Authorization](#)

[DHS 0135A: Recurring Credit Card Payment Authorization](#)

[DHS 0136: Request for Credit Card Refund](#)

[APD 0306: VISA/Mastercard/Discover Authorization](#)

Related policies and guidelines

[DHS|OHA-040-010: Delegated Expenditure Authority](#)

[DHS|OHA-040-010-02: Inappropriate Actions](#)

[DHS|OHA-040-013: Receipting of Checks and Other Negotiable Instruments](#)

[DHS|OHA-060-002: Conflict of Interest](#)

[DHS|OHA-060-004: Discipline and Discharge-Classified, Unrepresented](#)

[DHS|OHA-060-005: Discipline and Discharge-Management Services](#)

[DHS|OHA-090-001: General Security Policy](#)

[DHS|OHA-090-002: Information System Audit and Monitoring Policy](#)

[DHS|OHA-090-003: Access Control Policy](#)

[DHS|OHA-090-004: Security Awareness, Training and Enforcement](#)

[DHS|OHA-090-005: Security Incident Management](#)

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