

**WEST VIRGINIA STATE TREASURER'S OFFICE
RILEY MOORE, STATE TREASURER**



CASH RECEIPTS HANDBOOK
FOR
WEST VIRGINIA SPENDING UNITS

1. General

- 1.1 **Effective Date:** November 15, 2011
- 1.2 **Revisions:** October 1, 2024
- 1.3 **Authority:** The West Virginia State Treasurer's Office (WVSTO) is authorized to review the procedures and methods used by state officials and employees authorized to accept moneys due the state and change those procedures and methods as he or she determines to be in the best interests of the State, except for the procedures used by the Department of Revenue, in accordance with [West Virginia Code §12-2-2](#).
- 1.4 **Purpose:** The purpose of this Handbook is to establish and document procedures for processing cash receipts and provide guidelines for the proper receiving, handling, and safeguarding of cash and cash equivalents by Spending Units and their employees. Strong internal controls for cash collections are necessary to prevent mishandling and are designed to safeguard and protect the cash, as well as to protect employees from inappropriate charges of mishandling funds. The WVSTO's goal for the oversight of the cash handling function is to guide and control the process for receiving moneys at various Spending Unit locations throughout the State.
- 1.5 **Overview:** Cash should be handled with the highest security. Spending Units must ensure they have the West Virginia Code authority to collect revenues. Each Spending Unit which has the authority to collect revenues must have policies and procedures detailing all required steps at each interval of the collection, handling, and depositing processes. The procedures should give each employee a clear understanding of what is expected, what behavior is and is not acceptable and how to accurately accept, handle and safeguard cash. The procedures should also be clear as to which employees have access and the ability to perform each task required in the entire process. Employees should understand their accountability for all cash which are due the State of West Virginia. This Handbook establishes the minimum policies and procedures that are to be used, as well as best practice guidelines. Spending Units may require stricter provisions than those specified in this Handbook. All Spending Units must follow their required procedures for cash receipts, which must meet the minimum standards in this Handbook.

- 1.6 **Definitions:** The following terms are defined for purposes of this Handbook, unless a different meaning is clearly required by the context:
- 1.6.1 **“Account Number”** means a unique string of numbers, letters, and other characters that identify a specific financial account. Usually, the second set of numbers on the bottom of a check.
 - 1.6.2 **“Armored Car Services/Armored cash transport car”** means a van or truck, used in transporting valuables, such as large quantities of money from one destination to another safely.
 - 1.6.3 **“Cash”** means money or its equivalent in the form of coins, currency, money orders, checks, ACH, or wire.
 - 1.6.4 **“Check Scanner”** means a check-scanning device which scans the front and back of a check which creates a digital image and deposits the amount of the check directly to a designated bank account electronically from remote locations.
 - 1.6.5 **“Collection Point”** means the physical location the spending unit/agency is accepting moneys for deposit.
 - 1.6.6 **“CR”** means a Cash Receipt document. This is the document type used to record bank deposits in wvOASIS. A CR document is manually entered at the agency level.
 - 1.6.7 **“CRI”** means a Cash Receipt Interface document. This is the type of document used to record bank deposits in wvOASIS, however this document is interfaced via files which are uploaded to wvOASIS.
 - 1.6.8 **“Designated State Depository”** means a state or national bank or a state or federal savings and loan association that meets certain criteria established by West Virginia law and posts any required collateral.
 - 1.6.9 **“Disbursement”** means cash outflow or payment of money to settle obligations such as operating expenses, interest payments for loans and accounts receivables during a particular period to carry out business activities. Usually in the form of cash, plastic money, check, warrants, and electronic fund transfers. Opposite of cash receipts. Also called cash payments.

- 1.6.10 **"Foreign Item/Check"** means any item (e.g., check, cash/coin, and/or wire) drawn on a financial institution outside of the U.S., Puerto Rico, U.S. Virgin Islands, and Guam. The item can be issued in U.S. dollars or the currency of the country in which the bank is located.
- 1.6.11 **"Imprest fund"** means a cash change fund in a fixed amount approved by the STO and maintained by a Spending Unit for specific uses.
- 1.6.12 **"Lockbox"** means a service by which the WVSTO receives payments by the US Postal Service delivered to a post office box, retrieves the mail daily, processes the checks and remittance forms inside each envelope, prepares a wvOASIS deposit, deposits the checks and notifies the Spending Unit of the information on the remittance forms and the checks deposited.
- 1.6.13 **"Magnetic Ink Character Recognition (MICR) Line"** means a line of characters on a check printed with a unique ink that allows the characters to be read by a reader-sorter machine.
- 1.6.14 **"Money Order"** means an item purchased at a bank, post office, or other business establishment for any amount up to \$1,000.00. The bank completes only the amount information.
- 1.6.15 **"Monies"** means money in any form including currency (bills and coins), checks, credit card transactions, ACH transactions, wire transactions. These can also be referred to as "cash" or "cash receipt." *Please refer to the Credit Card Handling Handbook for more information on accepting credit card transactions.*
- 1.6.16 **"Outside Bank Account"** means an account operated by a Spending Unit outside of the State Treasury.
- 1.6.17 **"Reconciliation"** means a process used to compare two or more records to ensure the figures agree and are accurate at a particular point in time.
- 1.6.18 **"Routing Number"** means a nine-digit set of numbers that identify your bank in a financial transaction. It is usually the first set of numbers on the bottom of a check.

1.6.19 **“Spending Unit”** means a department, agency, or institution of state government for which an appropriation is requested, or to which an appropriation is made by the Legislature. For purposes of this Handbook, a "Spending Unit" includes all state collection sites.

1.6.20 **“wvOASIS”** means the State Enterprise Resource Planning (ERP) system with a comprehensive suite of integrated modules that provide end-to-end support for statewide administrative functions such as Financial Management, Procurement, Asset Management, Payroll, etc.

1.6.21 **“Wire”** means an electronic transfer of funds via a network administered by banks and transfer service agencies around the world. Wire transfers are sent by one institution and received by another. Wire transfers are typically used when large amounts are needed along with the ability to confirm receipt, and when international payments are made.

2. **Safeguards**

Once cash is received, it must be protected immediately by storing in a locked fireproof cash drawer, safe, or other secure place until the cash is deposited. A Spending Unit must provide a secure area for processing and safeguarding the cash and restrict the area to a minimum number of authorized employees only. A limited number of people should have access to the secured receipts to prevent any mishandling. A Spending Unit’s policy should set the amount of cash to be counted by two employees. All cash should be counted out of sight of the public.

3. **Segregation of Duties and Internal Controls**

3.1 Spending Units must establish proper segregation of duties and checks and balances, which includes cash collecting, depositing, reconciling, and reporting. One recommendation for any new employee hired to handle cash is to have a background investigation performed. Refer to your Spending Unit employee policies and procedures for this recommendation.

- 3.2 Unless otherwise authorized by the WVSTO, an individual should not have the soleresponsibility for more than one of the following cash handling components:
- Collecting
 - Depositing
 - Disbursement
 - Reconciling
- 3.3 The individual taking the payment should not also prepare the deposit and/or make the deposit at the bank.
- 3.4 There should be dual signatures verifying any moneys transferred to the bank.
- 3.5 The bag holding moneys for deposit should be sealed and/or locked before it leaves the Spending Unit's location.
- 3.6 The employee who has collected the money or made the deposit should not also reconcile the funds.
- 3.7 All mail should be opened with two people present and all checks must be endorsed immediately. Documents enclosed with mail payments should be date-stamped by one of the employees opening the mail. A daily log should be recorded with the date and number of items received by mail including dual signatures for each day.
- 3.8 Spending Units are encouraged to use dual control when employees are authorized to accept cash and enter deposits into the Spending Unit's accountsreceivable system.
- 3.9 If a Spending Unit's size limits the ability to have proper segregation of duties, the WVSTO offers several services which may be more appropriate to accept standard payments. The WVSTO has various methods in which they receive, process, and deposit payments without Spending Unit involvement. Information on these services is included on the WVSTO website at www.wvtreasury.gov.

4. General Requirements

- 4.1 To decrease the risk of theft, all checks received must be endorsed immediately. The endorsement stamp must be restrictive and contain the words:

FOR DEPOSIT ONLY
State of West
Virginia Agency
Name
Account Number (optional)
Deposit Location(optional)

- 4.1.1 All endorsement stamps for WVSTO receipt accounts will be ordered through TicketsGroup@wvsto.gov.
- 4.1.2 Endorsement stamps for Outside Bank Accounts are ordered by the Spending Unit through a vendor of their choice.
- 4.2 A calculator tape totaling the individual items that provides the details of the contents must accompany every bank deposit.
- 4.3 Many Spending Units have Outside Bank Accounts which are accounts utilized for the collection of funds which are not considered “state” monies. The State Treasurer’s Office approves and monitors these accounts as set forth in [West Virginia Code §12-2-3](#). The form to request an Outside Bank Account is located on the STO website at www.wvtreasury.gov.
- 4.4 All cash handling policies and procedures must be followed with State accounts, as well as Outside Bank Accounts. All Outside Bank Account activity should be recorded in the Spending Unit’s system of record.
- 4.5 Under no circumstances should an employee commingle Spending Unit received funds with his or her own personal funds, deposit the received funds in a personal bank account or take the received funds home for safekeeping.
- 4.6 Cash received must not be used to establish an imprest fund or petty cash fund. Expenditures or refunds cannot be made from cash receipts. If an imprest fund is needed, please refer to WVSTO’s specific policies and procedures for imprest funds on our website at www.wvtreasury.gov.

- 4.7 A check or money order received must be reviewed for completeness:
- 4.7.1 Verify account holder's name, address and phone number is included on the check.
 - 4.7.2 Verify that the check has a bank name listed, and that the routing number and customer's bank account number are encoded on the bottom edge of the check.
 - 4.7.3 Note the date. Do not accept post-dated or stale dated checks, and do not agree to hold a check for future deposit. Post-dated checks have a date in the future; stale dated checks have a date of six months ago or longer.
 - 4.7.4 Verify that the amount written in numbers matches the amount written in words.
 - 4.7.5 Verify that the check is signed and made payable to the appropriate Spending Unit.

5. **Cash Collections and Reconciliation**

- 5.1 Cash can be received via counter payments or by mail. A pre-numbered receipt must be issued for each counter payment at the time the funds are received. Receipts must be pre-numbered regardless of whether the Spending Units have computer generated or handwritten receipts.
- 5.2 Receipts must be prepared in duplicate: The original must be given to the individual from whom the funds were received at the time the cash was remitted; the copy is retained in numeric order, either in the receipt book or in a file established for this purpose. Every receipt issued must show the following information:
- Amount received,
 - Date received,
 - Type of cash (coin, currency, money order or check),
 - Check or money order number if applicable,
 - Name of the individual/company from whom received,
 - Purpose of the collection for which the cash was received, and
 - Spending Unit name and employee name who prepared the receipt.

- 5.3 If an error is made while preparing a receipt, void the receipt and issue another one. To void a receipt, write the word "VOID" across the face of the receipt and retain the original along with the copy in the receipt file. Do not discard voided receipts. All receipt numbers must be tracked and accounted for within the Spending Unit. The pre-numbered receipts help aid in the reconciliation process and theft prevention. Any missing receipts should be investigated.
- 5.4 Each Spending Unit must have a daily itemized record of the collections received. The daily itemized record should contain the following:
- Name of person or entity,
 - Amount collected,
 - Date of collection,
 - Purpose of collection,
 - Type of cash (coin, currency, money order or check),
 - Check or money order number, if applicable, and
 - Name of employee who prepared the receipt.
- 5.5 An employee other than the staff member who made the bank deposit must perform a reconciliation of the supporting documentation (itemized record) to the bank validated deposit tickets daily. The employee must sign and date the reconciliation to reflect who performed the reconciliation and when. Any differences should be investigated. The Spending Unit employee making the deposit must verify the validated deposit amount prior to leaving the bank to ensure the validation matches the deposit amount. This validation is the State's proof as to the dollar amount of the deposit. If there is a variance between the Spending Unit's deposit ticket and the bank validation, the Spending Unit's employee must have the bank recount the deposit. This should be done before the employee leaves the bank premises. If there is a discrepancy with a deposit amount on the bank statement in comparison to the wvOASIS deposit, the validated deposit ticket would be used as the State's proof to correct the discrepancy with the bank. All cash receipts and related documents must be kept in accordance with the Spending Unit record retention policy. All Spending Units must have a record retention policy approved by the Department of Administration.

5.6 Check scanning is a service offered to spending units/agencies through some designated state depository contracts. Check scanning allows the spending unit/agency to scan check payments received at a collection point. Once the checks are scanned an electronic file is generated, this file is then transmitted to the designated state depository for deposit. You ***must*** contact the WVSTO to set up this service.

5.7 An alternative to receiving payments at each Spending Unit site would be to utilize the WVSTO lockbox service. A lockbox is the collection and processing of payments performed by the WVSTO. The payments are mailed to a post office box with remittance coupons. The payments are retrieved, processed directly to the Federal Reserve, and deposited in wvOASIS daily by WVSTO staff. The Spending Unit is notified of the customer's payment by information gathered from the remittance coupon. The information on the coupons is customized to the Spending Unit's need. Some examples of the information gathered would be, but is not limited to:

- Invoice number,
- Customer account number,
- Amount,
- Due date, and
- wvOASIS deposit coversheet identification number.

A lockbox service offers a timelier processing of payments, image retrieval, security, convenience to the Spending Unit and access to history of payments and images that would not otherwise be available.

The WVSTO also offers online and in-person credit card services through our Merchant Service's contract. Online services include the WVSTO EGov program where both credit card and ACH payments are processed online. Payments accepted online can be set up for automatic interface cash receipt (CRI) document entry in wvOASIS.

6. **Deposits**

6.1 [West Virginia Code §12-2-2](#) requires all cash collections must be deposited within one business day. Spending Units can make deposits directly at a designated state depository as approved by the WVSTO or at the WVSTO checks processing located at the Capitol Complex in Charleston.

- 6.1.1 Spending Units may also utilize Armored Car Services, which are provided through the WVSTO's banking contracts. By using these services, a spending unit will add a layer of segregation of duty and safeguards into their policy and procedures. The Armored Car Service would come to the spending unit, pick up their deposits, and take the funds to the bank for processing.
- 6.2 Spending Units are required to record bank deposits into wvOASIS within one business day. When entering CR information, please make sure to use correct deposit location. When entering CR documents for monies deposited to a designated state depository you will use the deposit location and ticket number located on your agencies deposit tickets.
- 6.3 Checks Processing: When a Spending Unit makes a deposit at the Capitol complex checks processing the wvOASIS deposit coversheet must accompany the deposit along with two calculator tapes totaling the deposit. Cash and check deposits must have separate wvOASIS deposit coversheets. The deposit must equal the amount stated on the wvOASIS deposit coversheet. A copy of the coversheet is given a time and date stamp and returned to the Spending Unit employee at the time of the deposit. This stamp is considered the Spending Unit's validated receipt for making the deposit.
- 6.4 Foreign Items: Foreign items are deposited into the bank using the same method as U.S. currency checks. The WVSTO prefers any foreign check be placed on a separate deposit ticket when presented to the bank. This enables issues to be identified more efficiently. Please note during the WVSTO's reconciliation process, the Cash Receipt (CR) document entered in wvOASIS may reflect the face value of the check; however, the bank could receive credit for a different amount. This is due to the exchange rate being used to convert one currency to another. The WVSTO will request an adjusting entry be made in wvOASIS in the form of a CR or a Negative CR to match the ledger to the bank deposit. The WVSTO prefers that all international transactions (e.g., Checks and/or wires) be sent with the currency of U.S Dollars.
- 6.5 Returned Deposited Checks
- Returned Deposited Checks are any checks received which the bank did not honor. There are many reasons an item can be returned. Some reasons include but are not limited to Closed Account, NSF (insufficient funds), Stale dated, Stop payment etc.

- Returned Deposited checks are received by the WVSTO electronically and via US Mail. Items received electronically are returns processed by the bank for the previous day. Items received via US Mail will have a longer processing time. Whether the items are received electronically or in the US Mail, the WVSTO processes returns on the same day they are received. Agencies will receive an email notification of any returns daily.
- CR documents for returned checks are entered by the WVSTO and the CR numbers is sent to agency/spending units via email. If agency/spending units must enter the CR into wvOASIS it will need to be entered within two (2) business days of notification of the return. You are required to forward the CR document number to the WVSTO upon completion.
- Once a negative CR has been completed an email is sent to the agency/spending unit with a copy of the front and back of the check, returned check information and the negative CR document number.
- A per item returned check fee is billed to the spending unit/agency on the WVSTO monthly billing

6.6 Approved Designated State Depositories: Financial institutions must be approved prior to accepting deposits from any state spending unit. To make an initial deposit at a State-approved depository, a Spending Unit must submit a request to make a deposit to the WVSTO. The WVSTO must approve or decline this request. If approved, the Spending Unit may make deposits at the bank specified by the WVSTO. A Spending Unit must retain the receipt according to its record retention policy.

6.7 When a new depositing location is needed, the Spending Unit must provide the WVSTO with the following information:

- Reason(s) why cash collection point is needed,
- List of Spending Unit positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained,
- Listing of special financial services needed,
- Description of the reconciliation process, including frequency of reconciliation,
- Description of the process for safeguarding cash until it is deposited,
- Schedule of how often cash deposits will be made, and
- Preferred bank for use.

- 6.8 The request for depository location must be submitted on the form available on the WVSTO website at www.wvtreasury.gov. The forms may be submitted to ReconGroup@wvsto.gov or via fax at (304) 340-1511.
- 6.9 Once the request has been reviewed by WVSTO staff and approval has been given, the requesting Spending Unit can begin using the approved depository.
- 6.10 All deposit tickets for WVSTO receipt account deposits must be ordered through the WVSTO at TicketsGroup@wvsto.gov. The tickets are uniquely identifiable for each location and pre-numbered for Spending Unit convenience, security, and ease of reconciliation. Tickets can be ordered in duplicate or triplicate. The original and the copy must be remitted to the bank with the moneys being deposited; the copy is to be validated by the bank and returned to the Spending Unit to be retained on file.
- 6.11 Outside Bank Account deposit tickets are ordered by the Spending Unit through the bank at which they have an account or other means determined by the Spending Unit.
- 6.12 Cash collections may be received at approved temporary locations, such as West Virginia fairs and festivals. In some cases, Spending Units have products available for sale at area events and all revenue received from the sales must be deposited into the State Depository within one business day. There are WVSTO approved State Depositories in various locations throughout West Virginia in which the deposits can be made. The WVSTO will provide any assistance and guidance to locate a branch closest to the offsite area and ensure deposit tickets are provided and proper set up in wvOASIS for the deposit.

7. **Counterfeit Money**

- 7.1 Counterfeit money is described as currency produced outside of the legal sanction of a government, usually in a deliberate attempt to imitate that currency and to deceive its recipient.
- 7.2 It is the spending unit's responsibility to ensure that all currency accepted at the collection point is authentic currency.

- 7.3 In general, newer authentic \$5 bills and above have watermarks in the bills able to be seen if held up to a light. The \$5 bill has a “5” within the bill. The \$10 bill and above have the faces of the president which is on the face of the bill.
- 7.4 Serial numbers and font on the bill should correspond to one another.
- 7.5 Use the Feel, Tilt, Light method:
- Feel the paper for raised printing.
 - Tilt the bill to view color-shifting; and
 - Hold bill to light to view image and watermark.
- 7.6 Spending units also have the option to use counterfeiting pens that can assist in the detection of counterfeit bills. The pens detect starch on the real bills dollar bills made of cotton and linen. Often forged bills will be made of paper instead of the cotton linen mixture authentic bills are made of.
- 7.7 In the event a counterfeit bank note is received, hand it over to your supervisor immediately. You should limit touching the bill, place in a clear plastic bag or envelope, write down the origin and notify authorities. In the event fake currency is detected.
- 7.8 Do not include counterfeit money in the daily deposit.

8. **Collection Points**

All Spending Units should make a conscious effort to keep collection points to a minimum. Excessive collection points can lead to mishandling of money, more expenses, and a longer reconciliation process. The risk is greater with each collection location added.

9. **Medical Cannabis Deposits**

- 9.1 State agencies and Spending Units should review the West Virginia Medical Cannabis Act, [West Virginia Code § 16A-1](#) et seq as well as any state code and/or rules specific to their agency that would explain specific revenue collections and determine whether any collections are related to the state-sanctioned medical cannabis program.

- 9.2 All deposits related to medical cannabis MUST be deposited at Element Federal Credit Union.
- 9.3 Checks and/or cash monies paid to your agency should **not** be comingled with medical cannabis monies.
- 9.4 Acceptable payment methods for medical cannabis deposits:
- The State of West Virginia is only accepting checks and cash for payments related to medical cannabis.
 - Your agency is responsible for determining if you will accept personal/business checks or only cashiers or certified checks and/or cash.
 - The acceptance of card present and/or card not present credit card payments are **not** permissible. This includes using the WVSTO EGov application.
 - The WVSTO can work with your agency and Element Federal Credit Union for acceptance of ACH receipts through a separate processing application. ACH payments will not be accepted through the existing WVSTO ACH process.
- 9.5 Any cash payment related to a medical cannabis deposit of \$50,000.00 or more will require an appointment in person at an Element Federal Credit Union location. Your agency will be responsible for determining if cash collections will be acceptable and develop procedures accordingly.
- 9.6 To accept deposits related to medical cannabis, Spending Units will need to provide the following:
- Complete the Depository Designation Request Form from the Office of State Treasurer, Banking Services Division.
 - You may send an email to recongroup@wvsto.gov or go to www.wvsto.com, click on the banking tab and select Depository Designation Request under Useful Tools for State Agencies at the bottom of the screen.

- Once the form is completed and sent to our office for approval, you will be provided a wvOASIS deposit location number and deposit tickets, and an endorsement stamp will be ordered according to the information provided.
- Deposit tickets will be received in 7 – 10 business days.

9.7 All deposit ticket order requests should be sent to ticketsgroup@wvsto.gov.

9.8 All endorsement stamp order requests should be sent to ticketsgroup@wvsto.gov.

9.9 Element Federal Credit Union locations:

Kanawha City
3418 MacCorkle Ave SE
Charleston, WV 25304

South Charleston
323 2nd Avenue
South Charleston, WV 25303

Charleston
350 Capitol Street, Room 156
Charleston, WV 25301

9.10 No expenditures will be allowed from Element Federal Credit Union. Questions regarding expenditures should be directed to checkhotline@wvsto.gov.

9.11 Questions regarding Medical Cannabis Transaction Processing within wvOASIS should be directed to the wvOASIS Finance Team at FinanceTeam@wvOASIS.gov

10. **Procedures Review and Assistance**

Any Spending Unit who needs assistance or have questions should contact the WVSTO Banking Services Division at (304) 558-3599. Please ask for the Director of Cash Accounting or the Cash Accounting Supervisor.