



Issue Date:	Effective Date: March 2009	Responsible Agency: Office of the Comptroller General	Directive No: 909
Chapter: CONTROL OF REVENUES			
Directive Title: RECEIPT AND DEPOSIT OF PUBLIC MONEY			

1. POLICY

The Comptroller General has the responsibility for ensuring that all public money is collected and accounted for, under s.12(2) of the *Financial Administration Act (FAA)*. Departments must have adequate controls in place to ensure that all public money is collected and deposited in an authorized Government bank account in a timely manner.

2. DIRECTIVE

Deputy Heads shall ensure that proper controls are in place, and are working, to ensure that all public money is received, stored and deposited in an authorized Government bank account in a timely manner. The controls must be in accordance with Directives in the 605 series.

3. PROVISIONS

3.1. Custody and Handling of Cash and Cash Equivalents

- 3.1.1. Any public officer who has control of public money must ensure that the public money is deposited into a Government bank account in accordance with an established system of controls. The public officer must also ensure that the money is credited to the appropriate account.
- 3.1.2. Departments who receive public money in communities that do not have access to banking facilities must have controls in place to properly safeguard the money until it can be securely transferred to Department of Finance offices that have access to banking facilities.
- 3.1.3. Under no circumstances are cash or negotiable securities to be sent through the mail. Procedures must be in place to convert cash and negotiable securities into an instrument that may only be deposited

into a Government bank account (cheque, money order, etc.) prior to sending it to the Department of Finance.

3.1.4. Public money must not be allowed to accumulate in Government offices.

- Those offices that have access to banking facilities must make deposits as frequently as necessary (daily recommended).
- Departments in non-banking communities must convert cash and negotiable securities into cheques or money orders as frequently as is necessary to avoid an accumulation of cash in the department (daily recommended).
- The departmental policy covering the handling of public money must specify the amount of cash (\$500 at a maximum) that may accumulate at individual locations and the frequency of deposits or transfers to the Department of Finance.

3.2. Internal Control

3.2.1. The Deputy Head, through the Executive Finance Officer, in each department that receives public money must ensure that fully documented controls are in place to properly safeguard and record public money. Segregation of duties is a key element of any control system. In locations where segregation of duties is not possible, greater management supervision is required. The control system should contain the following elements, as is appropriate to the circumstances of the department:

- incoming mail is opened by two persons, where possible and all public money received is promptly recorded;
- cash received must be balanced against the recorded amount on a daily basis;
- a receipt must be issued when currency is received;
- all cheques and negotiable instruments are endorsed upon receipt in a manner that prevents them from being deposited in other than a Government bank account;
- cash receipts must be deposited daily, if feasible;
- cash on hand must be kept in a secure location, out of the public view;
- cash receipts must be deposited intact. Disbursements must not be made from cash receipts;

- a proper segregation of duties must be in place. The person receiving the cash must be different from the person entering the transactions in the accounting records. One person must not be responsible for handling a transaction from beginning to end;
- petty cash funds must not be combined with cash receipts;
- cash floats must be assigned to a specific custodian who is responsible for it;
- cash short must not be paid from a cash float; and
- the receipt of funds must be centralized whenever possible.

3.2.2. Departmental controls and procedures must indicate the circumstances under which the custodian of money is responsible to repay shortages and the level of cash over and short that is tolerable.

3.3. Electronic Payment

- 3.3.1. To minimize the handling of cash, departments are encouraged to make use of electronic means of receiving payment. These may be by the use of Debit or Credit cards or by electronic transfer from the individual's or organization's bank account. The *Electronic Commerce Act* governs the use of electronic payments.
- 3.3.2. In order to ensure that electronic payments are properly controlled and recorded, the Comptroller General's approval is required before a department may establish facilities that enable electronic payment within their department.
- 3.3.3. The cost of using electronic payments must be charged against an expenditure appropriation of the department using the facility.
- 3.3.4. Cash withdrawals from Debit or Credit card machines are strictly prohibited.
- 3.3.5. A public officer may refuse to accept payment in electronic format. The Executive Finance Officer in the department involved must approve all instances where the use of electronic payment is refused. Full details of the refusal must be documented, including the amount involved, reasons for the refusal and alternate payment method accepted.