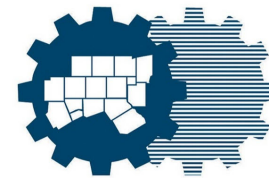


Cash Handling Training



Government Treasurers'
Organization of Texas
<https://gtot.nctcog.org/>



Patrick Shinkle
North Central Texas Council of
Governments
<https://www.nctcog.org/training-development-institute>

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1. You and Your Organization

You as the Cash Handler

- As a cash handler, you are the face of the organization.
- When a customer arrives, the immediate impression you provide represents the organization to that person.
- Your greeting, grammar, word choice, mannerisms, eye contact, and professionalism set the tone for the transaction.
- Your transactions need to be courteous, prompt, accurate, and effective.
- When that customer leaves, you are the one they will remember regarding their transaction with the organization.

Your Responsibilities as a Cash Handler

- Maintain good customer relations.
- Receive and disburse money accurately.
- Operate according to the established Cash Handling procedures.
- Safeguard the assets from loss and divergent procedures.
- Assist and support other coworkers as needed in cash handling activities.
- Expectations:
 - Accuracy
 - Efficiency
 - Professionalism

Your Responsibilities as a Supervisor

- Maintain and monitor good customer relations.
- Coordination and organization of daily functions.
- Training according to the established Cash Handling procedures.
- Evaluation and assessment of employees and procedures.
- Safeguard the assets from loss and divergent procedures.
- Assist and support others as needed in cash handling activities.
- Expectations:
 - Employee and customer management
 - Efficiency and best practice development
 - Professionalism and problem resolution skills (CH procedures and customers)

The Purpose of Effective Cash Handling

- Provide strong internal controls.
- Prevent mishandling of funds.
- Prevent opportunities of the lure of mishandling funds.
- Protect employees from charges of inappropriately mishandling funds.
- Provide customers options on paying invoices.
- Create and maintain consistencies regarding cash within the organization.

Effective Cash Handling

- Achieved by defining:
 - Skills and responsibilities
 - Math proficiency
 - Technical equipment
 - Adherence to training and procedures
 - Good customer relations
 - Understanding and knowledge of:
 - Processes
 - Procedures
 - Training
 - Professionalism and courtesy to customers
 - Compliance with the cash handling processes and policy

Where is the Cash?

- Where does the cash enter the organization?
 - Cash collection points should only be approved by the Finance Department and/or auditor ensuring that the cash collection points have received proper training and are following the guidelines set forth in the cash handling procedures through training and documentation.
 - Cashiering windows
 - Annex buildings
 - Other departments
 - Remote locations (Temporary locations)
 - Vending machines, copiers, etc.

Cashiering Functions and Area Responsibilities

- Receive, safeguard, collect, and disburse funds.
- Maintain accurate cash accounting records through:
 - Attention to detail
 - Loss prevention and control
 - Good receipt / record keeping
- Always provide receipts.
 - Email, Printed, Legible Handwriting
- Provide efficient, courteous, and accurate customer transactions.
 - Initial greeting, Listen, Inform, Seek assistance if necessary.
- Follow the procedures and guidelines.
 - Coordinate and assist with reconciliation / counting process.

Cashiering Customer Interaction

- Greeting and departure are courteous and polite.
- One customer at a time.
 - One conversation at a time.
- Don't deviate from the defined procedures.
- Transaction engagement is critical:
 - If the customer is on the cell phone, wait until they complete the call.
 - If they are distracted by another party or child, wait until you have their attention.
- Special needs or disabled persons might need assistance.
- Challenging customers:
 - "I'm a taxpayer, you work for me". "I want to speak to your supervisor". "I pay your salary".
 - Engage a supervisor to assist in de-escalating the situation.
- Stay alert, focused, and attentive throughout the transaction.

Cashier Functions and Area

- Public entities and private entities.
 - Perception of location (ease of access) and payment purpose:
 - Fines, fees, disputes, combative nature
 - Wait time for transaction:
 - Sign-in sheet, taking a number, standing in line, reservations, convenient hours
 - Explanation of any required complementing paperwork.
 - Customer instruction notification, signage, posters.
 - Cashiering area:
 - Proximity limits between cashier and other customers.
 - Sufficient space, seating, counters, environment

Cashier Functions and Area

- Security
 - Cameras
 - Alarms
 - Security guards or LEOs (Law Enforcement Officer)
 - Security Windows
 - Cashiering drawers
 - Counter depth and work surface
 - Locked access doors to cashiering area
 - Customer description training and assessment
 - Sunglasses, hats, scarfs, hoodies (concealment policy)
 - Texas Conceal / Open carry policy (30.06 & 30.07)

Cash Drawers and Tills

- One cash drawer per person based on department policy.
 - Allows for individual accountability and reconciliation.
 - Lockable and the ability to secure.
 - Supervisors must respect individual cash drawer accountability.
 - Big bills and making change.
 - Arranging the bills and coinage.
 - Under the drawer for large bills.
 - “I have too many \$1.00s.”
 - “I’m out of \$5.00s.”
 - “I dropped money on the floor.”
 - Don’t crack the coin rolls on the till drop. Take time to unroll them.

What is Cash?

- Cash is defined as:
 - Coins
 - Currency (Bills)
 - Checks
 - Money Orders
 - Credit Card Transactions
 - Gift Cards
- Future/Non-standard methods?
 - Traveler's checks (exchange fees?)
 - Bitcoins or Crypto-currency
 - Apple Pay, Samsung Pay, PayPal, etc.

FUN FACTS about Money

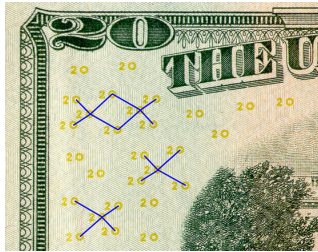
- All U.S. Currency is printed with the same color inks and sized (2.6" x 6.14").
- Green was selected for U.S. dollars because it's the most resistant to fading, flaking, and discoloration.
- It takes around 8,000 folds before a bill will tear from use.
- North Korea is the largest counterfeiter of US currency.
- A dime has 118 ridges around the edge, a quarter has 119.
- There are 293 ways to make change for a dollar.

2. Money Identification



6 Key Features for Money Identification

- Serial Numbers & EURion Constellation
 - Each bill has a unique number to record data on its production and keep track of how many individual bills are in circulation.
 - The EURion constellation is star-like grouping of yellow rings near the serial number. It is only detectable by imaging software.



- Color Changing Ink
 - This ink changes color at different angles due to small metallic flakes within the ink itself.

6 Key Features for Money Identification

- Microprinting
 - Microprinting allows for verifiable images that cannot be scanned by photocopiers or seen by the naked eye.
- Intaglio Printing
 - Instead of regular ink pressed onto the paper, intaglio printing uses magnetic ink and each different bill value has a unique magnetic signature.
- Security Threads & 3D Ribbon
 - The security thread is a clear, embedded, vertical thread running through the bill. It can only be seen under UV light, contains microprinted text specifying the bill's value, and on each different bill value it glows a unique color.
 - 3D ribbons are placed in the center of \$100 bills with a pattern that slightly changes as it moves.

6 Key Features for Money Identification

- Paper, Fibers, & Watermarks
 - U.S. Currency is made of cotton and linen; blue and red cloth fibers are woven into the material as another identifying feature. Finally, watermarks are found on most bills and can only be detected by light passing through the bill.

Currency Identification



<https://www.uscurrency.gov/resources/download-materials>

Currency Identification



Feel
the paper



Move your finger across the note. It should feel slightly rough to the touch as a result of the intaglio printing process and the unique composition of the paper. U.S. currency paper is a blend of 75 percent cotton and 25 percent linen.

Currency Identification



Tilt
the note



Color-shifting ink. Tilt the note to see the ink in the numbers on the lower right corner change color from copper to green on denominations of \$10 and higher. The Bell in the Inkwell on the \$100 note also changes from copper to green.

3-D Security Ribbon. The \$100 note features a blue 3-D Security Ribbon with images of bells and 100s. When you tilt the note back and forth, the bells and 100s in the ribbon move from side to side. When you tilt the note from side to side, the bells and 100s move up and down. The 3-D Security Ribbon is woven into the paper, not printed on it.

Currency Identification



Check
with light



Security thread. Hold the note to light to see a security thread embedded vertically on denominations \$5 and higher. The thread is embedded in a different position for each denomination and glows a different color when held to ultraviolet (UV) light. The security thread is visible from both sides of the note.

Watermark. Hold the note to light to see a faint image to the right of the portrait on denominations \$5 and higher. Watermarks are visible from both sides of the note. On denominations \$10 and higher, the watermark matches the portrait. The \$5 note has two watermarks, both of the numeral 5.

Currency Identification



Check with
magnification



Microprinting. Microprinting is featured in several locations on denominations \$5 and higher and can aid in authentication. These small printed words, which may require magnification to see, should be clear. Microprinting corresponds to the denomination or contains phrases such as *"THE UNITED STATES OF AMERICA," "USA,"* or *"E PLURIBUS UNUM."*

Red and blue fibers. The paper in genuine U.S. currency has small red and blue security fibers embedded throughout.

Currency Serial Numbers

- Each note of the same denomination has its own serial number. Up through Series 1995, all Federal Reserve notes had serial numbers consisting of one letter, eight digits, and one letter, such as A12345678B; now only the \$1 and \$2 notes still use this form.
- The first letter of such a serial number identifies the Federal Reserve Bank (FRB) which issued the note; since there are 12 FRBs, this letter is always between A and L. The last letter advances through the alphabet when all eight character serial numbers have been printed for a specific Federal Reserve Bank within the same series. At the time of a series change, the suffix letter returns to the letter A and repeats the cycle.

Currency Note Identifiers

- 1 **Serial number.** Each note has a unique serial number. The first letter of the serial number corresponds to the series year.

E = 2004

G = 2004A

I = 2006

J = 2009

L = 2009A

M = 2013

- 2 **Federal Reserve indicators.** Each note has a letter and number designation that corresponds to one of the 12 Federal Reserve Banks (such as 1A= Boston, 2B=New York). The letter of each Federal Reserve indicator matches the second letter of the serial number on the note.

- 3 **Face and back plate number.** The face plate and back plate numbers identify the specific printing plates used to print the face and back of the note. The face plate number is found on the face of the note and the back plate number is found on the back of the note. (Back plate number not shown.)

Currency Note Identifiers

- 4 **Series year.** The series year indicates the year in which a new design was approved by the Secretary of the Treasury, or the year in which the signature of a new secretary was incorporated into the design.

Capital letters following the series year appear when there is a significant change in the note's appearance, change to the signatures of the Secretary of the Treasury or the Treasurer, or when there has been a significant gap in production times for a note.

- 5 **Note position letter and number.** The note position letter and number indicate in which position on a plate a note was printed. It is a combination of one letter and one number and can be found on the front of the note.

Currency Identification Summary

Bill	Current Printing	Portrait	Back of Note	Security Features
\$1	1963 - Present	Washington	Great Seal of the U.S.	RP
\$2	1976 - Present	Jefferson	Pic. Declaration of Independence	RP
\$5	2008 - Present	Lincoln	Lincoln Memorial Bldg.	RP, MP, W, ST
\$10	2006 - Present	Hamilton	Treasury Bldg.	RP, MP, W, ST, CSI
\$20	2003 - Present	Jackson	White House Bldg.	RP, MP, W, ST, CSI
\$50	2004 - Present	Grant	U.S. Capitol Bldg.	RP, MP, W, ST, CSI
\$100	2013 - Present	Franklin	Independence Hall Bldg.	RP, MP, W, ST, CSI, 3DSR

RP – Raised Printing
MP – Micro-Printing
W – Watermark
ST – Security Thread
CSI – Color Shifting Ink
3DSR – 3D Security Ribbon

www.uscurrency.gov

Currency Identification \$100

\$100 Note, Issued in 2013



https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification \$100



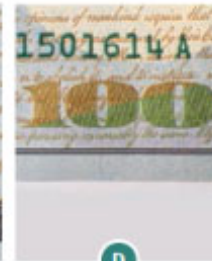
A
Raised printing



B
3-D Security Ribbon



C
Color-shifting
Bell in the Inkwell



D
Color-shifting
numeral



Check with light



Check with magnification



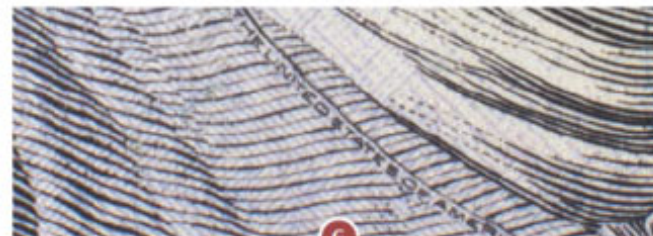
E
Security thread



E
UV security thread



F
Watermark of
Benjamin Franklin



G
Microprinting

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification Summary - \$100

Bill	Security Feature
\$100	<p>RP - Move your finger up and down Benjamin Franklin's shoulder on the left side of the note. It should feel rough to the touch.</p> <p>MP – Look carefully (magnification may be necessary) to see the small printed text <i>THE UNITED STATES OF AMERICA</i> on Benjamin Franklin's jacket collar, <i>USA 100</i> around the blank space containing the portrait watermark, <i>ONE HUNDRED USA</i> along the golden quill, and small <i>100s</i> in the note borders.</p> <p>W – Hold the note to light and look for a faint image of Benjamin Franklin in the blank space to the right of the portrait. The image is visible from both sides of the note.</p> <p>ST – Hold the note to light to see an embedded thread running vertically to the left of the portrait. The thread is imprinted with the letters <i>USA</i> and the numeral <i>100</i> in an alternating pattern and is visible from both sides of the note. The thread glows pink when illuminated by ultraviolet light.</p> <p>CSI – Tilt the note to see the Bell in the Inkwell and the numeral 100 in the lower right corner of the front of the note shift from copper to green.</p> <p>3DSR – Tilt the note back and forth while focusing on the blue ribbon. You will see the bells change to <i>100s</i> as they move. When you tilt the note back and forth, the bells and <i>100s</i> move side to side. If you tilt it side to side, they move up and down. The ribbon is woven into the paper, not printed on it.</p>

Currency Identification \$50

\$50 Note, Issued in 2004



Feel



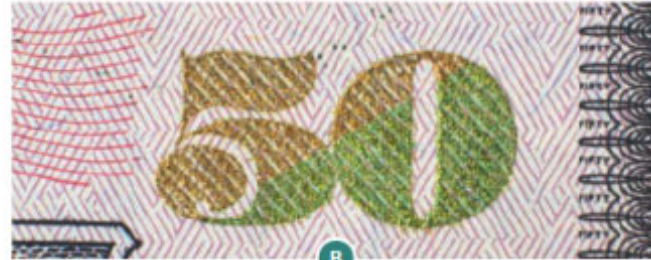
Tilt

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification \$50



A
Raised printing



B
Color-shifting numeral



Check with light



Check with magnification



C
Security thread



C
UV security thread



D
Watermark of
Ulysses S. Grant



E
Microprinting

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification Summary - \$50

Bill	Security Feature
\$50	<p>RP – Move your finger along the note’s surface to feel the raised printing.</p> <p>MP – Look carefully (magnification may be necessary) to see the small printed text <i>FIFTY</i>, <i>USA</i>, and <i>50</i> inside two of the blue stars to the left of the portrait, <i>FIFTY</i> repeated within both side borders of the note, and <i>THE UNITED STATES OF AMERICA</i> In President Grant’s collar.</p> <p>W – Hold the note to light and look for a faint image of President Grant in the blank space to the right of the portrait. The image is visible from both sides of the note.</p> <p>ST – Hold the note to light to see an embedded thread running vertically to the right of the portrait. The thread is imprinted with the text <i>USA 50</i> and a small flag in an alternating pattern and is visible from both sides of the note. The thread glows yellow when illuminated by ultraviolet light.</p> <p>CSI – Tilt the note to see the numeral <i>50</i> in the lower right corner on the front of the note shift from copper to green.</p>

Currency Identification \$20

\$20 Note, Issued in 2003



Feel



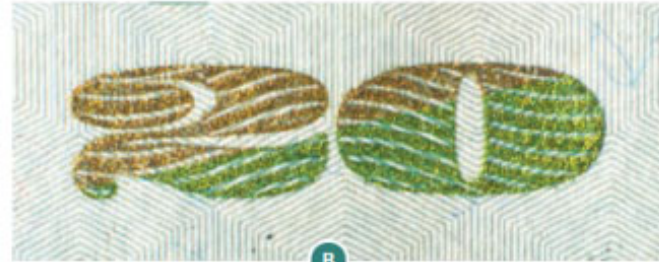
Tilt

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification \$20



A
Raised printing



B
Color-shifting numeral



Check with light



Check with magnification



C
Security thread



C
UV security thread



D
Watermark of
Andrew Jackson



E
Microprinting

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification Summary - \$20

Bill	Security Feature
\$20	<p>RP – Move your finger along the note’s surface to feel the raised printing.</p> <p>MP – Look carefully (magnification may be necessary) to see the small text <i>USA20</i> along the border of the first three letters of the blue <i>TWENTY USA</i> ribbon to the right of the portrait and <i>THE UNITED STATES OF AMERICA 20 USA 20</i> in black in the border below the Treasurer’s signature.</p> <p>W – Hold the note to light and look for a faint image of President Jackson in the blank space to the right of the portrait. The image is visible from both sides of the note.</p> <p>ST – Hold the note to light to see an embedded thread running vertically to the left of the portrait. The thread is imprinted with the text <i>USA TWENTY</i> and a small flag in an alternating pattern and is visible from both sides of the note. The thread glows green when illuminated by ultraviolet light.</p> <p>CSI – Tilt the note to see the numeral <i>20</i> in the lower right corner on the front of the note shift from copper to green.</p>

Currency Identification \$10

\$10 Note, Issued in 2006



https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification \$10



A
Raised printing



B
Color-shifting numeral



Check with light



Check with magnification



C
Security thread



C
UV security thread



D
Watermark of
Alexander Hamilton



E
Microprinting

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification Summary - \$10

Bill	Security Feature
\$10	<p>RP – Move your finger along the note’s surface to feel the raised printing.</p> <p>MP – Look carefully (magnification may be necessary) to see the small printed text <i>THE UNITED STATES OF AMERICA</i> and <i>TEN DOLLARS USA</i> below the portrait and inside the borders of the note and <i>USA 10</i> repeated beneath the torch.</p> <p>W – Hold the note to light and look for a faint image of Secretary Hamilton in the blank space to the right of the portrait. The image is visible from both sides of the note.</p> <p>ST - Hold the note to light to see an embedded thread running vertically to the right of the portrait. The thread is imprinted with the text <i>USA TEN</i> and a small flag in an alternating pattern and is visible from both sides of the note. The thread glows orange when illuminated by ultraviolet light.</p> <p>CSI - Tilt the note to see the numeral <i>10</i> in the lower right corner on the front of the note shift from copper to green.</p>

Currency Identification \$5

\$5 Note, Issued in 2008



Feel



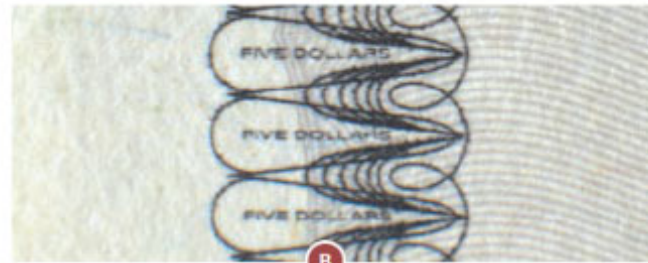
Check with magnification

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification \$5



A
Raised printing



B
Microprinting



Check with light



C
Security thread



C
UV security thread



D
Watermark of numeral 5



E
Watermark of numeral 5s

https://www.uscurrency.gov/sites/default/files/download-materials/en/CEP_Dollars_In_Detail_Brochure.pdf

Currency Identification Summary - \$1, \$2, \$5

Bill	Security Feature
\$1	RP - Move your finger along the note's surface to feel the raised printing.
\$2	RP - Move your finger along the note's surface to feel the raised printing.
\$5	<p>RP- Move your finger along the note's surface to feel the raised printing.</p> <p>MP - Look carefully (magnification may be necessary) to see the small printed text <i>FIVE DOLLARS</i> repeated inside the left and right borders of the note, <i>E PLURIBUS UNUM</i> at the top of the shield within the Great Seal, and <i>USA</i> repeated in between the columns of the shield. On the back of the note the text <i>USA FIVE</i> appears along one edge of the large purple numeral 5.</p> <p>W - Hold the note to light and look for a faint image of a large numeral 5 in the blank space to the right of the portrait and a faint image of three numeral 5s to the left of the portrait. The images are visible from both sides of the note.</p> <p>ST -Hold the note to light to see an embedded thread running vertically to the right of the portrait. The thread is imprinted with the letters <i>USA</i> and the numeral 5 in an alternating pattern and is visible from both sides of the note. The thread glows blue when illuminated by ultraviolet light.</p>

Currency Valuation

- The Department of the Treasury redeems all genuine United States currency at face value only and does not render opinions concerning the value of old, rare, or misprinted currencies.



Currency Portraits

DENOMINATION	FACE
\$1	George Washington (1st U.S. President)
\$2	Thomas Jefferson (3rd U.S. President)
\$5	Abraham Lincoln (16th U.S. President)
\$10	Alexander Hamilton (1st Secretary of the Treasury)
\$20	Andrew Jackson (7th U.S. President)
\$50	Ulysses Grant (18th U.S. President)
\$100	Benjamin Franklin (Statesman, Printer)
\$500*	William McKinley (25th U.S. President)
\$1,000*	Grover Cleveland (22nd & 24th U.S. President)
\$5,000*	James Madison (4th U.S. President)
\$10,000*	Salmon Chase (Treasury Secretary under Lincoln)
\$100,000*	Woodrow Wilson (28th U.S. President)

*Notes no longer printed

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FUN FACT !!! – Motto: “In GOD We Trust”

- The use of the National Motto “In God We Trust” on all currency has been required by law since 1955.
- This law is codified in section 5114(b) of Title 31, United States Code.
- The motto first appeared on paper money with the issuance of the \$1 Silver Certificates, Series 1957, and began appearing on Federal Reserve Notes with Series 1963.

Coins

Coin	Coins per Tube Wrapper	Value of Tube Wrapper
.01	50	\$0.50
.05	40	\$2.00
.10	50	\$5.00
.25	40	\$10.00
.50	10	\$5.00

Why do some coins have ridges?

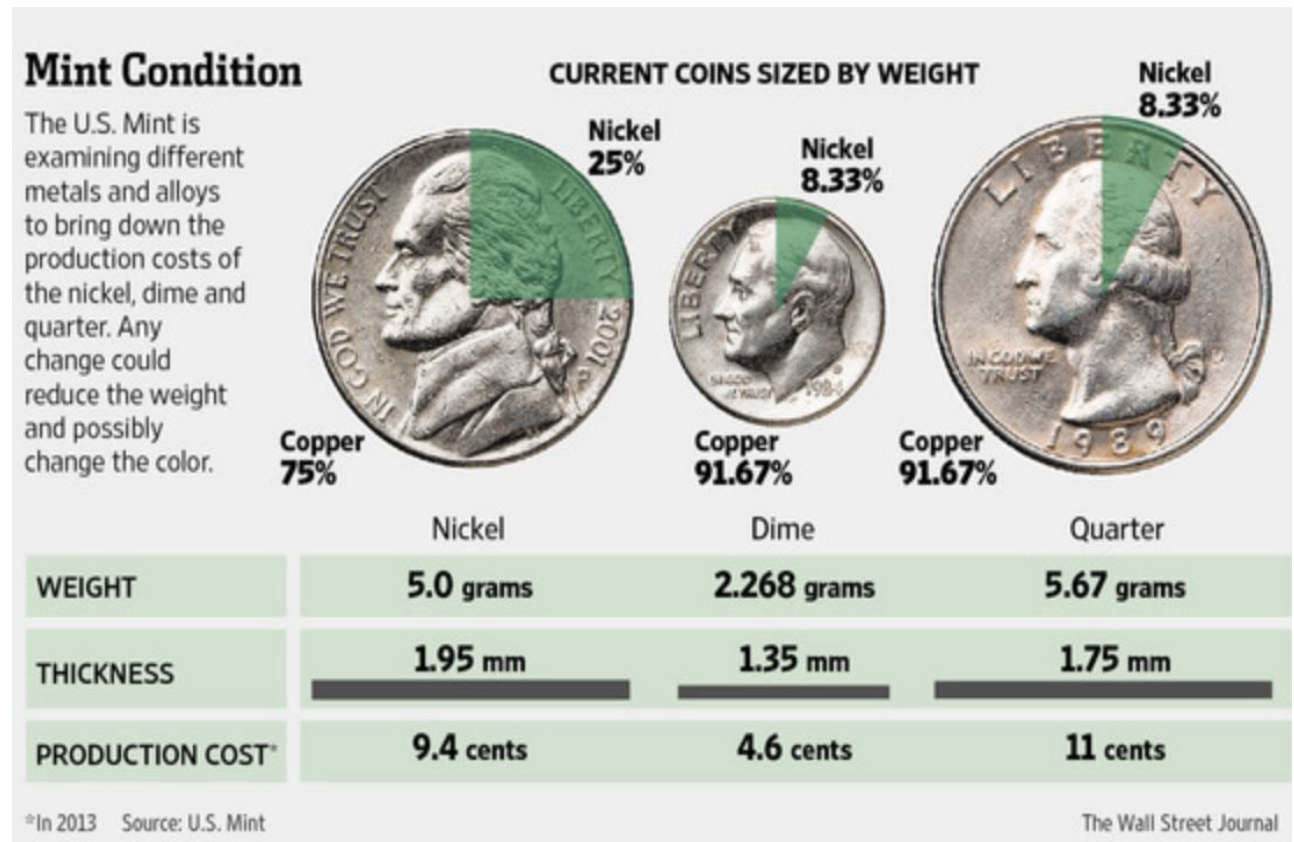
The answer goes back to 1792, when the Coinage Act established the U.S. Mint. That same act of legislation also specified that \$10, \$5 and \$2.50 coins (known as eagles, half-eagles and quarter-eagles) were to be made of their face value in gold, while dollar, half-dollar, quarter-dollar, dime and half-dime coins were to be made of their value in silver. (Cent and half-cent coins were made of cheaper copper.) But a problem soon arose, after would-be criminals saw they could make a good profit by filing shavings from the sides of gold and silver coins and selling the precious metal. Before the 18th-century was out, the U.S. Mint began adding ridges to the coins' edges, a process called "reeding," in order to make it impossible to shave them down without the result being obvious. As a side benefit, the reeded edges also made coin design more intricate and counterfeiting more difficult.

<http://www.history.com/news/ask-history/why-do-coins-have-ridges>

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Coins

- Do you accept rolled coins?
 - Are the coins verified?
- What are the coins made of?



Currency Straps

Strap Color	Denomination	Number per Strap	Band Value
Black	\$1.00	25	\$25.00
Orange	\$1.00	50	\$50.00
Blue	\$1.00	100	\$100.00
Green	\$1.00	200	\$200.00
Red	\$5.00	100	\$500.00
Yellow	\$10.00	100	\$1,000.00
Violet	\$20.00	100	\$2,000.00
Brown	\$50.00	100	\$5,000.00
Mustard	\$100.00	100	\$10,000.00

Lifespan of U.S. Currency

Denomination	Estimated Lifespan	Cost of Production
\$1.00	5.8 years	5.5 cents per note
\$5.00	5.5 years	5.5 cents per note
\$10.00	4.5 years	10.9 cents per note
\$20.00	7.9 years	9.9 cents per note
\$50.00	8.5 years	10.6 cents per note
\$100.00	15.0 years	14.3 cents per note

Approximately \$1.5 trillion is in circulation as of Jan. 11, 2016

https://www.federalreserve.gov/faqs/currency_12771.htm

U.S. Currency and Coin Production

- The manufacture of US paper currency is handled by the Bureau of Engraving and Printing (BEP). The main facility is in Washington, DC. There is also a facility in Fort Worth, TX that is more recent (opened in 1991).
- The minting of US coinage is handled by the United States Mint with facilities in:
 - Philadelphia, PA
 - Denver, CO
 - San Francisco, CA
 - West Point, NY
- While not a coin production facility, the U.S. Bullion Depository at Fort Knox, KY is another facility of the Mint.

Paper Currency Material Composition

- The paper, also known as the substrate, is
 - A special blend of 75% cotton and 25% linen to give it the proper feel. It contains small segments of red and blue fibers scattered throughout for visual identification. Starting in 1990, the paper for \$10 bills and higher denominations was made of two plies with a polymer security thread laminated between them.
 - The cotton comes from the Carolinas, where used denim clothing or errors in denim clothing production, are washed, bleached and bagged.
 - Linen is a sturdy or hard fiber that is derived from flax. The linen used by the BEP comes from Belgium.

Paper Currency Material Composition

- The inks
 - Consist of dry color pigments blended with oils and extenders to produce especially thick printing inks. Black ink is used to print the front of the bills, and green ink is used on the backs (thus giving rise to the term greenbacks for paper money). The colored seals and serial numbers on the front of the bill are printed separately using regular printing inks.
 - All bills, regardless of denomination, utilize green ink on the backs. Faces, on the other hand, use black ink, color-shifting ink in the lower right hand corner for the \$10 denominations and higher, and metallic ink for the freedom icons on redesigned \$10, \$20, and \$50 bills. The \$100 note's "bell in the inkwell" freedom icon uses color-shifting ink. These and the other inks appearing on U.S. currency are specially formulated and blended by the BEP. Inks headed for BEP presses also undergo continual quality testing.

Federal Reserve Note Print Orders

- The Board of Governors (the Board) is the issuing authority for Federal Reserve notes.

FY 2024 Federal Reserve Note Print Order

Denomination	Print Order (000s of pieces)	Dollar value (000s)
\$1	1,785,600 to 2,265,600	\$1,785,600 to \$2,265,600
\$2	211,200 to 256,000	\$422,400 to \$512,000
\$5	576,000 to 748,800	\$2,880,000 to \$3,744,000
\$10	761,600 to 1,017,600	\$7,616,000 to \$10,176,000
\$20	352,000 to 825,600	\$7,040,000 to \$16,512,000
\$50	99,200 to 211,200	\$4,960,000 to \$10,560,000
\$100	1,558,400 to 1,606,400	\$155,840,000 to \$160,640,000
Total	5,344,000 to 6,931,200	\$180,544,000 to \$204,409,600

https://www.federalreserve.gov/paymentsystems/coin_currency_orders.htm

FUN FACT !!! - Materials

- The paper and ink used in the production of U.S. paper currency is as distinct as its design.
- Green ink was an anti-counterfeiting measure used to prevent photographic knockoffs, since the cameras of the 1860s could only take pictures in black and white.
- All U.S. Currency paper is produced in a single mill located in Dalton, Massachusetts.
- The paper, with the exception of \$100 paper, comes to the Bureau of Engraving and Printing (BEP) in brown paper-wrapped loads of 20,000 sheets (two pallets of 10,000 sheets).

Paper Currency Material Composition

- \$100 paper comes to the BEP (Bureau of Engraving and Printing) in loads of 16,000 sheets (two pallets of 8,000). Each of these sheets is tracked and accounted for as it passes through the production process.



Mutilated Currency

- Mutilated currency needs to be removed from circulation.
- Mutilation includes:
 - Torn, written on, missing a portion, or otherwise damaged.
 - Coins are mutilated when ever they are bent, worn, broken or otherwise damaged.
- A cashier may ask for another bill, but it must be accepted if it is legal tender.
- If a cashier receives a mutilated bill, follow the procedures for collecting the bill and isolating from the regular collections.
- The bank in turn will return the mutilated bill to the Federal Reserve for redemption.

Mutilated Currency Rules

- If the bill is more than $\frac{3}{5}$ (60%) intact or $\frac{3}{4}$ (75%) of the two serial numbers), the bank will pay its face value.
- If the bill is more than $\frac{2}{5}$ (40%) but less than $\frac{3}{5}$ (60%) intact, the bank may pay either half or full value.
- If the bill is less than $\frac{2}{5}$ (40%) intact, the bank will not honor its value.



Counterfeit Money



Counterfeit Currency

- Paper
 - Linen and cotton material with hairline red and blue silk fibers
- Use a Ultraviolet Light
- Should you use Currency pens?
- Must you accept a counterfeit bill?
- Customer interaction with a counterfeit bill transaction
- Protect the counterfeit and secure it in a protected envelope
- Complete Department of Homeland Security, “Secret Service Form Counterfeit Note Report” – SS1604 (Send to Central Cashiering)

FUN FACT!!! Dirty Dollars

- The unpublished NYU study examined 80 circulating \$1 bills in New York City between two periods - winter (February 2013) and summer (July 2013).
 - “The NYU researchers identified 3,000 types of bacteria in all — many times more than in previous studies that examined samples under a microscope,” — WSJ
 - “They identified DNA from several different sources including E. Coli (food poisoning), bacillus cereus (food-borne illness) staphylococcus aureus (skin infections) and about half was from human DNA.” - WSJ
- Keep hand sanitizer available. 😊

3. Money Handling

When Accepting Cash

- Note that the numerical values on each corner match the appropriate portrait.
- The feel of the paper is consistent with other bills.
- Existence of the Treasury and Federal Reserve Seals.
- Quickly look for any graffiti or unusual markings drawn or written on the bill. Why?
- Once you receive the cash, count the cash in front of the customer.
- If change is required, place the payment cash on top of the cash drawer or counter until change is provided and then place the cash in the till.

Counting Currency

- Receiving Currency
- Hand to Hand Method
 - Separate all bills into denomination with the bills facing up (initial count).
 - Count the largest denominations first.
 - Place all organized bills into one hand.
 - Transfer the bills from one hand to the other as you count the total.
 - Inspect each bill for authenticity and denomination as you count the total (second count).
 - If your totals do not agree, repeat the process.

Counting Currency

- Distributing Currency
- Hand to Hand Method
 - Separate all bills into denomination with the bills facing up (initial count).
 - Count the largest denominations first.
 - Place all organized bills into one hand.
 - Transfer the bills from one hand to the customer as you count the total.
 - Inspect each bill for authenticity and denomination as you count the total (second count).
 - If your totals do not agree, repeat the process.
- Hand to Table Method
 - Same as Hand to Hand except the bills are placed on the table as they are counted.

Counting Currency

- Distributing Currency
- Walk through Method (Used to count new money and pre-packaged money)
 - Place the stack of bills on a table face up.
 - The stack should only contain one denomination.
 - Use the thumb and forefinger to lift and count the corner of each bill.
 - Confirm the stack contains only the designation denomination.
 - Pay close attention for any “raised notes”.
 - Count the stack of bills twice.
 - If your totals do not agree, repeat the count until they do.

Summary of a Transaction

- Keep the money in view of the customer.
- Never place money in the cash drawer before the transaction is completed.
- Separate the coins from the currency.
 - Count the currency before the coins.
 - Separate and count each currency denomination individually.
 - Separate and count each coin denomination individually.
- Count all currency and coins in the presence of the customer.
- Verify the total against the billing or invoice.
 - If discrepancies exist, recount. Still exist? Ask a co-worker for assistance.
- Put away all currency and coins before starting a new transaction.

Manager Surprise Cash Counts

- Compare receipts to the cash on hand.
 - Keep it an unannounced unscheduled surprise.
 - “How much cash do you have in your cash drawer right now?”
 - “Can we count it out please?”
 - Once you begin, do not let the funds out of your sight.
 - Verify ALL funds on hand.
 - Document your results thoroughly.

4. Checks

Checks

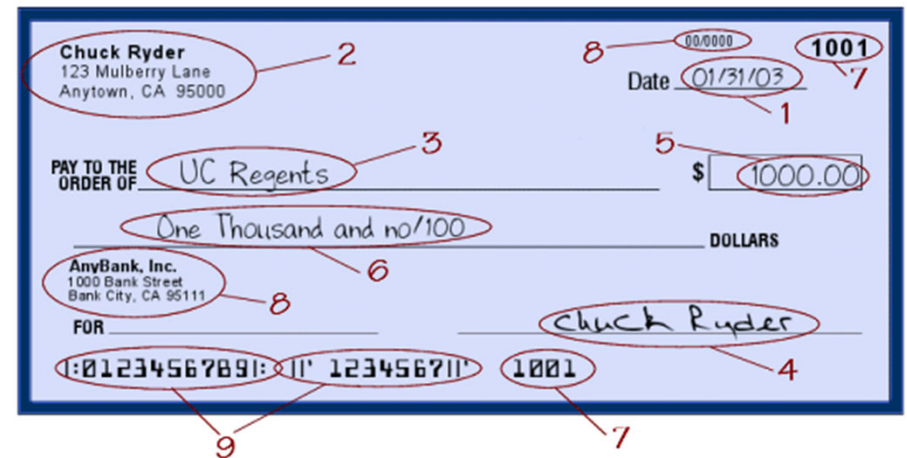
- Payable on Demand
 - A check is a "payable on demand item" which means it is negotiable as soon as it is written. Checks *cannot* be post dated (written for a future date).
- Stale Date
 - A check is typically stale dated six months after it is written (the negotiable date on the check). Stale dated checks will be returned by the bank as "non-negotiable - stale dated." UCC (Uniform Commercial Code) is typically 6 months.
- Check Completion
- Third party checks

What are the Points of Negotiability for a Check?

Angie Martinez		1637
Street Address		
City, State 12345		Date _____
PAY TO		
THE ORDER OF _____		\$ _____
_____		Dollars
Bank		
Street Address		
City, State 12345		
Memo _____		
⑆123400056⑆ 98765432⑆1637		

Points of Negotiability for a Check

1. Date - the date the check is written (cannot be a future date);
2. Maker - person/business who writes the check - the name will be printed on the check;
3. Payee - person/business to whom the check is written;
4. Signature line or lines - two or more signatures can be required on a check;
5. Written amount - the amount written in numbers;
6. Legal amount - the amount written in words;
7. Check number - which is printed on the check and appears in the MICR line on the bottom of the check;
8. Banking information - both the name of the bank and the American Banking Association number appear on the check;
9. Account and routing numbers - appear on the bottom of the check in MICR line. The routing (ABA) number Overwritten is always 9 digits long, and is always between a line and a colon (| :xxxxxxxx | :).



Overwritten items
Incorrect amount
Not completed

Bank ABA Numbers

- The ABA (American Bankers Association) consists of typically 9 numbers identifying the institution on which it is drawn
- The ABA Routing Number was developed by the ABA in 1910. The ABA Routing Number serves to identify the specific financial institution responsible for the payment of a negotiable instrument.
- The MICR (Magnetic Ink Character Recognition) number is of the form:
 - XXXXYYYYC
 - Where XXXX is Federal Reserve Routing Symbol, YYYY is ABA Institution Identifier, and C is the Check Digit

http://www.aba.com/products/pages/ps98_routing.aspx

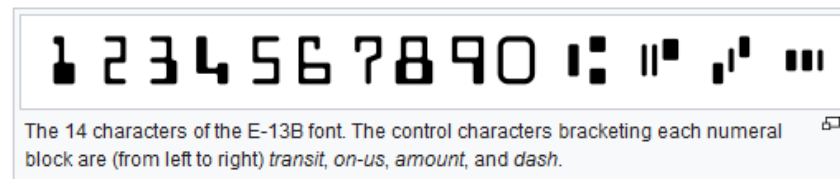
Bank ABA Numbers

- The first two digits of the ABA must be in the ranges 00 through 12, 21 through 32, 61 through 72, or 80.
 - 00 is used by the United States Government
 - 01 through 12 are the "normal" routing numbers, and correspond to the 12 Federal Reserve Banks. For example, 0260-0959-3 is the routing number for Bank of America incoming wires in New York, with the initial "02" indicating the Federal Reserve Bank of New York.
 - 21 through 32 were assigned only to thrift institutions (e.g. credit unions and savings banks) through 1985, but are no longer assigned (thrifts are assigned normal 01–12 numbers). Currently they are still used by the thrift institutions, or their successors, and correspond to the normal routing number, plus 20. (For example, 2260-7352-3 is the routing number for Grand Adirondack Federal Credit Union in New York, with the initial "22" corresponding to "02" (New York Fed) plus "20" (thrift).)
 - 61 through 72 are special purpose routing numbers designated for use by non-bank payment processors and clearinghouses and are termed Electronic Transaction Identifiers (ETIs), and correspond to the normal routing number, plus 60.
 - 80 is used for traveler's checks

https://en.wikipedia.org/wiki/Routing_transit_number

Bank ABA Numbers & Magnetic Ink Character Recognition (MICR)

Primary (01–12)	Thrift (+20)	Electronic (+60)	Federal Reserve Bank
01	21	61	Boston
02	22	62	New York
03	23	63	Philadelphia
04	24	64	Cleveland
05	25	65	Richmond
06	26	66	Atlanta
07	27	67	Chicago
08	28	68	St. Louis
09	29	69	Minneapolis
10	30	70	Kansas City
11	31	71	Dallas
12	32	72	San Francisco



The MICR E-13B font is the standard in Australia, Canada, the United Kingdom, the United States, and other countries. Besides decimal digits, it also contains the following symbols:

- ⌞ (transit: used to delimit a bank branch routing transit number),
- ⌚ (amount: used to delimit a transaction amount),
- ⌠ (on-us: used to delimit a customer account number),
- ⌡ (dash: used to delimit parts of numbers—e.g., routing numbers or account numbers).

https://en.wikipedia.org/wiki/Routing_transit_number

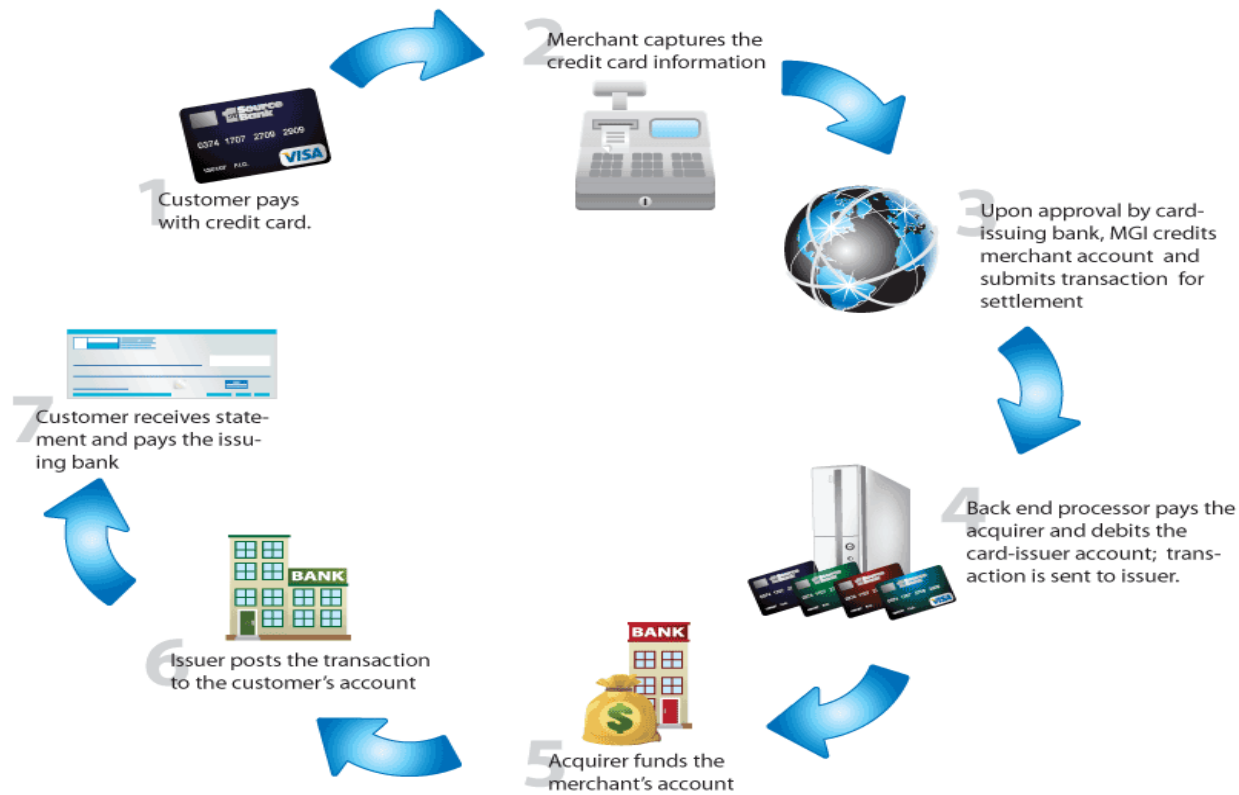
High Security Check Features

- Thermochromatic Ink (Temperature sensitive)
- Toner Fusion / Toner Anchorage (permanently bonds the ink/toner to the paper)
- Bleeding Seals / Ink & Dye (Black ink turns red and runs)
- Microprinting (legible line with wording under magnification)
- Overprinting / Ultra-Violet or Fluorescent Fibers
- Laid Lines or Anti-splicing Lines (Deter cut-and-paste alterations)
- Watermark / Dual-tone Paper
- Warning Bands
- Chemical Reactive Ink
- Void Pantograph
- High Resolution Intricate Border

5. Credit Cards

Credit Card Processing

How Credit Card Processing Works



© GTOT



http://acceptcards.blogspot.com/2012_05_01_archive.html

Credit Cards Transactions

- Access to credit card terminals and credit card data is limited to individuals with a business purpose for accessing the terminals.
- Cash handlers must ensure that all terminals are safeguarded and accounted for.
- All credit card terminals are located in an area that is not accessible by unauthorized individuals and when not in use are stored in a secure place, and are not left out overnight.
- Handlers should process credit card transactions through the approved methods.

Credit Cards Transactions

- Face to Face Transactions
 - Don't force CC numbers if terminals do not recognize the customer transaction attempt.
- Over the Phone
 - Be familiar with card brands and numbers. (Ex: American Express Cards start with 3, Visa 4, MasterCard 5 and Discover 6)
 - Importance of accurate information such as CVC (Card Verification Code) and AVS (Address Verification System) used to prevent unauthorized use of a card.

Credit Cards Transactions

- Credit cards
 - In essence a loan for general purpose, amount billed to customer
- Debit cards (PIN often required)
 - Draw directly from banking accounts, requires sufficient balance
- Bank cards
 - Bank and ATM use only
- Gift cards
 - pre-loaded amounts, higher cost to process
- Smart cards (PIN often required)
 - Embedded microprocessors

EMV Chips & Magnet Tape

- EMV – Europay, Mastercard, Visa
- Magnetic stripes on traditional credit and debit cards store unchanging data.
- Unlike magnetic-stripe cards, every time an EMV card is used for payment, the card chip creates a unique transaction code that cannot be used again.
- Just like magnetic-stripe cards, EMV cards are processed for payment in two steps: card reading and transaction verification.
- When an EMV card is “dipped”, data flows between the card chip and the issuing financial institution to verify the card's authentication and create the unique transaction. This process isn't as quick as a magnetic-stripe swipe. (7 sec.)

<http://www.creditcards.com/credit-card-news/emv-faq-chip-cards-answers-1264.php>

Types of Credit Card Fraud

- Application Fraud
- Manual / Electronic Credit Card Imprints
- Card-Not-Present (CNP) – [CVC number must also be known].
- Counterfeit Card
- Lost / Stolen Card
- Card ID Theft
- Mail Non-Received Card
- Assumed Identity
- Doctored / Fake Cards
- Account Takeover

Credit Card – PCI Compliance Goals

- Build and maintain a secure network.
- Protect cardholder data.
- Maintain a vulnerability management program.
- Implement strong access control measures.
- Regularly monitor and test networks.
- Maintain an information security policy.

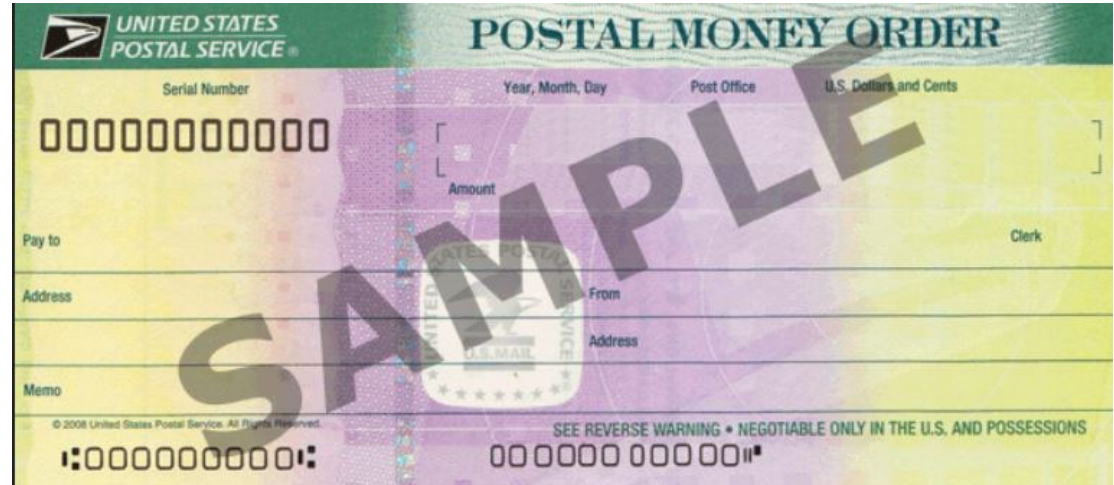
6. Money Orders

Money Orders

- A money order is a form of prepaid payment that's a safe alternative to cash or checks.
- A money order is a paper document, similar to a check, used for making payments. Money orders are prepaid, meaning they are only issued *after a buyer pays* for the money order using cash or another form of guaranteed funds.
- The purchaser specifies who will receive the money order, and both purchaser and the receiver must sign it for it to be valid.
- Unlike a personal check, the money is guaranteed by a third party, such as the post office, Wal-Mart or Western Union.

Money Orders

- When are money orders typically used:
 - When people don't have a checking account
 - When worried about "bouncing" a check
 - When there is a need to mail money
 - When there is a need to send a payment more securely
 - Sending funds overseas

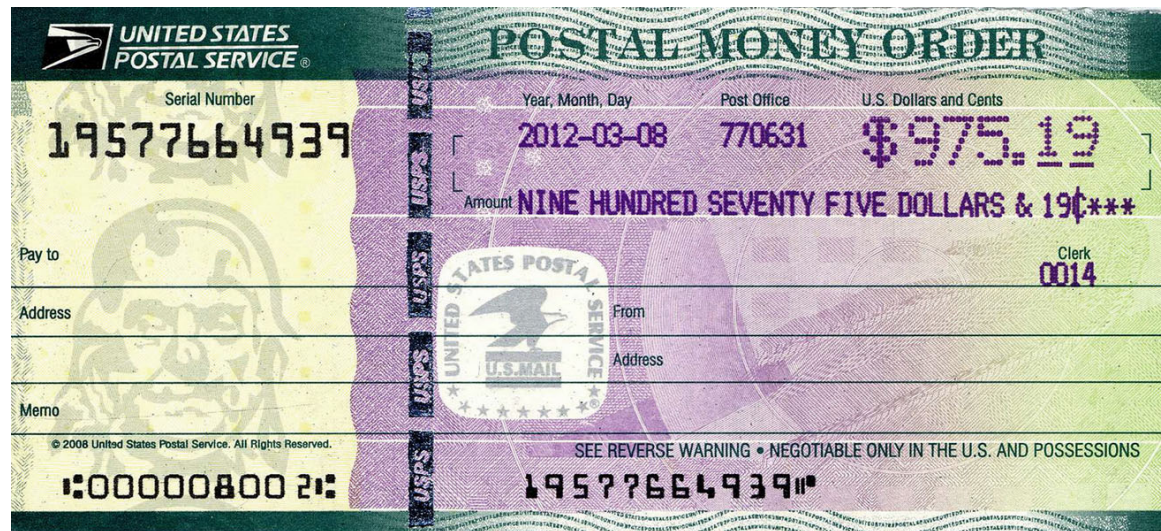


Money Orders can be Stop-Paid

There have been instances of fraudulent Money Orders

Money Orders

- Domestic Postal Money Orders cannot exceed a value of \$1,000.
- Special features such as watermarks as with Postal Service and other money order providers.



7. Entity Procedures

Entity Procedures

- Written Procedures:
 - Each Entity department has an internal control memo that must include, but not be limited to the following information:
 - authorization of person(s) to collect cash;
 - separation of duties;
 - off-site cash collection procedures;
 - maintenance of cash receipt logs;
 - security and reconciliation of cash;
 - delivery of approved cash deposit to the Utility Billing office;
 - over/short procedures;
 - Notifying the Finance Department in the event of loss;
 - retaining of records

Department Heads and Division Supervisors-

Please review your department's internal control memo to ensure that they include each of the criteria listed above. Any process updates need to be approved by Finance before they are implemented.

Entity Procedures

- Cash Transactions
 - Department Heads or Division Supervisors will give authorization to departmental employees to handle cash.
 - All authorized employees must complete Cash Handling Training.
 - Training must be completed within the first 30 days of employment, if training is not completed, the employee will not be allowed to handle cash until they become compliant.
 - Training will reoccur on an annual basis in October.
 - If annual training is not completed by October 31st, cash handling responsibilities must be suspended.
 - Each authorized employee that has custody of entity cash has a fiduciary responsibility to handle all cash transactions appropriately.
 - Custodians of petty cash funds must comply with the Entity Petty Cash Policy.

Entity Procedures

- Cash Transactions

- It is the Department Head or Division Supervisor's responsibility to verify that cash is properly secured, accounted for, and documented in accordance with entity policy and internal procedures developed by the department.
- Departments must deposit cash daily, and in accordance with entity cash handling procedures and departmental internal control documents.
- The Finance Department is responsible for performing spot audits to ensure all entity policies and procedures and departmental processes are adhered to at all times.

Entity Procedures

- Separation of Duty
 - Each Department Head or Division Supervisor will be responsible for ensuring a structured separation of duties process to be followed at all times.
 - The Finance Department can assist departments in reviewing process changes to ensure compliance.
 - Please note that internal control memos are reviewed by Accounting and each department annually. These processes are audited each year by an external audit firm for compliance so please contact Finance before making any changes.

Entity Procedures

- Overages & Shortages:
 - The Department Head or Division Supervisor will ensure that cash on hand and cash deposited matches actual receipts at all times.
 - Departments will adhere to their procedures when handling overages and shortages.
- Department Responsibilities for Cash Receipts
 - It is the department's responsibility to track and maintain all cash receipts.
 - Departments will adhere to their specific written procedures on how this is handled.

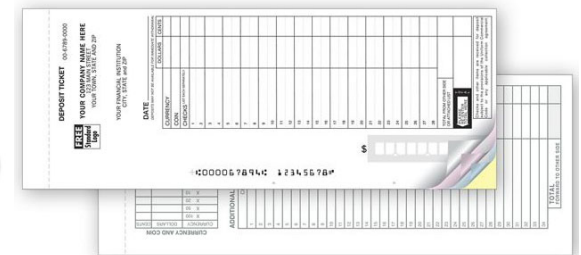
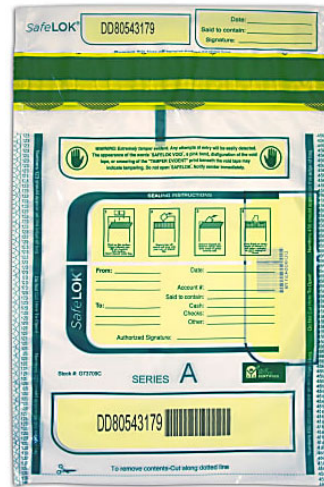
Entity Procedures

- Consequences for Noncompliance
 - It is Department Head or Division Supervisor's responsibility to track and maintain noncompliance issues.
 - Departments will adhere to their specific internal control memo on how this is handled.
- Records Retention
 - It is the Department Head or Division Supervisor's responsibility to track and maintain records for the department.
 - Departments will adhere to their specific internal control memo on how this is handled.
 - Contact the Entity Secretary's office for additional, specific instructions.

Potential Documents / Physical Supplies

- Tamper Proof Clear Plastic Deposit Bags
- Zippered Bank Bag
- Dual Bank Deposit Slips
- Coin Wrappers & Currency Straps
- Cash Receipt Forms (For manual transactions when needed)
- Transport bag that conceals deposit
- Tyler Cashiering Batch Report for daily reconciliation and batch closing
- Bill Counter

Locally Approved Items



8. Fraud, Theft & Robbery

Fraud Examples

- Discount Scam on Cash Transactions (Sweethearting)
 - Employee rings up more discounts than the others.
 - Compare discount charges versus peers.
- Line Item Void
 - Almost every POS system provides the ability to do a pre-check line item void in case the cashier rings up the wrong item, but this function is also used to steal money from the cash register.
- No Sales
 - The No Sale function can be locked down in many systems. The cashier can leave the cash drawer open slightly so they may work from an open drawer allowing them to pick and choose certain cash transactions in which they can pocket the entire amount of the check.

Fraud Examples

- Penny Trick
 - Cashier places a penny, paper clip, or other item on the register each time they don't ring in a transaction. The cashier multiply the price of the theft by the number of pennies to know how much to pull from the drawer.
- Manipulating Voids & Refunds
 - The employee issues fictitious refunds or voids a legitimate transaction and then pockets the money.
- Floating Receipts
 - Reusing receipts from transactions to steal money from future transactions.
- Phony Walkouts
 - Accepting payment then saying "The customer walked out without paying."

Fraud Examples

- Multiple Transactions for Less Than \$1.00
 - Employees ring up cheaper items, but then give away more expensive items to someone they know or in many cases to earn a bigger tip from the customer.
- Reprint Check Function
 - Cashiers will use the reprint check feature to steal the cash when there is a duplicate transaction.
- Total Due \$ 0
 - Indicates a total check void, a credit or a refund, which is an open door for fraudulent activity.

Fraud Examples

- Till Tapping (Customer Theft)
 - One distracts the cashier and the other “taps” the till (steals the money) while the cashier is distracted. It often starts with a customer who waits until a cashier is in the middle of a transaction and then asks the cashier to make change.
 - Train cashiers to watch for customers who not only ask for change and who holds up an article of clothing or positions himself in a way that keeps nearby customers from witnessing the attempted theft.
- Shortchanging and Change-raising
 - The cashier shorts the customers for part of the change they are due.
 - Watch for cashiers who hand over change in a lump sum instead of counting it out. Another warning sign is bills out of place in the cash drawer.

Fraud Examples

- Change Raising (Customer Theft)
 - involves a customer who makes several confusing change requests that result in the cashier giving back more change than the person is entitled to.
 - Usually involves a low-priced item for which a customer pays with a large bill. After receiving the correct change, the customer then begins the scam by asking to trade the change for a larger bill.
- Technology Scams (Cashier or Customer Theft)
 - Many retailers purchase POS devices that come complete with operating software. Criminal can seek Wi-Fi networks and passwords. The objective is to find unsecured network IP addresses that are serving as the IP address for a retailer's POS system.
 - Anyone with inside knowledge of payments can easily hack a POS system. "They use tools to crack a Windows remote desktop - defaults at port 3389 – and attempt to compromise the program's password.

Fraud

- How do we protect against accusations of fraud?
- How do we handle the transfer of cash within the organization?
- How often and when do we count our cash and till deposits?
- How do we protect the funds, organization, and personal reputation?
- Fiduciary Responsibility
 - A fiduciary is a person who holds a legal or ethical relationship of trust with one or more other parties. Typically, a fiduciary prudently takes care of money or other asset for another person.
 - A fiduciary relationship encompasses the idea of faith and confidence and is generally established only when the confidence given by one person is actually accepted by the other person (TRUST).

Fraud

Always comes first. Created by Poor Internal Controls, Control Override.



Motivation. Financial need, challenge or revenge. An incentive or pressure. Often created by Addiction.

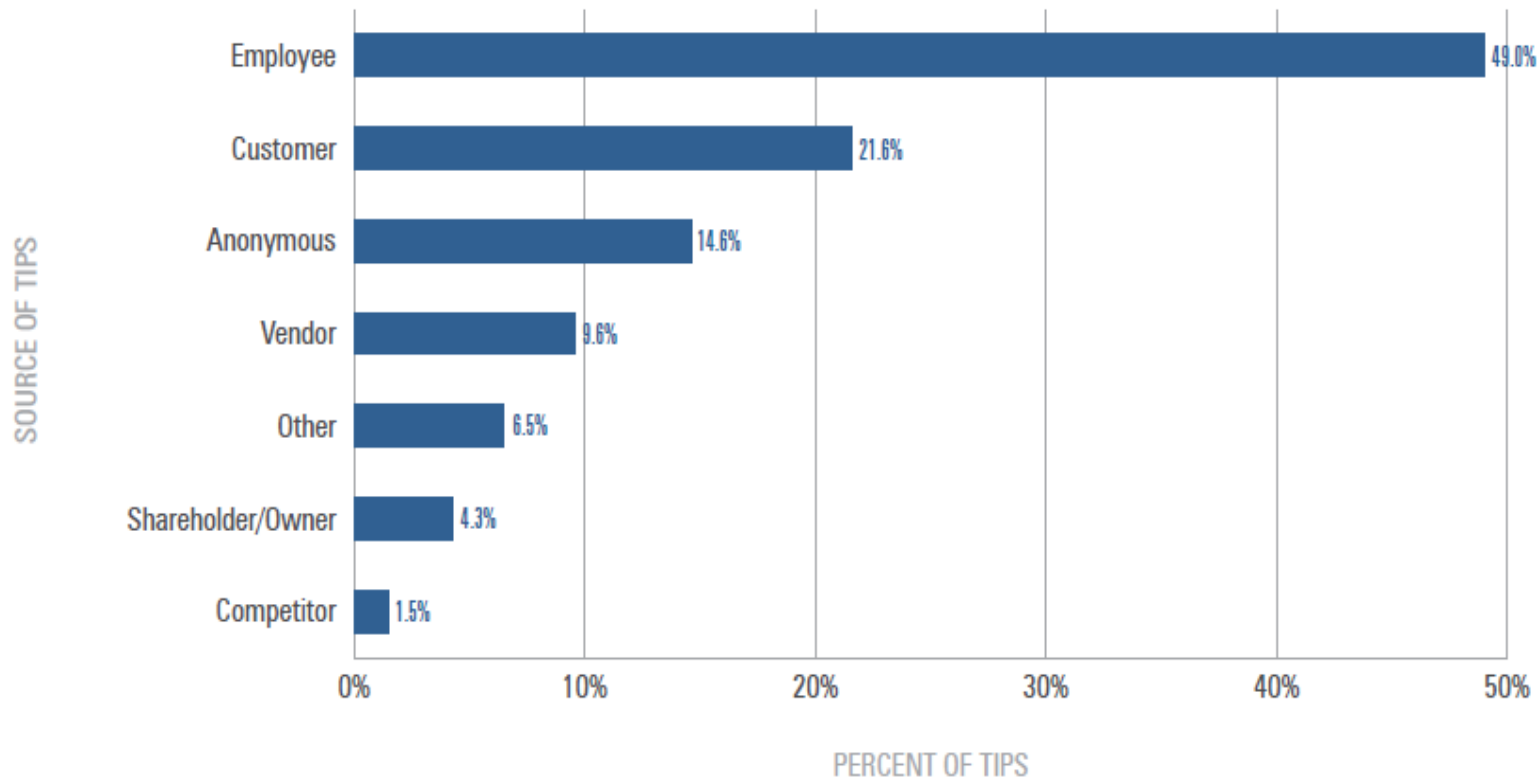
Justification. Attitude or values through pressure that justifies a dishonest act.

"Occupational Fraud and Abuse," by Joseph T. Wells, Obsidian Publishing Co. 1997.

Fraud Tips

- What's the #1 source for fraud detection?
- What the #2 source for fraud detection?

Source of Tips



Theft of Cash

- Skimming –
 - Any Scheme in which cash is stolen from an organization before it is recorded on the organization's books and records.
 - Employee accepts cash payment from a customer but does not record the sale and instead pockets the money.
- Cash Larceny –
 - Any scheme in which cash is stolen from an organization after it has been recorded on the organization's books and records.
 - Employee steals cash and checks from the daily receipts before they can be deposited in the bank.

Types of Check Fraud

- Forgery
 - An employee issues a check without proper authorization. Criminals steal a check, endorse it and present for payment.
- Counterfeiting
 - Fabricating a check or duplicating a check with advanced color photocopiers.
- Alteration
 - Remove or modify handwriting and information on the check. Removing all the information is called check washing.
- Paperhanging
 - Writing and/or ordering new checks on closed accounts.
- Check Kiting
 - Opening accounts at two or more institutions and using "the float time" of available funds to create fraudulent balances.

Signs of Possible Fraudulent or “Bad” Checks

- The check lacks perforations.
- The check number is either missing or does not change.
- The check number is low (like 101 up to 400) on personal checks or (like 1001 up to 1500) on business checks. (90% of bad checks are written on accounts less than one year old.)
- The type of font used to print the customer's name looks visibly different from the font used to print the address.
- Additions to the check (i.e. phone numbers) have been written by hand.
- The customer's address is missing.
- The address of the bank is missing.
- There are stains or discolorations on the check possibly caused by erasures or alterations.

<http://www.ckfraud.org/ckfraud.html>

Signs of Possible Fraudulent or “Bad” Checks

- The numbers printed along the bottoms of the check (called Magnetic Ink Character Recognition, or MICR, coding) are shiny. Real magnetic ink is dull and non glossy in appearance.
- The MICR encoding at the bottom of the check does not match the check number.
- The MICR numbers are missing.
- The MICR coding does not match the bank district and the routing symbol in the upper right-hand corner of the check (if shown).
- The name of the payee appears to have been printed by a typewriter. Most payroll, expenses, and dividend checks are printed via computer.
- The word VOID appears across the check.
- Notations appear in the memo section listing "load," "payroll," or "dividends." Most legitimate companies have separate accounts for these functions, eliminating a need for such notations.
- The check lacks an authorized signature.

<http://www.ckfraud.org/ckfraud.html>

Monetary Chain of Custody

MONETARY CHAIN OF CUSTODY FACILITY: _____ DATE: _____
--

Funds Disbursed					Funds Received				
NAME	SIGNATURE	DATE/ TIME	AMOUNT	SEAL /BAG NUMBER	NAME	SIGNATURE	DATE/ TIME	AMOUNT	SEAL / BAG NUMBER

The individuals above certify that the funds given and received were counted and verified by both parties. Both parties observed are in agreement to the amount of money contained in the money box or bag at the time of disbursement. If applicable, upon return to fiscal staff, all funds received for goods/items sold are accounted for, and the funds for those items are contained in the money box/bag at the time of surrender. Any discrepancies shall be reported to the Unit Head in accordance with Youth Service Policy A.3.11, Financial and Property Loss Prevention Program, which includes the completion and submission of an Unusual Occurrence Report at the time that the discrepancies are discovered by all parties involved.

Theft of Funds (Fraud)

- If found guilty of embezzlement, the penalties are dependent on the amount of money or value of goods taken.

Value of Offense	Possible Charge
0 to \$1,500	Misdemeanor Charge, up to 1 year in jail
\$1,500 to \$20,000	State Jail Felony, up to 2 years in state jail
\$20,000 to \$100,000	3rd Degree Felony, 2 to 10 years in prison
\$100,000 to \$200,000	2nd Degree Felony, 2 to 20 years in state prison
More than \$200,000	1st Degree Felony, 5 to 99 years in state prison

- If you are considered a “public servant” in your capacity as an employee when the situation happened, the charge you face will be enhanced. You will face the next higher category of offense.

Restitution Agreements

- Restitution restores victims by providing financial and psychological benefits. The compensation aspect of restitution can address both the victim's financial loss and the victim's sense of injustice.
- Restitution can serve as a means of changing offenders' behavior. This rehabilitation aspect of restitution is aimed at changing offenders' behavior by forcing them to recognize both the losses that they have caused and their responsibility for repairing those losses.
- Restitution has punishment aspects, in that the requirement of making payments is more onerous than straight probation.

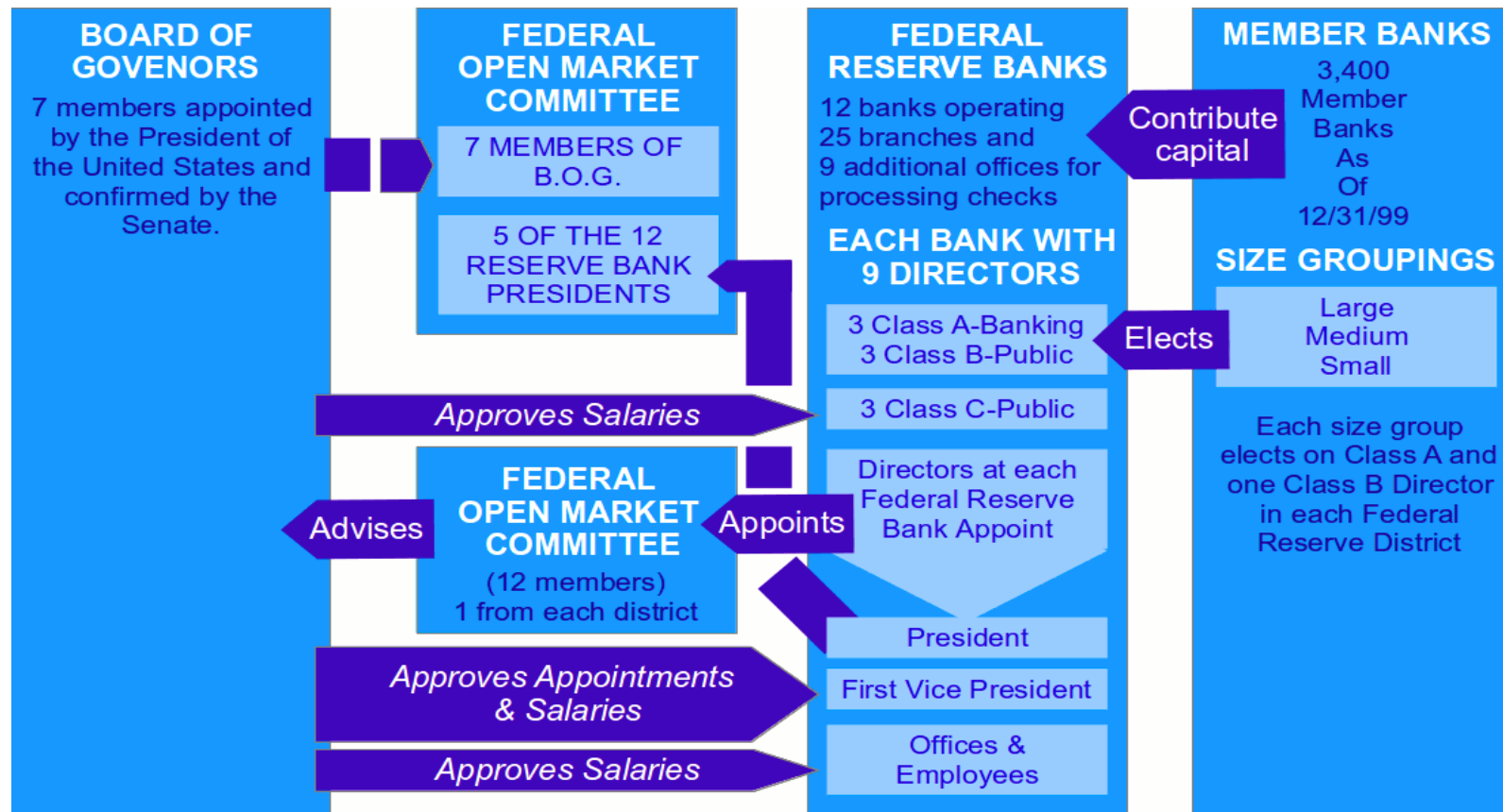
<http://www.crimevictimsinstitute.org/documents/Restitution%20Report.pdf>

Robbery

- Critical factors in order of priority
 - Protect human life and health (Safety)
 - Catching the criminal (Not stopping the criminal)
 - Protecting the entity's funds
- Don't be a hero
- Always assume there is a weapon even if not seen
- Follow their instructions and tell them what you are doing as you follow the instructions
- Observe, remembering distinguishing features, voice, items touched
- Call 911 as soon as it is safe to do so

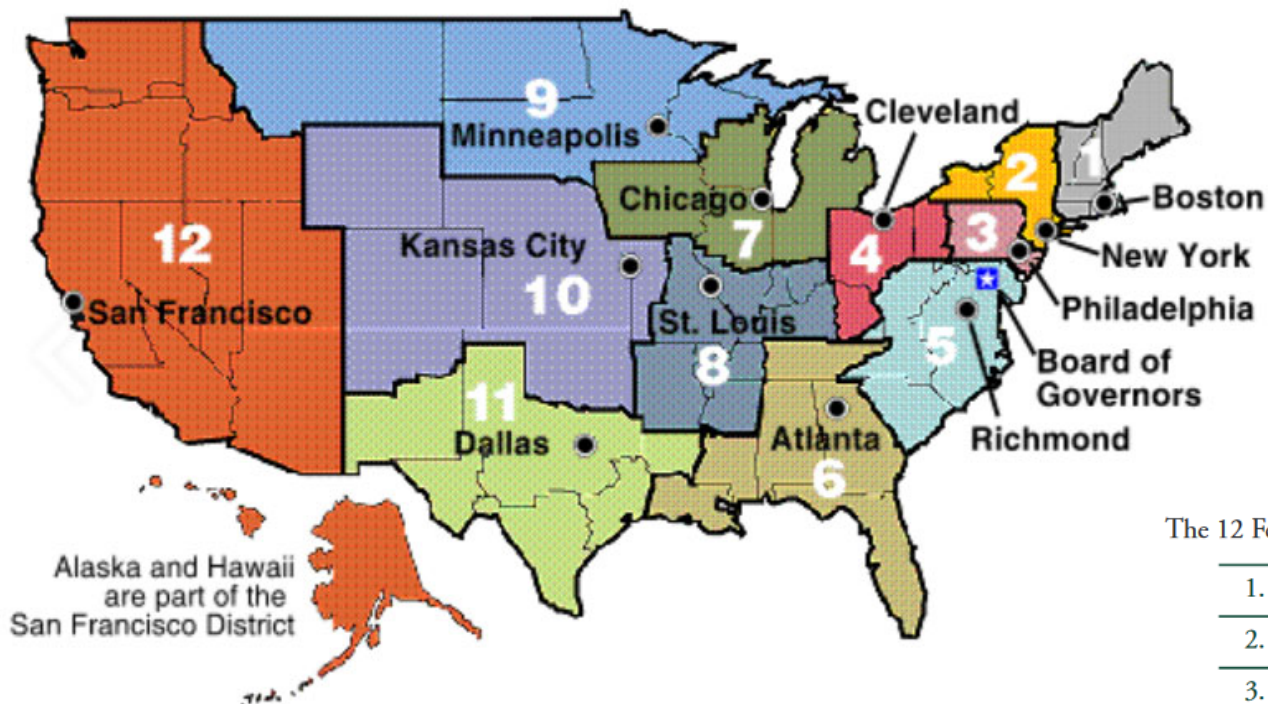
9. The Federal Reserve

The Federal Reserve



Source: Board of Governors of the Federal Reserve System

Federal Reserve Banks



The 12 Federal Reserve banks and their code letters are:

1. Boston	A	7. Chicago	G
2. New York	B	8. St. Louis	H
3. Philadelphia	C	9. Minneapolis	I
4. Cleveland	D	10. Kansas City	J
5. Richmond	E	11. Dallas	K
6. Atlanta	F	12. San Francisco	L

Federal Reserve

The U.S. Central Bank is responsible for:

1. Addressing the problem of banking panics
2. Serving as the central bank for the United States
3. Striking a balance between private interests of banks and the centralized responsibility of government
 - To supervise and regulate banking institutions
 - To protect the credit rights of consumers

Federal Reserve

The U.S. Central Bank is responsible for:

4. Managing nation's money supply through monetary policy to achieve the sometimes-conflicting goals of:

Maximum employment

Stable prices, including prevention of either inflation or deflation

Moderate long-term interest rates

5. Maintaining the stability of the financial system and contain systemic risk in financial markets

Federal Reserve

The U.S. Central Bank is responsible for:

6. Providing financial services to depository institutions, the U.S. government, and foreign official institutions, including the nation's payments system
 - To facilitate the exchange of payments among regions
 - To respond to local liquidity needs
 - To strengthen U.S. standing in the world economy

Regional Federal Reserve Banks

Depository Institution Services:

- Currency and Coin - Distribute currency and coin to depository institutions to meet the public's need for cash. Currency and coin received at the Federal Reserve Banks are sorted and counted. Unfit currency and coin are destroyed and replaced with new currency and coin obtained from the Treasury Department's Bureau of Engraving and Printing and Bureau of the Mint.
- Check Processing - Serves as a central check-clearing system, handling approximately 18+ billion checks a year. Using high-speed sorting machines (including imaging), process these checks, route them to the depository institutions on which they are written, and transfer payment for the checks through accounts that depository institutions maintain with the Federal Reserve Banks.

<http://www.federalreserve.gov/pubs/frseries/frseri3.htm>

Regional Federal Reserve Banks

Depository Institution Services:

- Wire Transfers – Approximately 7,800 depository institutions are linked electronically through the Federal Reserve Communications System, a network through which depository institutions can transfer funds and securities nationwide in a matter of minutes.
- Automated Clearinghouses - Operate automated clearinghouses, computerized facilities that allow for the electronic exchange of payments among participating depository institutions. The Treasury Department uses automated clearinghouses extensively to make social security, payroll, and vendor payments.

<http://www.federalreserve.gov/pubs/frseries/frseri3.htm>

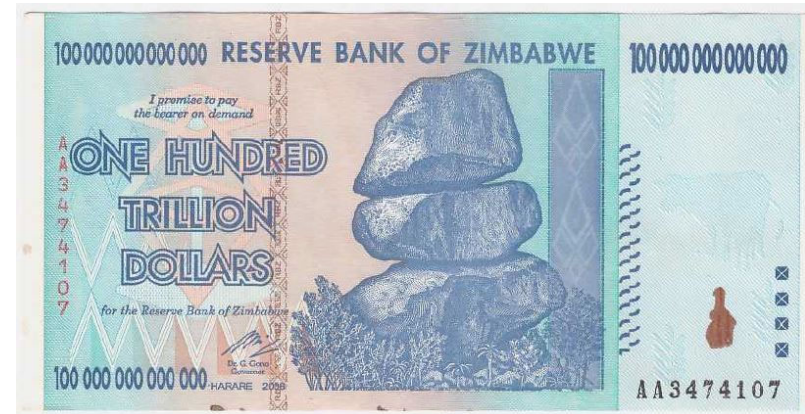
Federal Reserve Summary

- One of the important functions of the Federal Reserve System is to ensure that adequate amounts of currency and coin are in circulation. Depository institutions, such as commercial banks, savings banks, savings and loan associations, and credit unions, buy currency from Federal Reserve banks to meet customer demand.
- The value of that cash is charged to their accounts and when the need for currency and coin declines, these institutions return excess cash to a Federal Reserve bank, which in turn credits the appropriate account.

Purchasing Power - Inflation/Deflation

Inflation – Prices going up.

Deflation – Prices going down



Discussion Questions

- How do we handle “Dated” currency?
 - How do we handle “Counterfeit” currency?
 - Do we allow cash drawer currency exchange?
 - Do we allow “Non-Convenient” payments?
 - Do we allow “Combination” payments or just single payments?
 - Do we know or have we seen cash handling scams?
 - Are we witnessing suspicious activity or robbery?
 - How do we handle excess cash collections (cash drops)?
-
- What did we not cover?

10. Conclusion

Cash Controls Quick Reference Guide

Quick Reference Guide

- The Finance Department is the only department that can maintain bank accounts on behalf of the Entity.
- “Cash” refers to currency/coin, checks, bank drafts, Automatic Clearing House (ACH) transactions, Electronic Funds Transfers (EFTs), money orders, traveler’s checks, cashier’s checks, or credit/debit card transactions.
- Only authorized employees may handle cash on behalf of the Entity.
- Cash Handling Training must be attended annually.
- Each department that handles cash must develop written procedures for separation of duties and review them annually.

Quick Reference Guide

- Separation of duties must be 2 people deep (3 is preferred when possible).
 - Collecting Cash
 - Maintaining Documentation
 - Preparing Deposits
 - Reconciling Records
- Cash must be kept in a secured location (locked safe).
- Checks must (Confirm the points of negotiability):
 - Be made payable to the entity
 - Be endorsed upon receipt
 - Have current date
 - Have written line and number amount match
 - Be signed

Quick Reference Guide

- Deposits must:
 - Be delivered to Utility Billing within 1 business day
 - Be transported in a sealed tamper evident deposit bag which is inside of another bag (tote, back pack, purse, etc.).
- Cash on hand and cash deposited must equal actual receipts at all times.
- Receipts:
 - Regular sales = must issue receipt every payment
 - Occasional sales = must issue receipt with every payment OR keep sufficient transaction detail
 - If a cash transaction occurs a receipt must be provided to customer

Quick Reference Guide

- Counterfeit – check paper, portrait, watermark, and security strip. Counterfeit pen or UV light is encouraged.
- Overages/Shortages must:
 - Be reported to supervisor at end of daily closing.
 - Be reported to the Finance department the next business day
 - Be investigated if in a single incident or in aggregate during one-month period in the amount of \$25 under the control of a single employee.
 - Have maintained written documentation.
- Fraud or theft must be reported to Finance and local law enforcement on the day of occurrence.

Quick Reference Guide

- Petty Cash/Change Fund must:
 - Be kept in safe, not locked drawer.
 - Be reconciled at end of day funds are used.
 - Have maintained written documentation.
 - Be balanced at all times.
- Refunds:
 - Do not issue refunds from petty cash.
 - Ensure refunds are charges back to the appropriate account or fund.



Cash Handling Questions

CASH HANDLING	Yes	No	N/A
Are cash and assets secured with locked cash drawers, locking cash registers, cashier cages or locked metal boxes always?			
Are safes and drop safes bolted in place and smaller receptacles secured in locked areas?			
Are the designated custodians and supervisors the only personnel who maintain combinations or keys for cash receptacles?			
Is every cashier assigned an individual cash drawer?			
Are cash drawers shared?			
Are all checks endorsed immediately with the entity name and a cashier identifier upon receipt?			
Is photo identification required for all over-the-counter checks taken?			
Are reviews performed on each cash drawer's assigned cash balance?			
Are change drawers used for petty cash or cashing of personal, payroll or expense checks?			
Are sequentially numbered receipts used for all transactions?			
Are daily audits and balancing of the receipts (or system reports) to the drawer required as part of the closing process?			
Are cash drawers balanced and closed out at the close of each cash handler's work period?			

Cash Handling Questions

Are all overages/shortages reported to the supervisor at daily closing and are they documented as overages/shortages in the balance process?			
Are overages/shortages in a single incident or in total, during a one month period by a cash handler, investigated by the custodian/supervisor?			
Are all deposits verified by two individuals?			
Are all computer and credit card terminals closed out at the end of a cashier's shift or at the end of the day?			
Is documentation in the form of a summary sheet for each deposit prepared indicating the amount of funds, the breakdown of funds, the accounts to be credited and identification of the depositor?			
Are all deposits prepared within one business day?			
Are all deposits of physical checks and cash in secure bags with identifying deposit slips indicating the amount and location of collection for tracking purposes?			
Are all deposits balanced to generated reports, daily? weekly? monthly?			
Are Security codes/PINS/logins assigned to individuals/cashiers for all computerized systems?			
Has your department investigated procedures for recycling coin and currency between departments and the minimizing change orders to minimize transport and vault charges?			

Cash Handling Questions

CASH HANDLING LOCATIONS	Yes	No	N/A
Is working space provided for each cashier to maintain control of the cash handling process?			
Does the area allow space for the processing of deposits and cash; is the area secure that is designated for balancing operations?			
Does the cashing area provide for security and separation between cash handlers and customers?			
THEFT OR LOSS OF CASH/MONIES	Yes	No	N/A
Has any instances of theft or loss of cash occurred in this area?			
On discovery of a possible theft or loss of funds are the Police notified?			
If a theft is discovered does the supervisor/custodian make a verbal report to the Police and the appropriate Administration before close of business, followed by a written report within one business day?			
Are procedures in place for handling theft or loss of funds and counterfeit currency?			

Cash Handling Questions

TRANSPORT OF SYSTEM ASSETS	Yes	No	N/A
Are assets (cash / checks / deposits) securely transported from the point of collection to the Administration Office?			
Is there a set schedule when assets are transported?			
Are transfers of assets documented and signed by both sending and receiving parties; is an institution log maintained to document the transfer?			
Are all off-site transfers made by contracted armored transport, secure transport, or security personnel?			
Do armored car personnel receipt all items and provide a copy to the fund custodian/supervisor?			
Do armored car personnel present adequate identification before each transport?			