

<b>SUBJECT: CASH MANAGEMENT PROCEDURES</b>		
<b>Reviewed by: Finance Subcommittee</b> <b>Revised by:</b>	<b>Effective: 3/19/2012</b>	
	<b>Reviewed: 03/05/12</b>	<b>Revised: 3/13/12</b>
<b>Approved by: HITE-CT Board of Directors</b>	Page 1 of 1	
<b>Related to Core Policy:</b>		

## I. PROCEDURE

1. Cash is the most sensitive asset possessed by a corporation and its safeguard is a critical component of any system of internal control. Cash is maintained in various forms in the corporation to include petty cash, cashier change funds, cash depository at the bank, and investments.
2. Petty cash funds require the designation of responsible persons to be in charge of the fund. Replenishment of the fund is made by check requisition with accompanying vouchers and made payable to the fund's cashier.
3. A bank is used for daily cash deposits and disbursements. An account may be set up as an interest bearing account and contain a minimum balance for normal operations. Alternatively, this account may be a "sweep" account whereby the cash balance is invested daily, yet remains available for operations.
4. Cash in excess of operational requirements should be regularly extracted for investment in longer term, higher yielding instruments as appropriate. See Investment Policy for more details.
5. All cash kept on the premises of HITE-CT must be secure at all times. Smaller petty cash funds may be secured in locked drawers, while larger deposits should be secured in a safe. Anyone responsible for maintenance of a cash fund or deposit should consult with the CEO on security of the cash funds.
6. As a part of ongoing internal control procedures, periodic spot counts of cash funds will occur. The CEO will inspect the cash funds unannounced to verify that the fund is being kept to pre-designed levels and that proper security is being observed.
7. Persons responsible for a particular fund should not allow other employees to work from the same fund.
8. Use of electronic deposits are preferred and to be used when available.
9. Checks should be restrictively endorsed when received by the person opening the mail. This person should have no other cash posting or accounting functions. The check should then be given to the bookkeeper to apply it to the proper account and create the deposit slip. The check will be taken to the bank and deposited by another responsible person who has no other cash posting or accounting functions. Deposit slips will immediately be returned to the bookkeeper for filing.
10. All funds received by any location or program require a proper receipt to be issued and deposited in an approved bank account in accordance with the Accounts Receivable Controls policy number F201.
11. If feasible (as determined by the CEO) HITE-CT will use a lockbox at their bank to cut down on the volume of checks employees need to handle.