

Appendix 3

Cash Handling Practices
Review Checklist

U.S. Department of Housing
and Urban Development

Name of HUD Office and Location of Site within Office

One of the major cash management goals of the Department is to deposit all cash collections received for deposit into the Treasury within 1 workday after receipt. The handling of bid deposits and compromises of debt due the Department are exceptions to the 1-workday rule. Further, all cash received must be safeguarded.

This checklist is to be used during unannounced reviews of the way cash collections are being processed. It provides the reviewer with insight into the way the collection officers, mail handlers, and other responsible employees are performing their cash handling duties. Each user of this checklist shall become familiar with this Handbook prior to reviewing HUD's cash handling practices. In using this checklist, cash means any remittances received for deposit or to be held in safekeeping pending disposition.

If the answer to any of the following inquiries is "NO", the reviewer must ascertain the significance and consider if any corrective action need to be taken. This should be documented in an attachment to the checklist referenced to the item. A brief explanation as to why a step is not applicable in a particular situation should be inserted on the checklist.

YES NO

A. MAIL OPENING LOCATIONS.

- (1) Is mail being opened in full view of other employees?
- (2) Are mail opening points recording cash on collection registers (or equivalent forms) the same day as received?
- (3) Are checks and other negotiable items endorsed at mail opening points?
- (4) Are the collection registers being kept up to date in numerical sequence?
- (5) Do collection registers show disposition of each collection either by transfer of accountability, deposit action, or retention for safekeeping?
- (6) Does your inspection of the collections on hand and the collection registers indicate

that they are being processed on a timely basis, so as to permit deposit within 1 workday after receipt?

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YES NO

B. DEPOSITING LOCATIONS.

- (1) Are checks being examined for negotiability and acceptability as required?
- (2) Are checks in unacceptable condition for deposit being handled without delay as required?
- (3) Is the individual responsible for remittance processing referring questionable collections to the servicing accounting office in a timely manner and through a fast means of communication?
- (4) Are all acceptable collections deposited within 1 workday of receipt?
- (5) Are official receipts being issued to the remitter whenever coin and/or currency is received?
- (6) Have all recently assigned employees to the cash collection and processing function been trained in the performance of their duties, including the requirements of this Handbook?
- (7) Are preaddressed (or special deposit) envelopes being used to optimum advantage in speeding up processing of collections for deposit?
- (8) Were the primary and alternate individuals responsible for remittance processing required to take leave (may include usage of sick leave) of 5 continuous days, or assigned to other duties for 5 continuous workday during the past year?
- (9) Are the primary and alternate individuals

responsible for remittance processing complying with the requirements for preparation of deposit packages?

- (10) Is the Collection Officer or alternate providing the servicing accounting office with required copies of deposit tickets for each deposit transaction completed by him as soon as the confirmed copy has been received from the depository?

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YES NO

- (11) Have remittance processing operations for the HUD location been reduced to the optimum number?
- (12) Are the basic records being kept by the individuals responsible for remittance processing being kept up to date?
- (13) Do the duties assigned individuals responsible for remittance processing, or their alternates, exclude conflicting ones such as those of a Certifying Officer or Imprest Fund Cashier?
- (14) Have the Collection Officer and alternate(s) or individuals responsible for remittance processing been officially designated in writing, and officially informed in writing, their duties and responsibilities as required?

C. ACCOUNTING ACTIVITY

- (1) Is the servicing accounting office providing quick response to Collection Officers' inquiries, or inquiries of individuals responsible for remittance processing, as to how questionable collections should be handled?
- (2) In the case of HUD locations having an accounting office, have Collection Officers or individuals responsible for remittance processing been assigned to duties which

do not involve keeping of official accounting records, claims settlement or write-off of debts?

D. GENERAL

- (1) Are the physical safeguards satisfactorily consistent with HUD's requirements?
 - (a) If magnitude of collections warrants use of monitored offices along the lines described, have they been established?
 - (b) If monitored offices are in use, are employees complying with the system when entering or visiting the work area?

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YES NO

- (c) Are all combinations for locks on doors of monitored areas changed at least annually?
 - (d) In those situations where locked offices are considered adequate, are the offices secured along the lines specified?
 - (e) Are collections on hand being placed in overnight storage as required?
 - (f) If a need to change a safe lock or combination has occurred since the last review, has it been done?
 - (g) Are safe combinations available to only authorized personnel?
- (2) Have locally developed procedures been documented, approved and made available to employees?

NAME OF REVIEWER AND TITLE

DATE OF INTERVIEW

