METROPOLITAN GOVERNMENT OF
NASHVILLE & DAVIDSON COUNTY

Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Cash Deposit

Effective Date: April 30, 2006
Revision Date: September 16, 2025
Policy Number: 3.4
Sponsor: Office of the Treasurer

Purpose

The purpose of this policy is to establish standardized procedures and internal controls for the timely, secure, and accurate deposit of all cash receipts collected by departments and agencies of the Metropolitan Government.

Definitions

Funds collected: All payments made to Metro by currency, coin, check, money order, credit/debit card, ACH debit/credit and wire transfer.

Depository bank: The financial institution that has been selected through a competitive procurement process overseen by the Treasurer, which participates in the State of Tennessee Collateral Pool and has entered into a contract with Metro to provide depository banking services.

Remote deposit capture (RDC): A system that allows a customer to scan checks remotely and transmit the check images to a bank for deposit, usually via an encrypted Internet connection.

General Policies

Funds collected at a department or agency locations must be deposited into Metro's depository bank within one (1) business day of receipt. Prior to physical deposit at the bank, funds must be securely stored in a locked or restricted access device. All checks must be restrictively endorsed "for deposit only" with the agency name, agency number and bank account name included in the endorsement. The bank account number must not be included in the endorsement. Funds taken to the bank for physical deposit must be taken directly to the bank once they leave the agency premises. It is not permissible for agency deposits to be taken home by employees, for instance, to deposit on the way back into work the following business day.

Checks being deposited into the bank via remote deposit capture shall be virtually endorsed during the scanning process. The physical checks being remotely deposited into the bank shall not be manually endorsed. The physical checks shall be retained by the agency depositing them in a secure location with restricted access for ninety (90) days. After ninety (90) days, the physical checks must be securely destroyed.

These deposits, whether made physically at the bank or through remote deposit, shall also be entered into the general ledger within two (2) business days of the deposit into the bank. Each department/agency is responsible for ensuring that all receipts are deposited into the bank and entered timely and accurately into the general ledger.

Likewise, all credit and debit card payments collected by agencies which are deposited directly into the depository bank by the card processor must be entered into the general ledger with two business days of the deposit.

All cash entries into the ERP system must comply with cash entry requirements established by the Chief Accountant. The date of entry must match the date of deposit, and the amount of the deposit must be the exact amount of the deposit.

Upon receipt, payments received directly into the depository bank by ACH credit or wire transfer are recorded by Financial Operations in the general fund in an 'unapplied' account. These electronic receipts are listed by date in an Excel workbook which is located on the Financial Operations page of Inside Metro. This workbook shall be reviewed daily by agencies expecting electronic deposits in order to identify their specific payments. Agencies must reclassify their electronic receipts via journal entry into the appropriate general ledger account within two business days of receipt in the depository account at the bank.

Compliance

In the event of repeated non-compliance with this policy, the Director of Finance or designee shall notify department/agency heads to submit a corrective action plan within 15 calendar days of the notification with a plan to come into compliance within 30 days.

Departmental compliance with this policy shall be subject to monitoring and/or audits by the Departments of Finance and Internal Audit.

Applicable Local, State or Federal Regulations

Metro. Charter art. 8 ,§ 8.103: The director of finance shall be responsible to the mayor for the administration of the financial affairs of the metropolitan government.

Metro. Charter art. 8, § 8.104: The budget officer, with the advice and assistance of the chief accountant, shall write, revise and maintain a proper standard procedure instruction manual to be followed by all officers, departments, boards and other agencies of the government to ensure uniform accounting and budgetary procedures.

Metro. Charter art. 8, § 8.105: The chief accountant shall maintain a general accounting system and such cost accounting records as shall be required by the director of finance.

Metro. Charter art. 8, § 8.106: The metropolitan treasurer shall supervise and be responsible for the custody and disbursement of all funds belonging to the metropolitan government and all funds handled by metropolitan government officers as agents or trustees except as otherwise provided in this Charter or by ordinance or general law not inconsistent with this Charter.

Associated Policies

None.

Effective Date

This Policy Statement shall become effective upon issuance and shall be applied to all Metro departments and agencies.

Approvals

Approval of the Director of Finance

I hereby approve this Policy Statement of the Department of Finance and as such agree with and authorize the actions necessary to implement its requirements.

Jenneen Reed

Director of Finance

Date: September 16, 2025