

Part: **Public Money and Property**
 Section: **Receipt, Deposit and Control of Public Money**
 Subsection: **Control of Public Money**
 Policy: **Receipt and Control of Public Money**

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Receipt and Control of Public Money

Objective

The objective is to ensure that all public money is properly received, safeguarded, recorded, and promptly deposited.

Authority

The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and section 22

Applicability

This policy applies to the General Revenue Fund (GRF), and special purpose funds and trust money that are administered by ministries. See [Appendix C Public Money](#).

Background

In accordance with subsection 19(2) of *The Financial Administration Act, 1993*, all public moneys shall be paid into the GRF, other than: (a) public moneys over which the Legislative Assembly has no power of appropriation; and (b) public moneys otherwise specially disposed of by the Legislative Assembly.

Treasury Board Policy

- .01 The permanent head is to ensure the following controls are present:
- All money received is promptly and appropriately recorded upon receipt.
 - All money received is appropriately acknowledged.
 - All money is adequately protected against loss or theft.
 - All money received is disposed of properly and promptly.
 - The disposition of money received is appropriately recorded.
 - Cheques returned due to non-sufficient funds (NSF) are recorded, replaced and re-deposited.
 - Adequate information regarding money received is supplied to the appropriate financial system.
- .02 Every ministry will keep its accounting records in such a form as to indicate:
- the total revenue received, allocated into revenue classifications, established and approved by the Provincial Comptroller;
 - the total deposited in the GRF; and
 - the total accounts receivable, allocated into the classifications as may be determined by the Provincial Comptroller.

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Provincial Comptroller Directives

.03 Ministries are responsible to establish written procedures and controls to safeguard the receipt, recording and deposit of public money. Schedule A contains standard control requirements to safeguard public money.

.04 If any cheque, draft or other negotiable instrument deposited is not honoured by the bank, the collecting ministry is to take steps to protect the Government's interest. Refer to [Section 3515 NSF Cheques](#).

Compensating Controls and Mitigating Factors

.05 If any of the standard control requirements in Schedule A for the receipt, recording and deposit of moneys are inappropriate and other procedures would be more appropriate in the circumstances, ministries must document revised procedures that include compensating controls and mitigating factors, together with the reasons for the revised procedures.

.06 Compensating controls are controls that are in place to satisfy the requirement of a control that is deemed too difficult or impractical to implement. Mitigating factors are circumstances which lower the risks of not having the recommended controls. The following are examples of compensating controls or mitigating factors that may be in place to safeguard public money.

.07 For circumstances when two individuals cannot be present when the mail is opened, compensating controls may include:

- timely follow up of expected revenue independent of the receipt of funds; and
- regular review of accounts receivable balances.

Mitigating factors may include:

- a small amount of cash or cheques are received in the office; and
- all revenue received is known in advance.

.08 For circumstances when the frequency of deposits cannot be made in accordance with Schedule A, compensating controls may include:

- all cheques received are stamped 'For Deposit Only' immediately upon receipt;

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- receipts are provided for all cash and cheques received; and
- all money is kept in a locked secured place.

A mitigating factor may include:

- a small amount of cash is received in the office.

GRF Processing

- .09 For information on revenue refunds from the GRF, refer to the Accounting Manual, Section 3000 Revenue.
- .10 For information on application for remissions from the GRF, refer to [Section 3010 Application for Remissions](#).

References

[3000 Control of the GRF](#)
[3010 Application for Remissions](#)
[3020 Suspense Accounts and Conditional Receipts](#)
[3500 Control of Public Money](#)
[3510 Minor Errors in Remittances](#)
[3515 NSF Cheques](#)
[3520 Credit and Debit Card Receipts](#)
[3525 Receipt of Donations](#)
[3530 Electronic Funds Transfer Receipts](#)
[3600 Control of Bank Accounts](#)
[3700 Control of Accounts Receivable](#)

[Accounting Manual, Section 3000 Revenue](#)

[Accounting Manual, Appendix A General Revenue Fund Year-end Procedures and Schedules](#)

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Schedule A

Controls to Safeguard Public Money

Controls:	Standard control requirements:
All moneys received is promptly and appropriately recorded upon receipt and appropriately acknowledged.	<ul style="list-style-type: none"> • All incoming mail is opened by two persons designated for the purpose. • All money received is immediately recorded upon receipt. The record should include the date, the name of the remitter, the amount of remittance and the signature of the two people opening the mail. • Cheques, money orders and other negotiable instruments are restrictively endorsed immediately upon receipt. • Official receipts, cash register slips, licenses or certificates are issued when the moneys received are cash, the remitter pays in person or the remitter requests a receipt.
All money is adequately protected against loss or theft.	<ul style="list-style-type: none"> • Deposit slips, receipts and other forms are pre-numbered, issued by authorized employees and periodically reviewed to ensure all forms are accounted for. • Money is kept secure until proper disposition is made. • Access to money is limited to those employees who are responsible for the cash function. • Duties of employees are segregated so that employees responsible for accounting for the money do not have access to it.
All money received is disposed of properly and promptly and the disposition of money received is appropriately recorded.	<ul style="list-style-type: none"> • Moneys are disposed of by one of the following: deposited to the bank, transferred to another ministry (obtain a receipt for cash transfers) or returned to remitter if received in error or if none of the services can be rendered and/or the goods can't be supplied. • Deposits are made regularly (e.g. daily, weekly, monthly) based on the deposit amount. Appropriate thresholds for the timing of deposits must be documented.

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<p>All money received is disposed of properly and promptly and the disposition of money received is appropriately recorded (<i>continued</i>).</p>	<ul style="list-style-type: none"> • Larger deposits of cash and negotiable securities should be transported by an armoured car service or bonded courier. Appropriate thresholds for the use of secure services must be documented. • Deposits should be stamped by the financial institution. • The record of cash received is to be reconciled to the bank deposit and the accounting records.
<p>Cheques returned due to non-sufficient funds (NSF) are recorded, replaced and re-deposited.</p>	<ul style="list-style-type: none"> • Refer to Section 3515 NSF Cheques.
<p>Adequate information regarding money received is supplied to the appropriate financial system.</p>	<ul style="list-style-type: none"> • Receipts are recorded in the accounting system in a timely manner. This is required in order to detect and resolve any discrepancies, and to ensure banking timelines for the correction of the discrepancies are met. • All transactions entered to the Government’s central financial system (e.g. journal entries) are reviewed through reports on a regular basis for reasonableness and for unusual items such as correcting or reversing entries. Any discrepancies are to be followed upon and resolved on a timely basis.