

Lake Cushman Maintenance Company

Cash Handling Procedures

Introduction:

Money is handled on a regular basis at the Lake Cushman Maintenance Company office complex and at the Lake Cushman Golf Course Club House. It is necessary to have documented procedures for handling money at these locations both for the protection of the fiscal assets of the company and, more importantly, to assure the safety and credibility of employees who handle the money.

This narrative serves as a documented and approved set of procedures for handling money in the office and at the golf course. The operational differences between these two parts of the organization necessitate that there be two independent procedures. However, both of the procedures are based on the values of:

- Accuracy
 - Money shall be counted on a regular basis by those accountable for it
 - All discrepancies shall be noted, investigated, and reconciled in a timely fashion
- Audit Trail
 - All money shall be counted and verified by at least two independent parties
- Safety and Security
 - All money shall be counted in a locked room
 - Parties in the locked room while money is being counted shall be limited to the employee counting the money (mandatory), a manager of the company (optional), or a member of the LCMC security staff (optional).
 - All money, including deposits, envelopes containing receipts and cash, petty cash boxes, and bank bags shall be stored in a locked safe during the hours when either the office or golf course club house are closed.
 - As necessary, keys for any safe(s) shall be stored in a secure location, and combinations conveyed ONLY to those who have access to the safe(s).
 - Upon resignation or termination of any employee who has access to safe(s), keys and combinations must be immediately changed.

Office Money Handling Procedure:

Introduction: The very convenience of petty cash also presents its most significant audit challenge; the fact that the cash box is accessed by all office personnel when assisting customers, presents an internal control risk. Ensuring that the cash is used correctly requires a reconciliation of receipts. This audit should be performed regularly (i.e....at least once a week during non busy times and daily during busy times).

There will be one petty cash box at each of the front desk locations. Each petty cash box will contain \$100.00 cash and each front desk location will have a bank bag containing \$200.00 locked in the vault for making change. The starting amount of cash for each front desk location will be \$300.00.

Approved 11/9/13

Step 1

Since all office personnel have access to the petty cash boxes, the Office Manager will audit the cash boxes first thing in the morning prior to opening the office. In the event the office manager is not available, the Accounting Specialist will perform this task.

Step 2

Count the cash and coin in both the petty cash box and the bank bag corresponding to that box. Record these amounts on the Petty Cash Reconciliation form. Subtotal the cash and coin and record this amount on the Petty Cash Reconciliation form.

Step 3

Take the Petty Cash Log Sheet for the cash box and sum the receipts used to justify payments from petty cash. Record the date and the total from the Petty Cash Log Sheet under the section labeled Receipts on the Petty Cash Reconciliation form. Carry this total down to the Sub-Total Receipts line of the Petty Cash Reconciliation form.

Step 4

Take the Sub-Total Cash on Hand and subtract the Sub-Total Receipts and record on the Total Petty Cash Fund line of the Petty Cash Reconciliation form. This total should equal \$300.00.

Step 5

Any discrepancies should be researched and reconciled. Discrepancy amount should be recorded on the Petty Cash Reconciliation form.

Step 6

Restore the petty cash box to \$100.00 and the corresponding bank bag to \$200.00. Place the remaining cash in an envelope and give it to the Accounting Specialist along with the Petty Cash Reconciliation form and attached Petty Cash Log sheet for each petty cash box. The cash in the envelope should be equal to the Sub-Total Receipts on the Petty Cash Reconciliation form less any discrepancy. Sign the audit log. Both the Office Manager and the Accounting Specialist should sign off their agreements that the cash total equals the amount logged.

Step 7

Hand off the money and receipts to the Accounting Specialist who will conduct and sign an independent audit of the result and prepare the deposits and any necessary journal entries. If the Accounting Specialist performed step 1 of this process due to the absence of the Office Manager, then the independent audit shall be performed by one of the office clerks.

Golf Course Club House Money Handling Procedure:

All shifts

- After every transaction, place money in the till and close the till
- Always lock the till when away from the front desk for any reason

Opening Shift

- Log in to computer
- Open till and unlock safe
- Count all change and cash for till (\$100) and petty cash box (\$400)
- Close till and relock safe

Shift Change

- Employee going off shift removes till and petty cash to a locked room to perform and document a count while the employee coming on shift watches the counter and serves customers.
- Employee coming on shift then counts till and petty cash in a locked room while employee going off shift watches the counter and serves customers
- Discrepancies between the two counts must be noted and reconciled.
- In the interest of minimizing the time involved with this step of the process, no examination or reconciliation of receipts is necessary. The focus is on making sure the two employees agree on the amount of money in the till and the petty cash box.

Closing Shift

- Run daily reports
- Run credit card detail reports and settlement, paperclip together with credit card slips
- Reconcile all credit book receipts and paperclip together.
- Relocate to a locked room (or lock the door of the clubhouse)
- Reserve \$100 for till and count all remaining money
- Mark amount for each bill and coin on cashier's report envelope
- Fill in total amount enclosed, net receipts, and any difference
- Place money and all receipts in envelope
- Paperclip all invoices and reports to the outside of the envelope and place in safe
- Put all cash from till and bank bag and place in safe
- Count and document petty cash box and place in safe
- Close and lock safe
- Place key to safe in secure location
- Log out and turn off computer.

Golf Course and Club House Manager Audit

- On a daily basis, audit and verify all daily envelopes, bank bags, and petty cash. Reconcile any discrepancies and turn over receipts and records to the Accounting Specialist.

Accounting Specialist Audit

- On a routine basis, audit golf course receipts and money prior to preparing a bank deposit.



LAKE CUSHMAN MAINTENANCE COMPANY

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MINUTES

Board of Directors Meeting November 9, 2013, 9:00 a.m. Director's Board Room

President Mike Burgwin called the meeting to order at 9:00 a.m. in the LCMC Board Room. Present were Mike Burgwin, Dave Curley, Sandra Eaton, Dave Shelley, Tracy DeLeo, John Dienes, Harvey Schulz and Bruce MacDonald. Doug Whitby was excused.

Approval of Minutes, Sandra Eaton

Tracy DeLeo made a motion to approve the October 24, 2013 Board Meeting Minutes. Dave Shelley seconded the motion. The motion carried unanimously with 8 yes votes.

Board and Committee Reports

Treasurer's Report, Dave Shelley

Hard copies of the Treasurer's report were available at the meeting. Dave gave a brief summary of the report, and reported that the finance committee had a preliminary roll out of the 2014 budget. They were recommending a 5% increase in maintenance fees. Park fees were briefly discussed.

Resolution 03-13 Investment Policy: Dave Shelley reported that after reviewing the policy with Dave Curley, John Dienes and Dawn Hayman, some needed revisions were identified. John Dienes is making the revisions and will be sending out a draft to the board.

Cash Handling Procedure

Harvey Schulz had reviewed the cash handling procedure at the golf course and office using the written procedure Dave had previously submitted. Dave explained that this was for the most part, the procedure that the staff had been using. Harvey reported that procedures for taking inventory at the Pro Shop were adequate, as were the cash handling procedures in the office and Pro Shop. Harvey recommended that the cash handling and inventory procedures being used remain the same. Sandra Eaton made a motion to approve the current cash handling procedure. Tracy DeLeo seconded the motion. The procedure will be an LCMC policy. The motion carried unanimously with 8 yes votes. John Dienes made a motion to accept the Treasurer's Report. Bruce MacDonald seconded the motion. The motion carried unanimously with 8 yes votes.

Secretary's Report, Sandra Eaton

Sandra reported that the newsletter was out and looked great. Dave Shelley made a motion to accept the Secretary's Report. Harvey Schulz seconded the motion. The motion carried unanimously with 8 yes votes.

Control Committee Report, Harvey Schulz

Harvey reported on the activities of the Control Committee from October 11 to November 9, 2013. Fines assessed for violations was \$15,180. Seven violation cases had been closed, and the committee was working on ten open violations including building, tree cutting, septic, solid waste

and unsightly lot violations. Sandra Eaton made a motion to approve the Control Committee report. Bruce MacDonald seconded the motion. The motion carried unanimously with 8 yes votes.

Personnel Committee Report, Dave Curley

Policy Revisions – Employee Benefits

Dave presented the revisions to the policy which cover the subject of not paying cash in lieu of benefits, and some revisions on re-hire drug testing and background checks. Dave Curley made a motion that the changes to the Personnel Policies be approved. Tracy DeLeo seconded the motion. The motion carried with 7 yes votes. Mike Burgwin voted no. Dave Shelley made a motion to approve the Personnel Committee report. John Dienes seconded the motion. The motion carried unanimously with 8 yes votes.

Parks Committee Report, Bruce MacDonald

Bruce reported that the quote for fencing the Division 9 park was very high. One company declined to bid as they didn't think it was feasible. The Parks Committee would at least like to see the parking lot finished and possibly the park host site built. The cost is estimated at \$6,000 to \$8,000 for the parking lot, and \$11,000 for the host site. Options to fund these projects were discussed.

The Parks Committee had discussed the experimental "designer pass" that allowed members to put there sticker on a hanging pass instead of attaching it to their vehicle. The majority of the committee members felt it should not be renewed for 2014. Tracy DeLeo made a motion to approve the use of the hanging lot owner tag permanently. Sandra Eaton seconded the motion. The motion carried with 6 yes votes. Bruce MacDonald and Harvey Schulz voted no.

The Parks Committee recommended that members be allowed to purchase two annual hanging guest passes, the first would be \$25, the second would be \$50. Dave Shelley made a motion to reject the Parks Committee's recommendation. Tracy DeLeo seconded the motion. The motion carried unanimously with 8 yes votes.

Mike Burgwin will discuss the issue of LCMC giving TPU employees stickers to use the parks with Bret Forrester of TPU.

There was a brief discussion about creating a "contractor pass", and about laminating the "designer" pass after applying the sticker and writing the license plate number on it.

There was a brief discussion confirming that only LCMC members could reserve parks gazebos.

Mike Burgwin made a motion to form a temporary Ad Hoc committee to review the park fees and make recommendations to the board. The committee will consist of Bruce MacDonald (chair), Tracy DeLeo, Dave Shelley and Dawn Hayman. Harvey Schulz seconded the motion. The motion carried unanimously with 8 yes votes.

John Dienes made a motion to approve the Parks Committee report. Dave Shelley seconded the motion. The motion carried unanimously with 8 yes votes.

The board took a 5 minutes break at 10:25 and returned at 10:32 a.m.

General Business

Architect Committee Policies and Procedures and Resolution, John Dienes

Russ Sage and Dave Curley will work together to revise the appeals section, and will bring it back to the board.

Security Policies and Procedures, Mike Burgwin

Mike, Betty Woodall and Julie McGrady will be working on this.

Appreciation Luncheon, Mike Burgwin

Mike Burgwin made a motion that the board approves \$400 to have an appreciation luncheon on December 18th at the District 18 Fire Hall for Board Members, Committee Members and Employees. Sandra Eaton seconded the motion. The motion carried with 5 yes votes. Dave Curley, Tracy DeLeo and Dave Shelley voted no.

Overtime: Personnel Policies Page 16, Section 5.05, Paragraph 2, Mike Burgwin

Mike Burgwin suggested adding verbiage to the policy that states in the event of an emergency when overtime is needed, that if the employee can't get ahold of their manager, the employee contact in the following order: the President, Vice President, Treasurer, and Secretary for approval. If the policy is violated, it will be considered insubordination, and the violator will be subject to disciplinary action. The Personnel Committee will review this.

Policy for Complaints Against Agents of LCMC – Mike reported that this was under review by the attorney.

Dog Complaint

The board received copies of a complaint regarding a pit bull attack. Mike stated that this should have gone to the Control Committee. The policy is being changed so that Security will be able to cite for pet complaints in the future. Mike will discuss this with the security manager.

Security in Primitive Areas

It was discovered that the current set up of the Security Manager's position would not allow that position to be salary exempt. It was decided that two officers would patrol the primitive areas together. Mike will remind Betty to put the extra hours in her budget.

Public Comments

Public comments were taken.

Executive Session, Personnel Issue

Dave Shelley made a motion to go into executive session at 11:26 a.m. for one hour. Harvey Schulz seconded the motion. The motion carried unanimously with 8 yes votes.

The board returned to open session at 12:01 p.m.

Adjourn

Bruce MacDonald made a motion to adjourn at 12:01 p.m. John Dienes seconded the motion. The motion carried unanimously with 8 yes votes.

Future Meetings

December 14, 2013 Regular Board Meeting 9:00 a.m. LCMC Board Room

NOTICE: There will be no meetings on November 28th or December 26th

Approved at the December 14, 2013 Board meeting.

Attest:

Sandra Eaton, Secretary

Date