



Lexington-Fayette Urban County Government
OFFICE OF INTERNAL AUDIT

INTERNAL AUDIT REPORT

DATE: October 15, 2015

TO: Jim Gray, Mayor

CC: Sally Hamilton, Chief Administrative Officer
Glenn Brown, Deputy Chief Administrative Officer
Aldona Valicenti, Chief Information Officer
David Holmes, Commissioner of Environmental Quality & Public Works
William O'Mara, Commissioner of Finance & Administration
Tracey Thurman, Director of Waste Management
Rusty Cook, Director of Revenue
Phyllis Cooper, Director of Accounting
Susan Straub, Communications Director
Urban County Council
Internal Audit Board

FROM: Bruce Sahli, CIA, CFE, Director of Internal Audit
Teressa Gipson, CFE, Internal Auditor

RE: Waste Management Collections Special Request Audit

Background

The Chief Administrative Officer requested that we review the collection activity for four revenue generating functions at the Division of Waste Management (WM): Loan-A-Box Fees, Dumpster Permitting Fees, Extra Dump Fees and Appliance Revenue from recycling.

The Loan-A-Box program is a service for residents and non-profit organizations to dispose of a large amount of debris using a 10-cubic-yard container that can be filled

with most types of debris. This program is available to all citizens of Fayette County excluding businesses or private contractors. Residents of Fayette County who live within the full Urban Services Area are charged a fee of \$75, which is required in advance to cover the landfill-disposal cost. Fayette County residents who do not live inside the Urban Services Area can still obtain the Loan-A-Box at a rate of \$180, which covers dropping off and picking up the box, plus the disposal cost.

The Division of Waste Management also issues permits for all dumpsters located within the Urban Services area. A dumpster cannot be placed on any site without a permit. A WM inspector will visit the proposed site to determine its acceptability in regard to screening, overhead obstructions, truck access, etc. If the site is found acceptable, a permit will be issued upon receipt of the permit fee, which is \$25.00. WM can also provide disposal service of two collections per week for most dumpsters if a private hauler is not used.

The Division of Waste Management also provides for Extra Dumps for permitted dumpsters upon request. Only check, cash, or money order will be accepted for the payment of an extra dump. WM does not bill or send invoices for payment. Payment is due at the time service is rendered depending on the size of the dumpster. A WM field supervisor accepts payment on-site or payment can be made in the business office prior to servicing the dumpster for an extra dump. It was also noted during the beginning of fieldwork that drivers were also accepting payments.

Another service provided by WM is Appliance Recycling. Residents receiving LFUCG Waste Management services can request a pickup of appliances such as air conditioners, freezers, refrigerators, water heaters, washers, dryers, stoves, furnaces, etc., by calling LexCall. Appliance pickup is provided at no charge to the resident if the appliance is placed at the curb for collection. During audit fieldwork we determined that revenue for this collection function was minimal. It was also determined that appliances placed on streets are apparently often scavenged before LFUCG pick-up occurs. We therefore performed a limited review of WM collection controls for appliance recycling.

Scope and Objectives

The general control objectives for the audit were to determine that:

- Dumpster Permit Fees are collected, safeguarded, properly accounted for, and deposited in a timely manner
- Loan-A-Box Fees are collected, safeguarded, properly accounted for, and deposited in a timely manner

- Extra Dumpster Fees are collected, safeguarded, properly accounted for, and deposited in a timely manner
- Billing, collection, and deposit duties are documented and adequate separation of duties exists
- Inventories of Loan-A-Boxes are accurately maintained

The scope of the audit included collection activity for the period July 1, 2013 through May 30, 2015.

Statement of Auditing Standards

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Audit Opinion

In our opinion, the controls and procedures did not provide reasonable assurance that the general control objectives were being met. Opportunities to improve controls are included in the Summary of Audit Findings.

Priority Rating Process

To assist management in its evaluation, the findings have been assigned a qualitative assessment of the need for corrective action. Each item is assessed a high, moderate, or low priority as follows:

High - Represents a finding requiring immediate action by management to mitigate risks and/or costs associated with the process being audited.

Moderate – Represents a finding requiring timely action by management to mitigate risks and/or costs associated with the process being audited.

Low - Represents a finding for consideration by management for correction or implementation associated with the process being audited.

SUMMARY OF AUDIT FINDINGS

Finding #1: Written Collection Procedures Needed **Priority Rating: High**

Condition:

Written procedures are an important control that provides process instruction, performance standards, and a basis for measuring compliance with management expectations. At the beginning of fieldwork, we determined that workflow processes for the collection activity of dumpster permit fees, extra dump fees, loan-a-box fees, and appliance recycling revenue were not adequately documented. Employees in these areas had been provided CAO Policy #40; however, workflow within each collection area was not clearly documented or understood.

Effect:

The absence of approved written procedures could result in LFUCG personnel being inconsistent in the proper collection, safeguarding, accounting, and depositing of collections in these areas. The absence of approved procedures may also result in employee failure to comply with management's performance expectations, and makes it more difficult to train employees and hold them accountable for the proper implementation of their training.

Recommendation:

Written procedures regarding the collection function in the areas of dumpster permit fees, extra dump fees, loan-a-box fees, and appliance recycling revenue should be developed. Once this process has been completed, the procedures should be clearly communicated to employees with an interactive training period to provide for complete understanding of each collection area and management expectations. Additional training on compliance with CAO Policy #40 is also recommended.

Director of Waste Management Response:

Written procedures for receiving funds for loan-a-box, dumpster and extra dump services have been developed. The procedures address payment receipt and processing at the Division's front desk either by mail or in person. The Division of Waste Management does not handle recycling fees. The Division of Revenue receives any funds associated with the program. Additional procedures are in the process for extra dump services and recycling

fees to be completed by December 31, 2015. Training is ongoing for personnel directly involved in these services.

Commissioner of Environmental Quality & Public Works Response:

Agree with recommendation and Division's response.

Finding #2: Deposits Not Made Timely

Priority Rating: High

Condition:

We noted that WM personnel are not adhering to the CAO Policy #40 guidelines of depositing collections within two days of receipt. Our testing noted that:

- 22 of 35 (63%) Loan-A-Box payments from FY 2014 & FY 2015 were deposited from 1 to 79 days late.
- 5 of 17 (29%) additional Loan-A-Box payments tested from January – April 2015 were deposited from 1 to 5 days late.
- 13 of 17 (76%) Dumpster Permit payment transactions were deposited from 15 to 41 days late.

The average number of days for deposit was approximately 32 days from date of receipt.

Effect:

Funds may be lost or misappropriated if not deposited in a timely manner. LFUCG does not have use of the funds until they are deposited.

Recommendation

CAO Policy #40 Check and Cash Handling Procedures states that all funds received by Departments and Divisions making deposits via the Revenue collection counter should be immediately endorsed and presented to the collection counter within one business day of receipt for locations in the downtown campus, and within two business days for the outlying locations. The Division of WM should consistently adhere to the two business day requirement.

Director of Waste Management Response:

Concur with the recommendation. Employees received CAO Policy #40 in July 2014. However, employees were not in compliance based on the audit. The administrative section has been realigned under an Administrative Principal. Additional training has been

conducted with employees on CAO Policy #40. There are now guidelines and procedures in place to ensure compliance. Deposits are made within twenty-four hours of receipt. The Division of Waste Management will continue to monitor the process and provide continuous training.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #3: Accounts Receivable Process Needed

Priority Rating: High

Condition:

We noted that there were no accounts receivable processes in place to track payments due in the dumpster permitting collection area. The mainframe system is being used to generate a monthly billing and an Excel spreadsheet is used to compile all permit and payment information. However, outstanding invoices were not being monitored and payment of invoices was not always made on a timely basis. There were no accounts receivable processes in place to track invoices or to reconcile payments to invoices.

Through our substantive testing, we determined there were four invoices for dumpster permit fees from FY 2015 had been outstanding from two to six months. In addition, there was no corresponding payment information entered in Dumpster Pro that ties the dumpster permit number to the payment received. Dumpster Pro is not designed to be a payment program; therefore, the information only contains the address, effective date, permit action and number, type of request, requestor comments, and office comments. All billing and payment information is maintained in external programs that do not interface with one another.

Effect:

Revenues may go uncollected if receivables are not monitored.

Recommendation:

A comprehensive accounts receivable procedure should be implemented for all collection activity that involves billing for services rendered at WM. Special consideration should be given to obtaining a computerized accounts receivable program. Division of Waste Management personnel should seek the assistance of the Division of Enterprise Solutions to select an Accounts Receivable program that will accommodate their specific needs.

Director of Waste Management Response:

The Division of Waste Management is working with Computer Services to identify a program to track invoices billed and collected. At this time, an appropriate solution appears possible through the Accela or Vebridge programs. The LFUCG Computer Services group, Waste Management's IT and Enforcement teams are working with both Accela and Vebridge vendors to develop a new dumpster permitting application. Accela has provided a quote of \$150,000 and Vebridge has provided a quote of \$85,000 for review. The WM IT and Computer Services group are working with Accela on reducing the quote since it included previously purchased software. Once funds have been secured and a vendor selected, the timeline for the new application would be six to eight weeks for Accela and three-six months for Vebridge based on available resources. The new application will greatly improve the permitting application process from start to finish. The Accela application will be hosted/web-based and will link to the new LFUCG CS- Enquesta payment application (ETA late Fall 2015) that will allow for on-line payments for permits. Vebridge would use the Enterprise version of on-base to create a workflow for the permitting application. The Division of Waste Management will continue to pursue a technology solution to this matter.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #4: Segregation of Duties Issue

Priority Rating: High

Condition:

There were incompatible duties being performed by one employee in the Dumpster Permit Fee Division. One employee was responsible for billing vendors, collecting payments, and depositing payments.

Effect:

This creates a segregation of duties issue that could result in asset misappropriation.

Recommendation:

WM should separate the processes for billing, collection, and depositing duties so that one employee is not responsible for all functions.

Director of Waste Management Response:

The Division of Waste Management implemented procedures to ensure segregation of job duties. Procedures have been included as an attachment (see the end of this report).

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #5: Collection of Fees Should be Centralized and Extra Dump Fees Should Agree to a Fee Schedule

Priority Rating: High

Condition:

Dumpster Permit Enforcement Officers sometimes accept monies for permits and/or extra garbage dumps while onsite at various locations. Refuse truck drivers also collect monies for extra dumps from time to time.

We also noted that fees collected for extra dumps were not consistent with the fee schedule included on the WM website. The website quoted the monthly landfill-solid waste disposal fees for dumpster containers. When we asked WM management what the appropriate fees should be, we were provided the monthly landfill disposal fee schedule contained in Section 16-16.1 of the Code of Ordinances. However, none of the extra dump fees examined in our detail testing matched these fee rates. According to Section 16-11 (a) of the Code of Ordinances, the Commissioner of Environmental Quality and Public Works should determine an extra dump fee sufficient to defray the cost of providing the additional collections, and a rate schedule should be published and maintained periodically that will contain the rate for extra dumpster pickups.

Effect:

Involving multiple employees in the collection of funds increases the possibility of asset misappropriation. Charging fees that are inconsistent with a publicly listed fee schedule could raise questions about appropriate billing practices. Charging fees that are not consistent with the Code of Ordinances is a violation of the Code of Ordinances.

Recommendation:

The collection activity should be centralized in one location to prevent collections from occurring at various sites and having multiple employees involved in the process. Monies should either be mailed to the front counter at WM or payment should be brought to the front counter. The Director of Waste Management should also meet with the Director of Revenue to discuss the possibility of including the extra dump fees with the monthly landfill billing. The Division of Revenue already has an established Accounts Receivable process to bill these businesses for the monthly refuse collection.

The extra dump fee should be evaluated by the Commissioner of Environmental Quality & Public Works and the rates should be published as required by Ordinance. Once the rates are established, a process should be put in place to ensure extra dump fees are consistent with those rates.

Director of Waste Management Response:

The Division of Waste Management is reviewing the process and exploring ways to accomplish this per the recommendation. The Division has been working to achieve a technology solution for payment processing to reduce cash handling and ensure proper collection. The Division will work with the Commissioner on consistent fees collected based on the delivery of services. The Division of Waste Management will work with the Division of Revenue to determine if extra dump services can be collected more efficiently by including the associated fees in the monthly landfill billing. Completion anticipated by December 31, 2015.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will work with Division to comply.

Finding #6: Sequential Dumpster Permit Numbers Needed

Priority Rating: High

Condition:

The dumpster permit numbers are generated from the Dumpster Pro program. Permit numbers are not only generated when revenue is expected (i.e., when a new permit number is being issued or during the change of dumpster ownership), but are also assigned to each transaction performed in the Dumpster Pro program. When we attempted to determine the number of permits issued, we had to rely on the comments field for action taken to determine if revenue should be collected. This contributed to inaccurate revenue projections for dumpster permit fees as provided by the Director of Waste Management at the beginning of the audit.

Effect:

When all transactions are tied to a permit number, revenue projections may be affected.

Recommendation:

The Dumpster Pro program should be evaluated to determine if it provides the needed documentation to generate dumpster permits and also provide for adequate reconciliations of fees to payments. If the Dumpster Pro program does not provide this functionality, WM should pursue an economical program either internally or externally that will meet this need.

Director of Waste Management Response:

The Division of Waste Management is reviewing the permitting process and replacing the Dumpster Pro program with a program similar to Checkfront (the loan-a-box program). This will be accomplished with either the new Accela or Vebridge permitting application referenced in response to Finding 3. Accela/Vebridge will provide any reports needed including the number of new requests, number of changes in ownership, number of removals and many other reports based on time, user, or customer requested. ETA on new application within months depending on the vendor selection process.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #7: Reconciliations of Collections to Fees Charged Are Not Performed
Priority Rating: High**Condition:**

Reconciliations are not being performed in the collection of extra dumps to ensure the receipt of all revenues. Extra dump requests are entered into LexCall by the WM dispatch, providing documentation of such requests that can then be matched against related payments. We noted that some payments have been received for extra dump requests that were not entered into LexCall, indicating instances of undocumented revenue. We also noted that reconciliations between payments received for Loan-A-Boxes and the daily reservations are not being performed, which could also result in undocumented revenue and in the non-delivery of paid services.

Effect:

The total amount of revenue recorded for services rendered may not reflect actual amounts collected if payments are not reconciled to fees charged. Failure to reconcile payments to recorded fees could also result in misappropriated cash being undetected.

Recommendation:

Reconciliations should be performed monthly between all fees assessed and collections posted to deposits and entered into PeopleSoft to ensure that all revenues are recorded, collected, and deposited.

Director of Waste Management Response:

Concur and currently reviewing this process to create a program that will accomplish recommendations.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will work with Division to comply.

Finding #8: Revenue Applied to Incorrect Fund**Priority Rating: High****Condition:**

We noted that extra dump revenue was incorrectly applied to the Urban Services Fund and to the Purchasing Administrative account for the sale of surplus equipment from FY 2011 through FY 2014. The total revenue amount was \$2,480 and should have been appropriately applied to the Landfill fund for refuse collection in the Landfill User Fee account to provide for correct match of revenue against expenses. Additionally, we noted \$5,259 of Loan-A-Box revenue was also incorrectly charged to the Urban Services Fund during FY 2012. These fees also should have been applied to the Landfill Fund for refuse collection. The amount appears to be immaterial to both funds.

Effect:

Revenue was overstated in Fund 1115 (Urban Services Fund) and understated in Fund 4121 (Landfill Fund).

Recommendation:

The Director of Accounting should post adjusting entries to correct the errors. We also recommend that employees entering deposits into PeopleSoft use speedtype keys set up by the Division of Revenue to assist users with the correct account string.

Director of Accounting Response:

The revenue error described above relates to internal Governmental funds. The transfer of fund balance between funds can take place anytime, with the assistance of Budgeting and the Division of Waste Management. I support this recommendation.

Commissioner of Finance & Administration Response:

I concur with the Director of Accounting's response.

Director of Waste Management Response:

This matter is being addressed by having only certain employees assigned to make revenue deposits and having a clearly defined list of all revenue deposit accounts to use for the various deposit accounts.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendations and will monitor compliance.

Finding #9: Inventory Procedures for Loan-A-Box Needed**Priority Rating: High****Condition:**

We performed an inventory count of Loan-A-Boxes by counting all the boxes currently in stock and adding in returning boxes and any boxes en-route. We could not determine the location for seven Loan-A-Boxes. We communicated this variance to management, but as of the end of fieldwork had not been provided any additional information on the location of the seven Loan-A-Boxes. We also noted that there are apparently no procedures in place to periodically inventory the Loan-A-Boxes or to account for the total Loan-A-Box inventory.

Effect:

There is insufficient reporting, safeguarding, and confirmation of actual Loan-A-Boxes available for use.

Recommendation:

Procedures for reporting, safeguarding, and confirming the inventory of Loan-A-Boxes should be established. On a periodic basis, an inventory of Loan-A-Boxes should be performed to determine accuracy of delivery, completeness of payment for services rendered, and to ensure all Loan-A-Boxes can be accounted for.

Director of Waste Management Response:

The Division of Waste Management conducted a physical inventory of all loan-a-boxes. There are thirty-four containers. The Division of Waste Management installed RFID tracking devices on all containers. This allows the Division to electronically track the boxes from site to site and verify delivery based on addresses entered into the new Loan-a-box reservation system (Checkfront.com). The Division has now accomplished asset/inventory control and management over the containers.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and Division's response.

Finding #10: Continuity between Payment and Services Rendered Needed**Priority Rating: High****Condition:**

We had difficulty in linking Loan-A-Box transactions to payments in PeopleSoft. Prior to March 2015, the Loan-A-Box program was used to log reservations for Loan-A-Box

requests. Payments were generally taken at the front counter and logged on a Daily Front Desk Checkout Total sheet indicating check or cash received. The deposits were made in PeopleSoft using a Quick Receipt and no cross reference information was provided to trace the deposit to the original payment. In approximately January 2015, payor information and check numbers were added to the Quick Receipts for easier tracking of collections received, and in March 2015 a Checkfront reservation program was also added to the process.

However, we noted that tying a payment posted in PeopleSoft to a reservation in Checkfront was still problematic. Two of the Loan-A-Box transactions we tested for the period January 2015 to April 2015 still could not be reconciled to a payment in PeopleSoft.

Effect:

The inability to consistently match fees to related payments increases the likelihood of payment misappropriation.

Recommendation

A unique identifier should be electronically assigned to each transaction in Checkfront and this number should cross-reference to the Quick Receipt in PeopleSoft for a complete match of fees charged and payment received and deposited.

Director of Waste Management Response:

The Division of Waste Management is working with the Division of Computer services to setup an on-line payment processing application using a vendor called Enquesta and Kentucky Interactive. Both vendors will accept online payments for LexServ or any other city service (Loan-a-box and dumpster permitting, etc.). The kickoff meeting was held September 23, 2015. The Division of Waste Management was included in the project for both Loan-a-box and dumpster permitting. By using this system, the Division of Waste Management's IT staff and Computer Services will be able to link Checkfront and Enquesta or Kentucky Interactive for proper audit tracking. Transactions in Enquesta will be able to link back to Checkfront and the new dumpster permitting application in order to show proper accounting procedures.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #11: Improved Safeguard over Cash Area Needed
Priority Rating: High

Condition:

We noted that the doors to the front counter which houses the collection activity were not locked during fieldwork, and the office is used as a pass through area by multiple employees. We were told by management that this area will be made a restrictive area to provide more security over funds received. We noted that this change had not occurred by the end of fieldwork, and we were informed that this was because fire safety codes would require a different type of door lock. In light of other security implemented in the building, these doors appear to be one of the most relevant security features needed to safeguard collections.

Effect:

Funds may be lost or misappropriated if not adequately safeguarded.

Recommendation

The proper door locks should be installed as soon as reasonably possible. The front office should be restricted to personnel handling cash, and all collections should be maintained in a locked desk drawer until the end of the day. Collections should then be moved to the safe to await deposit.

Director of Waste Management Response:

The Division of Waste Management's front office locks have been changed and the access limited to authorized personnel. Employees are not permitted to gather or pass through the office as occurred in the past. Only limited personnel have the combination and key to the safe and the room in which the safe is located. Employees have been trained on cash handling and duties have been segregated to ensure compliance.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and Division's response.

Finding #12: Control Issues with Checkfront Program
Priority Rating: High

Condition:

The Checkfront computer program implemented for Loan-A-Box reservations has a control weakness. The Checkfront program allows a user to change an existing reservation after payment has been received and services rendered. The existing transaction can be edited to provide a delivery for a customer on another day without any additional funds being

received. The Checkfront program will show the new reservation date as paid and delivery can occur.

We also noted that the Checkfront program only allows you to search by name and not by address. According to WM personnel, searching only by a customer's name has been effective since some customers have multiple properties that are serviced by the Loan-A-Box. However, the Checkfront program could be improved by adding the option of searching the database by address, since this would provide greater ease of use by employees and may also enhance future reporting capabilities.

Effect:

Services could be provided and payments could be diverted without detection because of this control weakness.

Recommendation:

Waste Management IT should determine if Checkfront will be a permanent solution for maintaining the Loan-A-Box reservation function. If so, a software fix for the control issues mentioned above should be obtained from Checkfront, Inc. to remove the control weakness and improve functionality.

Director of Waste Management Response:

The Division of Waste Management is still reviewing opportunities to improve the software with Checkfront. The company is aware of this issue and we are awaiting a response as to their next steps to possibly correct this control issue.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #13: New Contract Needed With Appliance Disposal Company
Priority Rating: High

Condition:

ERI (the company that accepts junked appliances collected by WM) has a longstanding contract with LFUCG, possibly as far back as fifteen years that has not been recently updated. The previously negotiated rate for the scrap metal included performing the Freon recovery and recycling from the appliances, which greatly reduces the amount paid for the scrap metal. According to ERI management, the rate paid to LFUCG for junked appliances is based on the current American Metal Market price for No. 2 bundles for the Midwest Region.

Effect:

Updated contracts provide current performance specifications, agreed upon market rates, reduce potential misunderstandings between parties, and limit legal liabilities.

Recommendation:

Since the ERI contract with LFUCG may be as much as fifteen years old, a complete re-bid of the appliance disposal service should be considered. At a minimum, a new contract with ERI should be negotiated. The contract language should be evaluated by the Department of Law to ensure it meets the legal needs of the LFUCG.

Director of Waste Management Response:

The Division of Waste Management will develop a new bid for these services to be completed by December 31, 2015.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor compliance.

Finding #14: Inequity in Loan-A-Box Fee Structure**Priority Rating: High****Condition:**

Loan-A-Box fees are governed by Ordinance Section 16-6.2 of the Code of Ordinances with a fee of \$75 for residents in the Urban Service Area and \$180 for residents outside the Area. The fee does not indicate the duration of time for the Loan-A-Box; however, the WM process is to loan the box to Urban Service residents overnight or over the weekend for the \$75 fee. Residents outside the Area have the box for three days from receipt for only \$180. As a result, residents within the Urban Services Area could be charged up to \$225 for the three day use of a Loan-A-Box, whereas the cost for three days to a resident outside the Urban Services Area is \$180.

Effect:

This practice can result in non-Urban Service residents receiving a better deal on Loan-A-Boxes than Urban Service residents, who already pay other fees toward trash removal.

Recommendation:

We recommend the Loan-A-Box fees stipulated in the Ordinance be applied in a consistent manner between residents in the Urban Service Area and residents outside the Area.

Director of Waste Management Response:

The Division of Waste Management will review the loan-a-box fee services and associated cost of services. An equitable solution will be recommended no later than December 31, 2015.

Commissioner of Environmental Quality & Public Works Response:

Concur with recommendation and will monitor Division's resolution.



Lexington-Fayette Urban County Government
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Mail Handling Procedure

1. Mail is delivered daily by a department courier.
2. Mail is received by an Administrative Specialist (Director's Assistant).
3. The Director's Assistant date stamps all of the envelopes and invoices.
4. The Director's Assistant will date stamp, endorsement stamp and photo copy all checks and/or money orders.
5. Mail containing checks are given to the Administrative Specialist (Customer Service Representative) at the front desk.
6. All other mail is forwarded to the Administrative Specialist Principle.

Front Desk Money Handling Procedure

1. The Customer Service Representative receives check and/or money orders from the Director's assistant.
2. The Customer Service Representative receives checks, cash and money orders at the front window.
3. The Customer Service Representative endorses all checks and money orders received at the window with a stamp.
4. The Customer Service Representative logs all checks, cash and money orders received into the Excel "Accounts Receivable Log".
5. The Customer Service Representative enters payments for the Loan a Box program into the Checkfront System.
6. The Customer Service Representative creates and distributes receipts for monies received at the Front Desk.
7. Money is placed in locked drawer located beneath the printer until the end of the day.

Closing Procedure

1. At approximately 4:00 pm, the Customer Service Representative prints the "Accounts Receivable Log" and counts all of the money in the drawer.
2. The Customer Service Representative reconciles payments logged for the Loan a Box Program with Checkfront.

3. The Customer Service Representative will run a 10 key tape on cash by denomination and a 10 key tape on checks.
4. The Customer Service Representative will take the completed "Accounts Receivable Log" and revenue to the Administrative Principal to confirm the reconciliation. If the Administrative Principal is unavailable, the count can be confirmed by the Director's Assistant or the Environmental Outreach Specialist.
5. The Administrative Principal will initial and date the "Accounts Receivable Log" total and each 10 key tape.
6. The Customer Service Representative will take the initialed "Accounts Receivable Log" to the Administrative Specialist (Purchasing Coordinator).
7. The Purchasing Coordinator signs the "Accounts Receivable Log" to indicate receipt of the revenue. The Purchasing Coordinator then prepares the LFUCG Revenue Receipt and writes the quick receipt numbers associated with the payments onto the "Accounts Receivable Log". If the Purchasing Coordinator is not available, the Administrative Principal will prepare the LFUCG Revenue Receipt.
8. The Purchasing Coordinator scans the completed Log to the Administrative Principal. The Purchasing Coordinator and the Administrative Principal (or Lead Administrative Specialist in his/her absence) will then place the deposit in the safe.
9. The Customer Service Representative creates a searchable PDF with the scanned document for future reference.
10. On the following day, the deposit will be removed from the safe and delivered by department courier to the Division of Revenue.