

102900 Cash Clearing and Reconciliation Process

Purpose of a Cash Clearing Account:

When money is deposited at the University, the funds must be recorded in Banner by type of revenue. For example: sales, services, fees, tuition, etc. The different types of revenue are separated using revenue account codes, 5xxxxx.

Any campus location that receives money should have a Point of Sale (POS) system, such as a cash register, that records transactions, tender types, and products sold. (If there is no system, this can be a manual sales log, etc.) Cash and checks received are deposited at the Cashier's Office and credit card sales transactions feed into Banner automatically. Each automatic feed can only be tied to a single index and account code. Different types of revenue are often included in a single deposit resulting in the need to split that deposit into various revenue account codes.

In order to accommodate the various revenue types in one deposit, USU has created the account code 102900 "Cash Clearing Holding Account." This account code is on the General Ledger and can be found by looking at the fund on FGITBSR in Banner. When revenue needs to be split into more than one account code or multiple indexes, the credit card and cash/check deposits should be recorded in account code 102900. A transmittal or journal entry clears the deposit and moves revenue to the various revenue account codes and indexes. The 102900 account is intended to zero out every day, i.e., deposit in and transmittal out daily.

Daily Activity in the Cash Clearing Account 102900:

1. Deposit check/cash receipts daily at the Cashier's Office window using your index number and account code 102900. The credit card receipts will be posted to Banner through an automated process but the deposit may be delayed several days from the original transaction date due to timing of the vendor submitting credit card sales to their financial institution.
2. Pull transaction report daily from POS system. This report should include:
 - a. Itemized list of items sold and sales price of each item.
 - b. The amount collected by tender type; cash, check, Visa, MasterCard.
 - c. The transaction date of sale/service.

3. Clear the 102900 account and record sales to appropriate revenue categories. The preferred method is to use a transmittal form, but a manual journal entry can also be done. Contact the Controller's Office to set up a transmittal form. The form is a template that lists all of the possible sales and appropriate revenue account codes. The steps to submit a transmittal are:
 - a. Go to: <https://itfinance.usu.edu/> to access the transmittal form.
 - b. Enter transaction date of sale/service.
 - c. Using the POS daily transaction report, fill in the total for each type of sale/service.
 - d. Verify the total from the POS report matches the total of the detail entered on the transmittal form.
 - e. Submit transmittal.

The 102900 "Cash Clearing Holding Account" should zero each fiscal period. Any remaining balance must be accounted for by Business Service personnel who are responsible for reconciling the cash clearing account monthly. The reconciliation documents any timing differences between deposits and transmittals, and catches any instances where the clearing of the deposits from 102900 to the various revenue account codes was either not completed, or not done correctly. The Business Service personnel should work with their Controller's Office College Accountant at year end to make sure all outstanding items are recorded properly for the annual financial report.

Reconciliation Process:

1. Pull Argos report.
 - a. Go to Argos > Finance > "FIN Cash/Donation Clearing Account"
 - b. Run Dashboard
 - c. Enter Fiscal Year, Fiscal Period, Fund Code cash clearing account resides on, and select "Cash Clearing" (102900).
 - d. Run and export report to an Excel spreadsheet.
2. Using the POS daily transaction report, find each deposit by tender type.
 - a. Find cash deposit, credit card deposit, p-card deposit, etc., for one day of sales activity. Deposits are recorded as a credit.
 - b. Find transmittal that corresponds with the deposits on the daily transaction report. Transmittals are recorded as a debit.
 - c. Add all deposits and transmittals to verify that the total is zero.

3. If the debits and credits for a given day do not total zero, find out why.
 - a. Is there a missing deposit? If so, where is it? Were there cash/checks that didn't get deposited? Was the deposit posted in a different fiscal period creating a "Deposit in Transit"? Was the deposit made to the wrong index?
 - b. Is there a transmittal that didn't get submitted, or did one get submitted twice?
 - c. Did a transaction get recorded in the cash clearing account that is not included on the POS Daily Transaction Report? If so, why is it not on the report?
 - d. Does the POS Daily Transaction Report total match the transmittal total every day?
 - e. Did a journal entry post to the cash clearing account that should not have?

4. Correct errors.
 - a. Missing deposits: Deposit cash/checks at the Cashier's Office immediately. Per USU policy and state law, cash/checks must be deposited within three business days. Work with the Card Office to locate missing credit or pcard deposits.
 - b. Missing transmittals or typo errors: Submit a transmittal or journal entry to make necessary corrections as needed.

5. Make notes about outstanding items that make up the account balance at the end of each month and make sure they are cleared up the following month.
Possible outstanding items could be:
 - a. Deposits in Transit
 - b. Transmittal or Journal Entry in Transit
 - c. Deposit made to wrong index

Cash handling policies and procedures can be found at the following websites.

- Cash Handling Policy <https://www.usu.edu/policies/530>
- Cash Handling Procedures <https://www.usu.edu/controllers/cash-handling-procedures>