Student Affairs Procedure Manual

CASH HANDLING PROCEDURES

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1) PREFACE

Strong internal controls for cash collection are necessary to prevent mishandling of funds and are designed to safeguard and protect employees from inappropriately mishandling funds by defining their responsibilities in the cash handling process. The Utah State University Division of Student Affairs cash handling procedure requires that areas receiving cash submit to the Business Services Office for Student Affairs a request to be approved by the Vice President for Student Affairs and the Utah State University Controller to be designated as cash collection points. A cash collection point is defined as a department or other entity that handles cash on a regular basis. Although departments and other entities with casual cash collections are not recognized as cash collection points, they must follow the same cash handling policies and procedures that apply to the cash collection points.

"Cash" is defined as coin, currency, checks, and credit card transactions.

Required procedures for cash collection points include the following:

a) Accounting for cash as is it received;
b) Adequate separation of duties which includes cash collecting, depositing and reconciling;
c) Proper pre-numbered receipts given for any cash received;
d) Approval of any voided cash receipts by area supervisor;
e) Deposit of cash promptly at the Utah State University Cashier's office into an authorized index;
f) Reconciliation of validated deposit forms to supporting documentation and to the index statement;
g) Change in cash handling procedures are to be submitted by the Business Affairs Office for Student Affairs for approval by the Vice President for Student Affairs and the Utah State University Controller;

h) Proper safeguarding of cash.

The use of non-USU bank accounts by the Division of Student Affairs personnel for depositing University cash is prohibited unless approved by the Controller's office. The Business Affairs Office for Student Affairs will conduct periodic reviews of cash handling procedures. Departments not complying with approved procedures may lose the privilege to serve as a cash collection point.

Who Should Know About This Procedure?

Any official or administrator with responsibilities for managing University cash receipts and those employees who are entrusted with the receipt, deposit and reconciliation of cash for University related activities.

2) PROCEDURE

Establishing Cash Collection Points

The Financial Officer for Business Services for Student Affairs must submit for authorization all cash collection points. Approval must be given by the Vice President for Student Affairs and the Controller for Utah State University.

Before collection begins, departments requesting status as a cash collection point must submit a request to the Financial Officer for Student Affairs that includes:

a) Reason(s) why cash collection point is needed;
b) A list of those positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained;
c) Whether there is a need for a change advance;
d) A description of the reconciliation process, including frequency of reconciliation;
e) A description of the process for safeguarding cash until it is deposited;
f) A schedule of how often cash deposits will be made.

The request will be reviewed, and if appropriate, submitted for approval by the Financial Officer for Student Affairs to the Vice President for Student Affairs and the University Controller.

Procedures for Cash Collection Points

The following list of procedures is required for the operation of cash collection points:

a) All cash received must be recorded through a cash register when one is available, or the customer must be presented a pre-numbered receipt form with a duplicate record being retained by the receiving department. All numbered receipts must be accounted for, including voided receipts.

b) The funds received must be reconciled to the cash register ("Z" tapes) or to the pre-numbered receipts at the end of the day. Cash must be reconciled separately from checks/credit cards by comparing actual cash received to the cash total from the cash register tape or to the sum of the cash sales from the manual receipts.
c) All checks, cash and credit card receipts must be protected by using a cash register, safe or other secure place until they are deposited. A secure area for processing and safeguarding funds received is to be provided and restricted to authorized personnel.
d) Checks must be made payable to Utah State University and must be endorsed promptly with a restrictive endorsement stamp payable to Utah State University.
e) Checks or credit card transactions will not be cashed or written for more than the amount of purchase.
f) Collections must be deposited to the Cashier's office within 48 hours.
g) All funds must be deposited intact, and not intermingled or substituted with other funds.
h) Refunds or expenditures must be paid through the appropriate budget with a University generated check.
i) The Cashier's office will issue a receipt of deposit to be used for reconciliation of the supporting documentation to the deposit and to the monthly statements of account.

3) INSTRUCTIONS

Cash received in person

1) A receipt must be issued for each payment received. At a minimum, manual pre-numbered receipts must include the date, mode of payment (cash, check or credit card), and the identification of the department and the person issuing the receipt. Machine generated receipts must contain similar information.
2) All checks must be endorsed immediately with a restrictive endorsement stamp payable to Utah State University.
3) All voided transactions are to be approved and initialed by the area supervisor.
4) Only one cashier is allowed access to a cash register or cash drawer during a single shift.
5) Cash must be kept in a safe or a secure place until it is deposited.

Cash received through the Mail

1) The mail must be opened with two people present and all checks must be endorsed with a restrictive endorsement stamp. All receipts of coin or currency must be listed in a log.
2) If the cash is not credited directly into the appropriate department account or receipted through a cash register, a list of the checks, credit card transactions and or cash should be prepared in duplicate. The list should include the customer's name, amount received, and check number. One copy should be kept in the area and the other should accompany the deposit to the Cashier's Office.
3) Cash must be stored in a safe or other secure place until they are deposited. This includes a locked room with restricted access.

Balancing of Cash Receipts

1) All funds collected must be balanced daily, by mode of payment, by comparing the total of the cash, checks and credit cards to the cash register totals, to the pre-numbered receipts totals and to the totals of the money received by mail.
2) Over/short amounts must be separately recorded, and investigated and resolved to the extent possible.

Preparation of Deposits

1) Checks must be made payable to Utah State University. A calculator tape of the checks should be included with the checks bundled together.
2) Cash must be recorded on the deposit slip in the appropriate space.
3) Attach a copy of the daily audit report showing transaction totals for credit card receipts and record the total on the deposit slip.
4) The appropriate account number(s) and sub-code(s) must be included on the deposit slip.
5) Someone not involved with collecting the cash, opening the mail or reconciling the deposit must prepare the deposit.
6) The deposit must be delivered to the Cashier's office.

Reconciliation of Cash Collected

1) Compare the receipt issued by the Cashier's office to the supporting documentation (copy of deposit slip, cash register "Z" tapes) and resolve any discrepancies.
2) Compare the receipts to the monthly account statements.

4) PRE-NUMBERED RECEIPTS

Pre-numbered receipts will be maintained and will include the number(s) of the receipts, and the date and name of the person receiving the receipts.

5) EXCEPTIONS

The Financial Officer for Student Affairs will submit for approval all exceptions to these procedures. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard University funds must be established and approved by the University Controller. Requests for exceptions to these procedures must be submitted to Financial Officer for Student Affairs in writing.

6) RECORD RETENTION

All cash receipts and related documents must be maintained in accordance with record retention schedules. Cash register tapes, deposit slips, credit card receipts, copies of manual cash receipts, etc. should be kept for six years.