

CASH HANDLING PROCEDURES Office of the Controller

WHO SHOULD KNOW THESE PROCEDURES?

Any university employee 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 should know these procedures.

RESPONSIBILITIES

Department Head – Submits the request to establish and certify a cash collection point.

Cash Collection Point Supervisor – Designs an adequate separation of duties in cash handling. Develops a method of accounting for cash as it is received. Provides adequate safeguards for storing cash. Establishes procedures for promptly depositing cash receipts to the Cashier's Office. Reconciles validated cash receipt documentation to the supporting documentation and the department's financial accounts. Approves any voided cash receipts. Informs the Controller's Office in writing of any changes in cash handling procedures or changes in personnel involved with the cash collection point.

Cash Collection Point Cashiers – Conducts cash transactions with customers. Endorses all checks immediately upon receipt with a restrictive endorsement payable to the University of San Diego. Counts the cash and turns it over to the deposit preparer at the end of the shift. Turns over any supporting documentation (cash register tapes, listing of receipts, etc.) to the cash collection point supervisor.

Deposit Preparer – Counts the cash receipts, prepares the deposit, and delivers or has it delivered to the Cashier's Office. Stores the cash in a safe or other secure place until it is deposited.

PROCEDURES

1. Establishing New Cash Collection Points

Department heads responsible for existing cash handling locations must submit a Request to Establish a Cash Collection Point form to the Controller's Office for certification purposes. Requests for new cash collection points must be submitted through a request form and approved by the Controller's Office. All requests must include the following:

- Reason why a cash collection point is needed.
- A list of those persons involved with the cash collection point and a description of their duties.

- Whether there is a need for change advance.
- A description of the reconciliation process, including frequency of reconciliation.
- A description of the security for safeguarding cash until it is deposited.
- Information on how often cash deposits will be made.

2. Receipt, Deposit, and Reconciliation of Cash Collected

A. Cash received in person.

- Cash must be entered on a cash register, if one is available, and a copy of the receipt given to the customer. If a cash register is not available, then pre-numbered receipts must be utilized and a copy of the receipt given to the customer.
- The cash collection point must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components of collecting, depositing, and reconciling unless approval has been received from the Controller's Office.
- All checks must be endorsed immediately with a restrictive endorsement payable to the University of San Diego.
- Checks received that were intended for another department should be restrictively endorsed to the University of San Diego and forwarded to that department for deposit processing. If the intention is unclear, the checks should be restrictively endorsed and sent to the Cashier's Office for handling.
- All voided transactions are to be approved and initialed by the cash collection point supervisor.
- Checks must not be cashed by cash collection points.
- Refunds and expenditures must be paid by university check unless other arrangements have been approved by the Controller's Office.
- The cash received must be reconciled to the cash register or to the pre-numbered receipts at the end of the day or at the end of each shift.
- Only one cashier should be allowed access to a cash register or cash drawer during a single shift.
- Cash must be stored in a safe or other secure place until it is deposited.

B. Cash received through the mail.

- The mail is opened and all checks received must be immediately endorsed with a restrictive endorsement payable to the University of San Diego. The checks will be entered into the tracking information system, where appropriate. If no information system is used by a department to track deposits, a listing of the checks should be prepared or the checks should be photocopied and the copies retained as supporting documentation. The total of the checks should be utilized for reconciliation purposes.
- Checks received by departments or their faculty and staff from externally sponsored programs shall be submitted to Accounting for proper deposit of funds. In cases where the check establishes a new sponsored program, the check should be submitted to the Office of Sponsored Programs along with a copy of

the program agreement. The Office of Sponsored Programs will review the agreement for compliance and completion. Upon approval, the Office of Sponsored Programs will forward the check and the agreement to Accounting for account setup and deposit.

- The cash must be stored in a safe or other secure place until it is deposited.

C. Balancing of cash receipts.

- All cash collected must be balanced daily by comparing the total of the cash, checks, credit card receipts, etc. to the cash register totals, the pre-numbered receipt totals, and the money received by mail totals, as applicable.
- Departments issued a merchant card identification number and either a terminal or internet processing site must also adhere to the Daily Credit Card Reconciliation (DCCR) procedures as defined in **Cash and Treasury Procedures 1.001**, "Day-End Credit Card Reconciliation Procedures." Credit card terminals (manual and virtual) must be closed out daily. Daily totals must be deposited separately. The establishment of all credit card capabilities must be done through the Office of Budget & Treasury, as there are accounting and banking implications.

D. Preparation of deposits.

- The deposit must be prepared by someone not involved with collecting the cash or opening the mail.
- All funds received must be deposited intact; however, checks issued incorrectly may be returned to the payor.
- The deposit should be hand-delivered to the Cashier's Office at least weekly or when the total on hand reaches \$500, whichever comes first. University departments may implement a more restrictive deposit procedure if security and/or employee safety are of concern. Cash receipt documentation will be mailed by the Cashier's Office within three business days of the date of the delivery through the inter-campus mail system to assure appropriate validation and reconciliation by the departments are in place. Deposits received by the Cashier's Office on the last three business days of the month may be credited toward the following month's revenues.
- Credit card terminals must be closed out, reconciled with the revenue system, and recorded on a DCCR form daily.
- Credit card deposits shall be delivered to the Cashier's Office within one day of terminal close out. Cash receipt documentation will be mailed by the Cashier's Office within three business days of the date of the delivery through the inter-campus mail system to assure appropriate validation and reconciliation by the departments are in place.
- DCCR forms and procedures are available online on the Budget & Treasury website or via request from the Office of Budget & Treasury.

E. Reconciliation of cash collected.

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- This function must be performed by an employee who has no cash handling responsibilities.
- The validated cash receipts should be reconciled to the departmental records after the deposit has been made. On a monthly basis, the validated deposit tickets must be reconciled to the department's financial accounts. Proof of reconciliation must be maintained by the departments.

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