EXAMPLE Updated 3/24/2021
UNK ABC Department
Cash Handling Procedures for Miscellaneous Cash Receipts

Purpose: The purpose of these procedures is to document the UNK ABC Department's procedures for the collection, deposit and control of cash to ensure accountability and safeguarding of such funds. Adherence to these procedures will also safeguard and protect employees by defining their responsibilities. The ***University of Nebraska-Kearney Cashiering Policies and Procedures*** are incorporated herein by reference.

Definition of cash: For purposes of these procedures, cash is defined as currency, checks, money orders, negotiable instruments and charge card transactions.

Department Responsibility: A full and true accounting of all the cash collected, including identification of the sources of such cash, will be maintained by the ABC department. The department head is responsible for ensuring that these procedures are being followed.

Segregation of Duties: Duties will be assigned to employees so that no single individual has control of all phases of the cash receipts process. The individuals authorized to handle cash or have access to cash will be defined and limited.

Types of Revenues Collected: *List the specific activities for which the ABC Department collects revenue. New fees or new revenue sources require Dean and/or Vice Chancellor approval. Approval will be documented and maintained with the revenue records in accordance with the UNK record retention schedule.*

Assignment of Duties: *For each type of revenue listed above, assign the following duties to an individual and identify a back-up to perform those duties when the primary person is absent.*

- A = (Asset Custodian) Cash collection & deposit (generally performed by the office associate). The back-up can be anyone who is not assigned another role and has the knowledge to carry out the duties.

- B = (Reconciler) Reconciliation (generally performed by someone who is familiar with the event or activity but not involved in the daily operation of the event or activity). This person does NOT handle money. The back-up can be anyone who is not assigned another role and has the knowledge to carry out the duties.

- C = (Department Head) Oversight & authorization. This person does NOT handle money. The back-up can be anyone who is not assigned another role and has the knowledge to carry out the duties.

Note: Smaller events, B & C can be the same person.

Cash collection & deposit:

This example assumes the department does not have a cash register or cashiering software. The procedures should be adapted if such systems exist.

Currency/Coin
1. Generally, acceptance of cash as a form of payment will be limited and processes established to facilitate and encourage other methods of payment.
2. When presented with a cash payment, count the money to verify the correct amount.
3. Prepare a two part written receipt. The receipt will include:
   - Date
   - Dollar amount
   - Name of the person paying for the transaction
   - Description of the service or product
   - Department name
   - Signature of cash handler
4. Give one copy of the receipt to the customer and keep one copy in the receipt book.
5. If a receipt is voided, print the word void across the receipt and maintain both copies in the receipt book.
6. Record the receipt in the transaction log.
7. If cash is frequently received in the mail, two persons should open the mail, record the receipts in the transaction log, and initial & date the transaction log.

Checks/Money Orders
1. When presented with a check or money order payment, verify the following:
   - Check is made out to University of Nebraska at Kearney.
   - Check is not stale-dated or post-dated.
   - Written amount and numerical amount agree.
   - Payer's signature is not missing.
   - Check is drawn on a U.S. bank in U.S. funds.
   - Bank account and routing number is printed on the check.
2. Stamp the back of the check with the UNK endorsement stamp immediately upon receipt.
3. Record the receipt in the transaction log.
4. The cancelled check will serve as the payer's receipt. For money orders, a receipt can be issued if requested. Follow instructions per currency/coin section above and note "money order" on the receipt.
5. Do not make copies of the checks.

Debit Card/Credit Card (only if department has an approved Finance Office issued credit card terminal)

1. The **UNK Credit Card Information Security Guidelines** are to be followed.
2. Inspect the credit card terminal and cables daily to verify nothing has not been tampered with or altered. Document inspection in CC Terminal Inspection Log.
3. Only Visa or MasterCard payment brands are accepted.
4. Swipe the card through the magnetic card reader terminal.
5. Enter transaction amount.
6. Print the receipt. Verify receipt says "Encrypted by Elavon". Verify full credit card number does <u>not</u> print on receipt. Contact Finance Office with problems.
7. Obtain the customer's signature on receipt, compare the signature with the signature on the back of the card, and keep the signed receipt with the daily deposit documentation.
8. Print a second copy of the receipt and give to the customer.
9. Never write down credit card information or enter credit card information into a computer or phone.
10. Record the receipt in the transaction log.
11. At the end of the day, settle the credit card machine and print a settlement report. Add up the signed credit card receipts and match the total to the settlement report. Keep the settlement report and receipts with the daily deposit documentation.

Online Payments

1. Contact the Finance Office to establish a website to receive online payments. Only websites verified for PCI compliance by the Finance Office can be used for online payments.
2. The customer enters their credit card information directly into the secure online payment website. The credit card transaction is processed automatically, the money is deposited directly into the University's bank account, and the transaction is automatically posted to the department's cost center in SAP (2 day delay). No transmittal or deposit is necessary.
3. Department personnel <u>SHOULD NOT</u> enter credit card information into the online payment website on behalf of the customer. Only the customer should enter their credit card information.

Security

1. Do not leave money, credit card terminal, receipt books, or transaction log unattended at any time. Secure these items in the safe when not in use or until deposited with the Finance Office.
2. Access to the safe and knowledge of the combination is limited to the Office Associate *(assuming A=Office Associate)* and their back-up *(insert person)*.
3. Safe combination will be changed immediately upon staffing changes.

Deposit Preparation

1. Each morning, prepare the cash receipts from the previous day for deposit with the Finance Office.
2. Add up the currency and coin. Order money by denomination, facing the same way, and secure with adding machine tape. Add up the cash receipts per the receipt book for the day and verify the total equals the total of the currency and coin.
3. Add up the checks and secure checks with adding machine tape.
4. Copy and paste transactions for the previous day from the transaction log into the transmittal detail form. Sort by payment type and subtotal.
5. Verify the totals for each payment type agree with the counted currency/coin, checks, and credit card settlement report.
6. Enter the totals on the transmittal summary form and complete remainder of the form.
7. Use the next available transmittal number from the transmittal number log. A series of transmittal numbers will be provided by the Finance Office Cashier.
8. Present deposit to back-up person for verification. The back-up person should perform the same procedures described above to verify that the transmittal is properly prepared, mathematically accurate, and balances with the money.
9. Both preparer and back-up initial the transmittal.
10. Make a copy of the transmittal for department records.
11. Gather the original transmittal, currency/coin, checks, credit card receipts and settlement report and place them in a bank bag or envelope. All credit card information should be submitted to the Finance Office with the deposit; no credit card information should be retained in the department.
12. Hand carry the deposit to Finance Office. Deposit can be left with the Cashier for later processing if there are lines. Never send deposit through intercampus mail.
13. Obtain receipt from the Finance Office for the deposit. A receipt will be sent to the department through campus mail if the deposit is left for later processing.
14. Verify the receipt matches the department copy of the transmittal.
15. Verify deposit posts to SAP (2 day delay).
16. Attached receipt to the department copy of the transmittal and retain in accordance with the University records retention schedule (current fiscal year plus 7 additional fiscal years).

Other

When registration form is received with the payment, write the date, amount, and payment method on the registration form before giving the registration form to the event coordinator and copy to the reconciler. If credit card information is submitted with the registration form, remove credit card information before giving the form to the event coordinator and reconciler. The credit card information should be stored securely and then submitted to the Finance Office with the deposit and not retained in the department.

Reconciliation:

Gather documentation needed to reconcile
1. Obtain a copy of the event brochure and registration form to gain an understanding of the event activities, fees, and payment options.
2. Obtain the final attendance roster from the event coordinator. The attendance roster should reflect actual registrations and attendees and be prepared independently from the cash collector.
3. Obtain event registration forms.
4. Refer to department copy of the transmittal forms, transaction log, and receipt book as necessary.
5. Print or download the SAP general ledger report listing all revenue transactions for the cost center.

Perform reconciliation
1. Reconciliation will be complete within 30 days after the event.
2. Match the event registration forms to the attendance roster. There should be a registration form for each person on the attendance roster.
3. Enter the amount, date, and payment method from the registration form onto the attendance roster.
4. Total the payments entered on the attendance roster and compare to the total revenue deposited in SAP.
5. If they match, reconciliation is complete.
6. If they don't match, use the transmittals to trace each attendee's payment to SAP to identify the exceptions.
7. If the exceptions were due to fee waivers, discounts, or refunds, review documented approval of those exceptions by the department head.
8. For any remaining exceptions, provide a list of attendees that did not pay to the event director for resolution. Verify subsequent collection or documented approval of fee waiver.
9. Complete & document reconciliation noting any overages or shortages discovered during the reconciliation process. Sign & date the reconciliation.
10. Present reconciliation to department head for approval.
11. File approved reconciliation along with all supporting documentation in accordance with the University records retention schedule (current fiscal year plus 7 additional fiscal years).

Oversight & Authorization

1. Conduct periodic reviews of department cash handling activities to ensure these procedures are understood and followed consistently by staff.
2. Review and approve event budget and fees.
3. Obtain written approval from the Dean and/or Vice Chancellor for new fees.
4. Review and approve event correspondence and registration form.
5. Approve any fee waivers or discounts. The reason for the exception will be documented with the approval.

6. Approve refunds. Refunds will be requisitioned through the Finance Office with reference to the original receipt transmittal.
7. Determine collection strategy for any uncollected accounts receivable
8. Approve the write off of any accounts receivable deemed uncollectible. Submit the AR write off list to the Finance Office for presentation to the Assistant Vice Chancellor for Business & Finance for approval prior to write off.
9. Review and approve revenue reconciliation. Review the nature, extent and resolution of any overages or shortages discovered during the reconciliation process. Take corrective action as needed. Sign & date the reconciliation to document approval.
10. Perform a high level review of cost center balances & activity to determine if they meet expectations. Document the review.
11. No petty cash funds will be maintained by the department.
12. Cash received will be deposited intact. Cash received will not be used for personal loans, check cashing, or purchases.
13. No outside bank accounts will be opened for University or department related business.
14. Any individuals that are assigned duties related to department cash receipting will not also have fiduciary responsibilities for any funds of student organizations, clubs, groups and other organizations affiliated with the department or University.

Inventory Control (if applicable):
When a department sells goods to customers, the duties of inventory control should be segregated from the duties for cash collection, reconciliation, and oversight & authorization.

The person responsible for inventory control will:
- *Maintain an accurate inventory of goods in stock.*
- *Perform periodic physical counts and compare to the inventory listing. Adjustments to inventory listing must be explained and approved by Department Head.*
- *Provide goods receipt information to purchasing department for inventory additions prior to payment of invoice.*
- *Require proof of purchase (cash receipt copy) prior to the release of goods to the customer.*

The reconciler will reconcile the inventory additions to the purchases recorded in SAP and the inventory deductions to the cash receipts recorded in SAP.

A three part receipt will be issued for all sales regardless of payment type – one copy for the customer, one copy for inventory control, and one copy to be kept in the receipt book. Receipt will indicate form of payment – cash, check, or credit card.