

Departmental Guidelines for Cash Handling

PURPOSE:

To define departmental cash handling procedures that parallel the *FSU Cash Management Policies and Procedures* (<http://policies.vpfa.fsu.edu/controller/2c-1.html>). The establishment of strong internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect staff from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process. Cash is considered to be any type of payment for goods or services including: coin, currency, checks, money orders, credit card transactions and electronic funds transfers (ACH and Wires).

Departmental policies and procedures may be more restrictive than the *FSU Cash Management Policies and Procedures*. Please inquire as to what policy your unit is to follow and maintain a copy of the appropriate policy for referral and guidance. ([Cash Handling Procedures Template](#))

INSTRUCTIONS

Each cash collection point supervisor or his/her designate should initiate completion and submission of his/her local desktop cash handling procedures for review and approval by FSU Treasury Management. These procedures are to be submitted with initial Cash Collection Point application, subsequent re-authorization, and any time major changes in policies and procedures have occurred. Notification will be sent by email of the approval or denial of procedures. It is each unit's responsibility to retain its approved procedures indefinitely for audit purposes.

Each unit is responsible for an annual review to determine if any procedural changes have occurred. Changes to procedures must be resubmitted to Treasury Management for approval. ***Changes do not need to be resubmitted if they only involve a change in the staff assigned to specific cash handling duties.*** Document the staff changes and retain this with your local procedures.

Each unit's employees should sign the [FSU Cash Management Employee Policy and Procedure Acknowledgement form](#).

Any questions about documenting local cash handling procedures should be directed to:

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REQUIRED SEPARATION OF DUTIES

The cash collection point must maintain a clear separation of duties. An individual may not have responsibility for more than one of the cash handling components: recording of charges/billing, collecting, depositing and reconciling.

RESPONSIBILITIES OF ASSIGNED CASH HANDLING FUNCTIONS

- ***Biller/Invoicer (if applicable)***
 - Creates and sends invoices
 - Records and makes changes to the accounts receivable system
 - **Should not** have access to cash

- ***Cash Collection Point Cashier***
 - Conducts cash transactions with customers
 - Cash can be received in person and/or via the mail
 - Enters each transaction into an approved cash register or cash receipt journal/log
 - Provides a receipt to everyone paying in person
 - Endorses all checks with a restrictive endorsement immediately upon receipt
 - Counts the cash
 - Turns cash and supporting documentation over to the **Cash Collection Point Supervisor** at the end of his/her shift
 - If a **Cash Collection Point Supervisor** is not assigned, the cash goes to the **Deposit Preparer** and a copy of the supporting documentation goes to the **Reconciler**
 - If there are multiple cashiers on the same shift, each person must have their own cash drawer and cash receipts book

- ***Cash Collection Point Supervisor (if applicable)***
 - Monitors cash receipting functions
 - Authorizes various transactions, such as
 - Refunds
 - Voids
 - Cash drawer reconciliations
 - Has access to the cash drawers and safe

- ***Deposit Preparer***
 - Retrieves and counts cash receipts from the current or previous business day
 - Prepares the deposit (if armored car pickup) or DT118 and delivers the DT118 to Student Financial Services
 - Delivers a copy of the deposit form DT118 to the **Reconciler** along with a copy of the deposit receipt
 - Stores the cash in a secure location until it is deposited

- ***Reconciler***
 - Verifies that the **Deposit Preparer** has deposited all cash received (daily on weekdays)
 - On a monthly basis, reconciles deposit forms to the supporting documentation and to the OMNI departmental ledger
 - **Should not** have access to cash

The following table is provided as a guide for roles that are applicable within your unit:

	<u>Assignment</u>	<u>Primary Individual(s) Name or Position Title</u>	<u>Separation of Duties</u>
A)	Biller/Invoicer		Cannot also be B, C, or D
B)	Cash Collection Point Cashier		Cannot also be A, D, or E
C)	Cash Collection Point Supervisor		Cannot also be A or E (Enter N/A if assignment is not applicable)
D)	Deposit Preparer		Cannot also be A, B, or E
E)	Reconciler		Cannot also be B, C, or D

CASH RECEIPT PROCEDURES

All transactions are to be recorded in a cash register or a cash receipt journal/log at the point of collection. If a cash register is used, develop operating procedures to be used for cashier training. Also, keep a copy of the procedures at each cash register for quick referral.

At the beginning of each designated "shift" the **Cashier** will ask the **Cash Collection Point Supervisor** to retrieve the locked register drawer/cash bag containing the approved change fund advance from the secure location. The **Cashier** should count the beginning till money to verify accuracy. If there are multiple cashiers on the same shift, each person must have their own cash drawer and cash receipts book.

Procedure for Checks received through the mail

- All **Checks** must be endorsed immediately with a restrictive endorsement stamp provided by Student Financial Services and must be logged with the appropriate information. ([Check log template](#))

Procedure for Cash/Checks received in person

- All **Checks** must be endorsed immediately with a restrictive endorsement stamp provided by Student Financial Services. {Checks will not be cashed by cash collection points (i.e. customer's personal checks, paychecks, or customer's third-party reimbursement check).}
- Enter all cash and checks received into an approved cash register or cash receipt journal/log.
- The customer should be presented with a pre-numbered FSU official receipt form with a duplicate record to be retained by the unit. Staff must account for all pre-numbered receipts.

Voids and refunds procedures

- All voided transactions are to be initiated and approved by the **Cash Collection Point Supervisor**.
- All copies of the voided receipt form are to be retained.

Procedure for Cashier's end-of-shift (if applicable)

- The **Cash Collection Point Supervisor** will run the cash register "totals report" (usually called a "Z" or "ZZ" report). This will close the day's activity and reset the register. If another shift will be used on the cash register, then a subtotal report would be more appropriate (usually called an "X" report).
- The **Cashier** will count down the drawer back to the original till/change fund amount and prepare a "Cash Drawer Reconciliation." (The template at <http://control.vpfa.fsu.edu/content/download/28339/176108> can be used or a similar document). The **Cashier** must report all unresolved cash receipt variances to the **Cash Collection Point Supervisor**. Discrepancies (overages and shortages) will be tracked and reported to the Office of Audit Services.
- The **Cash Collection Point Supervisor** will review and verify the "Cash Drawer Reconciliation," including the till money count, retained for the next day change fund. The "Cash Drawer Reconciliation," "ZZ" report, and other supporting documentation are to be retained by the **Cash Collection Point Supervisor**.
- The cash receipts will either be given to the **Deposit Preparer** for immediate deposit preparation or will be secured in a designated location by the **Cash Collection Point Supervisor** until it can be prepared for deposit.
- A copy of the "Cash Drawer Reconciliation" will be provided to the **Reconciler**. Only the cash, checks and credit card receipts, if applicable, should be provided to the **Deposit Preparer**.

SECURING CASH/CASH EQUIVALENTS AND RECEIPTS

- Ideally, a safe should be used for storage of the change fund and daily receipts until deposited. Alternatively, where the purchase of a safe does not appear feasible, a locking cash box should be used and placed in a locking drawer.
- Access to the drawer and cash box must be limited to **Cash Collection Point Cashier**, **Cash Collection Point Supervisor** (if applicable), and **Deposit Preparer** and should remain locked when not in use. The cash box procedures, including key management and access, should be documented and parallel management's policies and expectations.
- Safe combinations should be changed whenever someone leaves the unit who knows the combination.
- Keys to safes and/or cash boxes and safe combinations need to be kept in a secure, secret place.
- Each unit should reevaluate regularly, at least annually, whether or not the purchase of a safe for overnight cash storage is justified. Management should provide clear guidelines for this periodic evaluation.

CASH DEPOSITING

Deposit preparation procedure

- Count money and prepare preprinted bank deposit slip/SFS deposit form DT118.
- Settle deposits accounting for receipts originating from credit card sales **daily**.

Deposit delivery procedure

- The deposit should be hand-delivered to the Office of Student Financial Services or directly to the bank—if armored car service is available. Deposits should not be transmitted to the Office of Student Financial Services through campus mail. **Daily deposits are encouraged.** Exceptions may be made when collections of currency and coins are under \$100 or checks and money orders total less than \$500. No collections should be held more than 5 business days before being deposited.
- Deposit all funds intact. The entire amount of receipts collected must be deposited so that all receipts are posted as receipts to the Unit's OMNI ledger. None of the cash collected in the Unit may be used prior to deposit. For example, the Unit cannot use \$10 of its cash receipts to purchase postage and then reduce the amount of its cash deposit by the \$10 used.
- Secure the deposit in a locked money bag/pouch, tamper evident bag (available through Student Financial Services – <http://www.superiorbag.com>), or sealed envelope initialed by depositor. Be as inconspicuous as possible by disguising the money bag in some fashion, such as placing it in a book bag. Alter the route and time of delivery to the designated deposit drop-off.

RECONCILIATION OF CASH RECEIPTS

- Balance all cash collected daily by comparing the total of the cash to the cash register or cash receipt journal/log (see Procedure for Cashier's end-of-shift section above).
- Compare the "Daily Cash Reconciliation" to the bank deposit slip/SFS deposit form DT118.
- Compare SFS deposit receipt to departmental copy of DT118.
- Trace the bank deposit slip/SFS deposit form DT118 to the OMNI departmental ledger on a monthly basis.
- Maintain proof of all reconciliations by the department for five years plus the current year.
- Report all unreconciled items to the Director/Dean for the unit on a monthly basis.