

Cash Handling Procedures Guide

PURPOSE:

To provide a guide to assist in developing cash handling policies and procedures.

Your departmental policies and procedures should not only be the set of principles, rules and guidelines adopted to reach your department's long-term goals but also a detailed set of written procedures for the administrative duties and tasks for your department to enable you to effectively communicate the steps necessary to complete these functions. These procedures will also enable more effective transitions when staff turnover or absences occur.

Complete the following roles that are applicable within your department:

	Assignment	Position Title or Primary Individual(s) Name	Segregation of Duties
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

- Note that all cash handling sites will not invoice or have accounts receivable (A/R).
- Note that invoice or A/R duties cannot also be involved with collection or deposit duties.
- Any questions about documenting local cash handling procedures should be directed to the Controller's Office Treasury Management department:

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INSTRUCTIONS

When preparing written departmental procedures for cash handling, please refer to the Controller's Office policy [OP-D-2-B CASH MANAGEMENT](#) to ensure compliance. Written procedures are important to help ensure that departmental functions are preformed correctly and to assist in training new employees. The Cash Management policy and departmental procedures should be reviewed annually by all cash handling staff and updated when necessary. Treasury Management should be notified of any significant changes in staff or procedures. Cash is considered to be any type of payment for goods or services including: coin, currency, checks, money orders, credit/debit card transactions and electronic funds transfers (ACH and Wires).

Although no one control model effectively or efficiently fits the needs of all cash collection areas, the establishment of strong internal controls for cash handling 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. Unusual and/or rare circumstances should be considered and adjustments made when writing procedures for the department.

Key controls to remember when assigning responsibilities:

Proper Segregation of Duties: Under no circumstances should one employee be responsible for all aspects of cash handling (Collections / Deposits / Reconciliations). Ideally, one employee is responsible for collections while another is responsible for deposit preparation and a third is responsible for reconciliations. Under certain circumstances where a department does not have the requisite personnel, one employee is responsible for collections and deposit preparation, while the other employee is responsible for reconciliations. Additionally, employees who handle cash should not be assigned duties for creating invoices or updating account receivable records or general ledger records.

Cash Drawers: Different employees should not work simultaneously out of the same cash drawer.

Access to Funds: If a dual control safe is in use, access to one of the controls should be limited to a maximum of two people. For single lock safes, file cabinets, drawers and lock-boxes, no more than two or three employees should have access to the key or combination.

Refunds / Voids / Returns: Need manager approval and refunds will go through Student Business Services or Accounts Payable.

CASH COLLECTIONS

1. Employee Position Title opens mail or receives cash in person.
2. If cash is received in person an official University receipt is issued.
3. If check is received in person an official University receipt is issued and employee initials check verifying that per [CASH MANAGEMENT policy section OP-D-2-B5](#) all required check information is obtained and logged in the check log.
4. Restrictively stamp endorse check(s) with an FSU approved endorsement stamp provided by Student Business Services.
5. Total daily collections.
6. Collections are kept in secured location (dual control safe / safe / locking file cabinet / locked drawer) until deposit preparation.

(Procedures should be adjusted or added to meet needs specific of department)

DEPOSIT PREPARATION

1. Employee Position Title opens secured locked location to retrieve collections.
2. Verify cash / checks and supporting documentation with check log and receipt book for accuracy.
3. If accurate, prepare deposit form [DT118](#) or [DT118A](#). (If not accurate, inquire about discrepancy and have corrected). Make two copies--original to be taken to Student Business Services and copy for departmental records.
4. Place cash receipts, supporting documentation and DT118 in tamper-proof envelope or bag.
5. Deliver to Student Business Services and wait for receipt.
6. Place receipt with departmental copy of deposit documents for reconciliations.

(Procedures should be adjusted or added to meet needs specific of department)

RECONCILIATIONS -- Performed on a monthly basis

1. Employee Position Title (this is generally the supervisor) retrieves check log, receipt book and all DT118 deposit forms and supporting documentation for the month.
2. DT118 deposit forms and supporting documentation are reconciled to check log and receipt book.
3. DT118 deposit forms and supporting documentation are reconciled to the departmental OMNI ledgers to verify all receipts were correctly deposited.
4. DDDH or other supervisor reviews all reconciliations.

(Procedures should be adjusted or added to meet needs specific of department)

OTHER CONSIDERATIONS FOR DEPARTMENTAL PROCEDURES

Combination Safes: Procedures should be in place for changing the combination upon staff turnover.

Transfer of Cash: A sign off sheet should be used whenever funds are transferred between staff members.

Cash Registers: Should have appropriate control features and the operator should not have the ability to reset totals. Cash drawer counts should be done by two employees. For shift changes or at closing, cash register reports should be run and drawer counts made by cashier and supervisor.

Deposits: Should generally be made daily. 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 for more than five business days before being deposited. Debit or credit card payments should be settled daily with Student Business Services.

Cash Receipts Books: Only official University receipt forms obtained from the UPS Store at Ogleby Union may be used unless an exception is granted by the Controller's Office. Receipt books should be audited monthly by a supervisor or DDDH and kept in a secure location along with cash receipts.

Accounts Receivable: Please refer to the Controller's Office [Departmental Business Management Guide - Accounts Receivable](#) to ensure department is adhering to University policy.

Petty Cash or Change Fund: Petty cash provides departments flexibility to complete minor business cash transactions as part of their daily operations. A change fund is a cash advance that is issued to provide change for cashier functions. Please refer to the Controller's Office [Departmental Business Management Guide - Petty Cash](#) for further guidance.

Background Checks: Police background checks must be performed on employees who will have cash handling responsibilities.