



Financial Services

Departmental Cash Procedures (March, 2010)

Purpose

The purpose of these procedures is to aid University departments in the handling and remitting of monies to ensure adequate controls over cash and recording of revenue. The procedures described in this document relates to all monies received. Cash for the purpose of this document is defined as cash, cheques, debit and credit card payments, and other forms of payment.

Who is Responsible

Department head is responsible to:

- Specify which department member(s) are custodian(s) who may accept cash receipts on behalf of the department.
- Communicate these cash procedures to appropriate staff and for monitoring compliance with procedures.
- In case of theft or suspicious circumstances Financial Services (Ext. 2206) and Security (Ext. 2603) should be contacted immediately.

Custodian is responsible to:

- Receipt and record monies as received in the department.
- Maintain the security of monies until deposited with the Cash Office.
- Reconcile cash on hand, complete cash remittance form and provide account coding for deposits sent to Cash Office.
- Ensure proper recording of revenue in the proper fiscal period.

Cash Office is responsible to:

- Provide pre-numbered receipt books.
- Review deposits for accuracy, review account codes and post in a timely manner.
- Provide secure safekeeping of cash prior to delivery to bank.

Cash receipts are not to be used to pay incidental expenses of departments that would normally be paid from the petty cash fund, or to cash personal cheques of employees or students.

Receipting and Recording Cash Process

For all cash receipts, the date, amount and nature of the receipt should be recorded in a receipt book at the time the cash is received. Pre-numbered receipt books are available from the Cash Office (ext. 2469; cash.office@uleth.ca). The numerical sequence of the receipts must be maintained. All spoiled receipts should be marked "void" and the white copy of these voided receipts should be kept in the receipt book. The pre-numbered receipt book should be stored separately from the cash box. The receipt book is to be sent to the Cash Office when all receipts have been used.

A log should be created using either a spreadsheet or notebook to record the particulars of each receipt. Reconcile the amount of cash on hand and the amount of receipts logged in the spreadsheet or notebook. This should be done as frequently as possible depending on the volume of transactions.

Example of spreadsheet to log receipts:

Receipt #	Date	Payee	Description	Amount	Cash	Cheque	Amount Remitted	Balance
1001	Jan 5	Sally Smith	Photocopying	40.00		X		40.00
1002	Jan 7	John Doe	Telephone	10.00	X			50.00
1003	Jan 9	Alice Doe	Key Deposit	50.00		X		100.00
	Jan 15		Remittance				100.00	0.00

*The amount remitted should equal the amount recorded on the Cash Remittance Form which is submitted to the Cash Office.

Reconciliation of Cash on Hand to Cash per Record Book

The Department Custodian must regularly reconcile the amount on hand to the record book used to log receipts.

Amount of Cash Counted:	\$120.00	
Less Float:	<u>(20.00)</u>	
	<u>\$100.00</u>	(a)
Cash on Hand per Records:	<u>\$100.00</u>	(b)

If (a) and (b) are not the same, investigate the reasons for difference by checking records and/or recounting cash.

For debit or credit card transactions, the point of sale machine transactions should be closed and batched off on a regular basis. Daily closed batches are the ideal situation. At very minimum, this needs to be done at the close of business on the last day of each month. Do not combine revenue receipts from two separate months on one Cash Remittance form.

The record book is to be stored separately from the cash box to minimize the risk of fraud by unauthorized staff and to provide evidence of the amount missing if the cash box is broken into or removed from the department.

If a department requires deposits or payments to be collected from students for such items as field trips or refundable deposits, the Cash Office can accept these deposits or payments on behalf of the department. The information required from the department would include the amount to be collected, the FOAPAL to post the deposit/payment to, what the deposit/payment is for and if possible, a list of

students making the deposit/payment. For further information on how to set this up, contact the Cash Office at extension 2469 or by email at cash.office@uleth.ca.

Departments that decide to collect refundable deposits for keys or other items loaned to students should keep separate records of student names, amounts received on deposit and the amounts refunded. At the end of each semester the department should request cash, for refund purposes, from Financial Services based on the estimated number of refunds to be issued. Refunds should not be made using cash received from other sources.

Storage and Safeguarding of Cash on Hand

Each department head and custodian is responsible for the security of monies collected until it is deposited with the Cash Office.

Cash should be stored in a locked cash box. This box should be locked when not in use and should be stored in a concealed and secure location. The cash box must not be left unattended while not in storage.

The key to the cash box should not be kept in the lock when not in use. Employees who are authorized to use the cash box should agree on a mutually convenient and safe place to store the key. **Note:** a desk drawer is not a safe place.

Large amounts of cash should not be allowed to accumulate in the cash box. Departments should be aware that the deductible amount on the University's commercial crime coverage is \$5,000 per loss. For losses greater than \$5,000, the department involved will be fully responsible for payment of the deductible. The University will not reimburse departments for losses below this deductible level.

Departments should remit cash to the Cash Office at least once a week or when the cash is greater than \$150 over the float amount.

Completing the Cash Remittance Form

A cash remittance form must accompany all deposits. These forms are available from Financial Services (Ext. 2206).

Filing Instructions

Complete the Cash Remittance Form. A description of the form and general filing instructions are located on the back of the form.

When remitting currency a breakdown must be shown to the right of the comments section. Please ensure all US cash and cheques are shown separately in the US line in this section.

All cheques must have a legible name, address and student or customer ID number (if applicable). Cash Remittance forms that include more than five cheques must be accompanied by an adding machine tape specifying the name beside each amount on the tape. Any errors which occur on the adding machine tape cannot be crossed out and changed. An error-free tape must be submitted. The bank will not accept any listings in which the tapes have been changed manually.

When depositing cash received for payment of an external invoice, specify the invoice number under the description. It is not necessary to indicate an account number when a receivable is collected as these are credited to specific accounts when the invoice was created. Note that the revenue is credited to the account specified when the invoice was created, not when the payment is received.

Cash is to be remitted in person to the Cash Office (9:00 a.m. to 3:30 p.m.) or to Financial Services (8:30 a.m. to 4:30 p.m.) - do not mail cash. Mail Services is not responsible for any loss of cash that has been remitted by mail. Security (Ext. 2603) may be contacted to provide an escort or to pick up large amounts of cash for remittance. If departments choose to deliver remittances without a Security escort, it is not advisable to follow one particular route or the same time for deposit delivery to the Cash Office or Financial Services. The Cash Office also has a drop box available at the end of the cash counter that can be used for any after-hours deposits.

The Cash Office will issue a receipt to the department for each remittance if requested. These receipts should be compared to the department copy of the corresponding remittance form to ensure the proper account numbers have been credited for the correct amounts. Any discrepancies should be promptly reported to the Cash Office (ext. 2469; cash.office@uleth.ca).