

# Cash Handling Policy & Procedures

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## POLICY - CASH COLLECTION AND DEPOSIT

### Purpose

This section of the document defines and outlines University policy with respect to the handling, receiving, transporting and depositing of cash. The term cash includes currency, checks, money orders, negotiable instruments and charge card transactions.

University funds are monies received from tuition, room, board, fees, contracts, grants, revenues from University services, state and federal appropriations, gifts, deposits and all other sources of revenue or expense reimbursements. All checks made payable to the University or any subdivisions of the University are considered University funds.

### Introduction

The collection and control of cash at Wittenberg University are very important functions. The Office of Student Accounts is the University's primary cash handling agent. Ideally, from a control perspective, the collection and controlling of cash should be centralized in one location; however it is not always possible or practical. As a result, under certain situations the collection of money is, in part, decentralized. Those situations and the procedures to be followed are explained in this document.

Historical practices shall not constitute justification for deviation from the following guidelines. The material contained in this document supersedes any previous policies and procedures followed within the University and/or within departments regarding the handling of cash. The University Controller reserves the right to make interpretations and exceptions to the policies contained in this document.

Changes in University cash handling policies and procedures may be made from time to time, and will be communicated via broadcast email. Amendments will be available electronically through Wittenberg's Website and will be effective on issuance.

### Required Authorization to Collect Money

Before undertaking any new cash handling operation or activity, approval for the activity must be received from the Controller's Office. Once accounts are established, the department should contact Accounting Services and the Office of Student Accounts to demonstrate how this new operation or activity will be accounted for and how deposits will be made.

### Segregation of Duties in Campus Departments

When at all possible, there must be a separation of duties between the person receiving/processing/depositing cash and the person responsible for maintaining the accounting records in which the cash will be deposited.

Cash receipt activity should be reconciled to the Budget Statements on a monthly basis. The reconciliation should be reviewed by someone independent of the cash handling or account ledger maintenance.

## Responsibilities of Individual Departments

### Compliance with University Policy & Procedures

Departments are responsible for complying with the policies and procedures outlined in this document and for developing detailed written departmental operating procedures. The Offices of Student Accounts and Accounting Services are available for consultation and review of departmental procedures. Departments are responsible for training designated employees in fund handling policies and procedures.

Historical practices shall not constitute justification for deviation from the policies and procedures set forth in this document.

### Counterfeit Currency

All authorized cash handling personnel are responsible for exercising reasonable care in screening cash transactions for counterfeit currency. If a questionable bill is received, the department should retain possession of the bill and contact Campus Security immediately. Do not return the bill to the payer. For more information about recognizing counterfeit currency, please visit [www.moneyfactory.gov](http://www.moneyfactory.gov)

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## Control Concepts

The following list of internal control questions will help you assess the cash controls in your area. Answer each question to assess your own departmental controls. At the end, review your answers for practices or controls which are not in effect. These represent internal control weaknesses. For each weakness, determine the risk it represents to your operation, whether there are mitigating controls and what action, if any, needs to be taken.

### Cash Receipts, Revenue and Petty Cash

#### Segregation of Duties

- If practical, are the following responsibilities distributed among personnel so one person is not responsible for all aspects?
  - Opening mail?
  - Endorsing checks?
  - Preparing deposits?
  - Reconciling to budget statements?
- Are billing and collection duties distributed among personnel?

#### Safeguarding of Cash Items

- Are checks endorsed immediately upon receipt?
- Are cash items kept in a secure location until the time of deposit (e.g., safe, locked drawer, etc.)?
- Is access to credit card terminals and cash drawers restricted to authorized personnel?

#### Cash Receipt Processing

- Are deposits made daily and/or in compliance with the Cash Handling Policies & Procedures guideline?
- Are cash transactions recorded on a daily cash report and reconciled to daily deposits?
- Are processed credit card charges/credits handled properly and timely?
- Are sales forms, invoices and event tickets pre-numbered and accounted for to ensure all sales are billed and recorded?

#### Nature and Source of Revenue

- Are revenue sources properly classified?
- Are potential sponsored program revenues channeled through the Office of Advancement?

#### Petty Cash Fund

- Is access to the petty cash fund restricted to the petty cash custodian?
- Are petty cash disbursements made upon presentation of approved petty cash payout forms with supporting documentation (e.g., receipts)?
- Is the petty cash fund replenished frequently enough to ensure sufficient funds are available and expenses are charged to the proper fiscal year?
- Is the petty cash fund in agreement with the general ledger?

## Departmental/Affiliated Organizations/Student Group Bank Accounts

University departments, Wittenberg-affiliated organizations, and student groups must use Wittenberg as a fiduciary for their funds. The use of outside bank accounts for the depositing and/or safekeeping of funds is strictly prohibited, regardless of the funding source. Any requests to deviate from this policy must be presented to the University Controller for proper authorization.

### Fidelity Bond

All employees of the University are covered by a blanket fidelity bond. For further information contact the University Controller.

### Requirements for Deposits

#### Frequency of Deposits

Deposits are to be made in a timely manner (see chart below) to facilitate proper posting of accounts and to insure the security of University funds.

All deposits are to be made at the Office of Student Accounts located on the 3<sup>rd</sup> floor of Recitation Hall. Deposits may be made at the Office of Student Accounts Monday - Friday between 8:00 a.m. and 4 p.m. All after-hour deposits must be made at the 24-hour Campus Security service window (located behind Recitation Hall).

Deposits must be routed directly from the department to the Office of Student Accounts or Campus Security service window. University funds for deposit must never be taken off campus. For information regarding transportation of deposits, see section - How to Transport Deposits (p.9).

CUMULATIVE RECEIPTS	<u>MINIMUM</u> FREQUENCY OF DEPOSIT TO OFFICE OF STUDENT ACCOUNTS*
UP TO \$249.99	WITHIN 3 BUSINESS DAYS
\$250.00 TO \$4,999.99	WITHIN 2 BUSINESS DAYS
\$5,000.00 TO \$9,999.99	NEXT DAY
\$10,000.00 OR MORE	SAME DAY
ANY SINGLE ITEM \$50,000.00 OR MORE	SAME DAY/IMMEDIATELY (OFFICE OF STUDENT ACCOUNTS WILL PREPARE FOR IMMEDIATE BANK DEPOSIT)**

\* If a large portion of cumulative receipts on hand is comprised of currency, deposits should be made more frequently than outlined above.

\*\* The University has contracted with our local financial institution to provide routine courier service for bank deposits. Occasionally, a deposit that contains high dollar amount checks (no cash) and received outside the normal courier schedule will be transported to the bank directly by the Controller Office Staff.





confirmation call to the originating department. Upon reconciliation, the deposit will be processed and applied to the departmental account. The Office of Student Accounts will send a transaction receipt back to the originating department.

While the Office of Student Accounts is processing the deposit they look at the following:

#### CHECKS

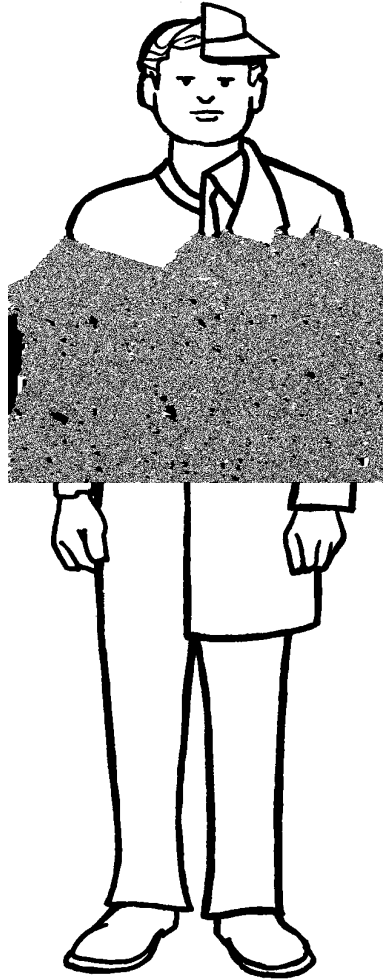
- x They are restrictively endorsed (Deposit Only-Wittenberg University, etc..)
- x Checks are not stale-dated or post-dated
- x Checks should be made payable to "Wittenberg University" or if made payable to a person or program they are properly endorsed
- x Written amount and numerical amount agree
- x Payer's signature is not missing
- x Checks are drawn on a U.S. bank and in U.S. funds

#### CASH

- x Make sure the count is accurate
- x Look for counterfeit currency
- x Look for altered currency
- x We do not accept foreign currency

# BE ALERT, BE OBSERVANT!!!

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## RECEIPT AND COLLECTION OF CASH

### Purpose

This section of the document summarizes the proper procedures to collect currency, checks and charges.

### Methods to Record Cash Receipts

All cash handling personnel must maintain written examples of their cash balancing procedures.

### Manual Processing

- The University Personnel receiving the funds is to initial the face of the check as evidence of personal responsibility for complying with all information and identification requirements.

#### Endorsement of Checks

All checks are to be restrictively endorsed

payer. Generally, restitution should be in the form of currency, money order, cashiers check or certified check.

If after proper due diligence is performed and collection problems exist, the Office of Student Accounts may be consulted regarding returned items which remain uncollected after 90 days from the date of debit.

## INCOMING WIRE TRANSFERS

### Purpose

This section of the document defines and outlines University procedures regarding incoming wire transfer transactions. These transactions typically are U.S. Government funding or other special payments.

To accommodate customers wanting to pay by credit or debit card, authorized departments may accept Visa/MasterCard/AE/Discover payments. This process is consistent with other cash handling procedures, though some additional steps are required.

### Departmental Responsibility

Charge card transactions are monetary transactions and therefore are subject to the same control and reconciliation policies as cash transactions. A daily accounting of receipts, from sales or deposits, should be balanced against these electronic transactions. They should then be deposited with any currency, coins, and checks at the Office of Student Accounts. Automatically, the actual funds for the charge card transactions are electronically deposited into the University's bank account and reconciled by Accounting Services.

All personnel authorized to accept credit and debit card payments must exercise reasonable care in screening transactions to reduce card misuse and loss of funds.

### Procedures to Deposit and Report Credit and Debit Sales

- A Batch Settlement report consisting of an Audit List and Card Summary report must be printed at the end of each day. After balancing, the batch must be closed.
- Enclose the printed Batch Settlement report along with any other deposits and forward to the Office of Student Accounts.
- The card terminal will electronically remit daily totals directly to the bank.
- If a terminal is inoperative, credit card sales should be done manually using an imprinter. When the terminal is back in service, any document transactions must be entered. Debit card transactions cannot be done manually and later entered in the card terminal because the customer must be present to enter his/her pin number.
- Charge-backs and rejects of card transactions will be charged to the departmental account.
- Bank reports reflecting rejects and charge-backs will be sent to the originating department from Accounting Services.

### Credit and Debit Card Deposit Requirements

Credit and debit card deposits should be made with the Office of Student Accounts no later than two days after any and all card transactions. This differs from the deposit requirements for currency or checks.

## FOREIGN CHECKS

### Purpose

This section of the document defines University policy on the acceptance and handling of foreign checks.

### Introduction

Any check not drawn on a U.S. bank or which does not have a U.S. clearing bank listed on it is considered a foreign check even if the check is payable in U.S. funds. The Bank requires that foreign checks

### Procedures to Record and Collect

- Separate foreign checks from other deposit documents and make a separate Inter-Office Deposit Form for each check. Deliver to the Office of Student Accounts for transmittal to the bank.
- The Office of Student Accounts will submit the check(s) to the bank for collection and will post the amount received to the department's account when the proceeds (U.S. dollars) are remitted back to the University. The collection process for foreign checks may take several weeks.
- The actual proceeds (U.S. dollars) will be based on any bank collection charge and the exchange rate at the time the check is presented for collection.

## CHARITABLE GIFTS

All charitable gifts to Wittenberg University are processed through the Office of Advancement. Gift checks should never be deposited directly to the Office of Student Accounts. Centralized depositing of charitable gifts ensures proper receipting and acknowledgement of donors. With

## GRANTS

All grants awarded to Wittenberg University are processed through the Controller's Office. Grant checks should never be deposited directly to the Office of Student Accounts. Centralized depositing of grants ensures proper accounting and tracking of the funds.

## CHECK CASHING

Purpose





## GLOSSARY

All italicized words throughout the text appear in this glossary. This glossary attempts to define the following terms in the context of the Cash Handling Document.

*batch number* the number that is printed on a batch settlement tape from the credit and debit card terminal and is the unique identifier for that particular batch of transactions.

*batch settlement* the Audit List and Card Summary report that prints out when the credit and debit card terminal is closed at the end of the day or shift.

