

# Weber State University



## Cash Handling Training



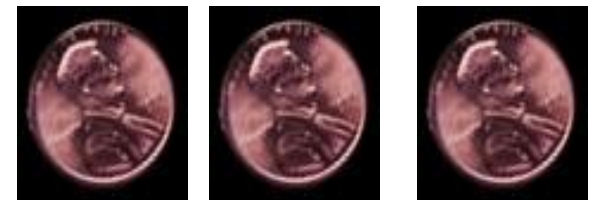
# Cash Handling – It's your responsibility

**Whether you take in a lot of money**

...



**... or you collect pennies”**



.....it is important to  
maintain *good cash  
handling* procedures:

**Segregation of Duties**

**Security**

**Reconciliation**

**Management Review**

**Documentation**

# What is included in “Cash Handling” ?

It's not just “cash”. It includes the following:

- Coins
- Currency
- Checks
- Money Orders
- Credit Card Transactions
- Cash Equivalents
  - Parking Tags
  - Stamps
  - Gift Cards
  - Lab Breakage Cards



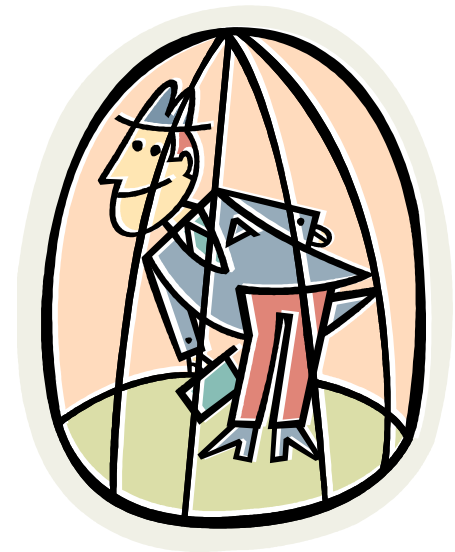
# *First, lets talk about risk and controls....*

Who or what is  
at risk?

*The  
Money*

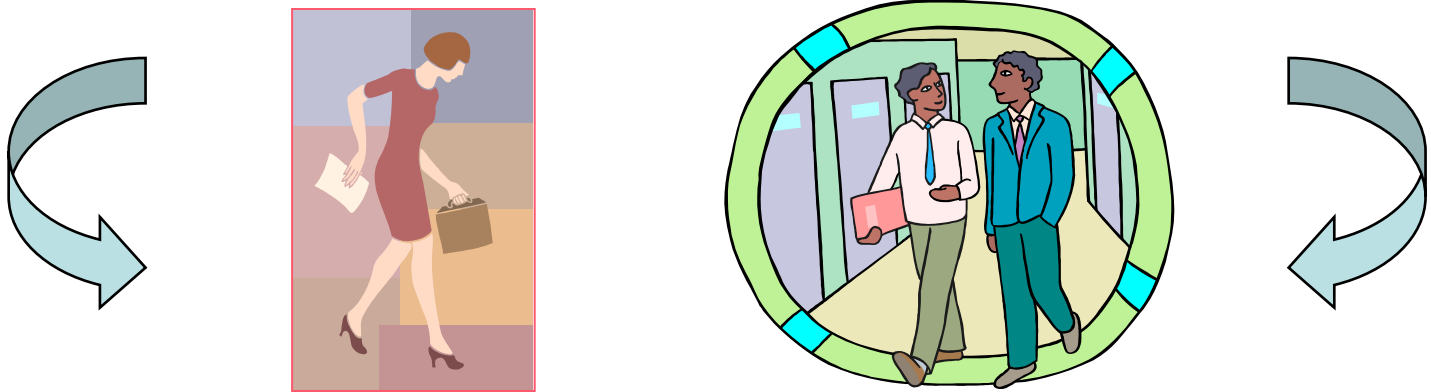


*You*



# Risk and Controls!!

**Remember – In the cash collecting process,  
YOU are just as important as the  
cash.....**



**The controls (rules) that we will discuss are  
designed to protect both YOU and the CASH  
you are handling.**

# Risk?

- Cash is lost
- Cash is stolen
- Information on Banner doesn't agree  
with department records
- No audit trail
- Finger pointing/accusations
- Reputations
- Lost revenues





# Before cash collection begins..... “The planning checklist”

**Departmental cash handling supervisor develops a plan:**

- ✓ **Is a change fund needed?**
- ✓ **How is cash received? Mail or in person?**
- ✓ **Who is going to collect the cash? Record the cash?**
- ✓ **How is the cash going to be secured?**
- ✓ **Who is going to prepare the deposit? How?**
- ✓ **Who will take deposit to Cashiers Office? When?**
- ✓ **Who will do the reconciliation? Management Review?**
- ✓ **Who needs training?**



# “Is a Change Fund Needed?”

If you are required to make change, then you must have an approved change fund. (Refer to PPM 5-11a)

- Complete a purchase requisition to request a change fund.
- Keep amount at bare minimum. Talk with Accounting Services...they will help you determine how much you need.
- Keep the cash safe! (More on that later)
- *Never use the change fund for making purchases, cashing checks, giving loans, or for travel advances.*
- *Never make change from your personal cash!*



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# “Collecting the Cash”

- ✓ *How is cash received? Mail or in person?*
- ✓ *Who is going to collect the cash? Record the cash?*

## In person:

- **Each person authorized to receive cash should have a separate secured cash drawer or register.**
- **All sales/cash received amounts must be entered either in a cash register or other cashiering system or recorded on a pre-numbered duplicate receipt.**
- **All checks should be restrictedly endorsed immediately upon receipt. Stamp back of check:**

**“For Deposit Only to Weber State University”**  
*You can get a stamp to do this from Accounting Services*

# “Collecting the Cash”

## In person (continued):

- **Write the students “W” number or driver’s license number on the check. Picture ID should be verified.**
- **When receiving payment via credit card, compare the signature on the back of the card and verify picture ID.**
- **The cash drawer should be balanced at the end of each shift.**
- *For proper segregation of duties, the responsibilities for **billing, receiving cash, preparing deposits and reconciling deposits** to departmental accounts should all be performed by different individuals.*

# “Collecting the Cash”

## By Mail:

- **Two people should open the mail together if checks are received in the mail.**
- **Immediately restrictively endorse each check “For Deposit Only to Weber State University”.**
- **Enter each check into a cashiering system if you have one. If not, then prepare a daily list/log of the checks received...reconcile this log to deposit reports.**

### *List the*

Date Received	Check#	Payer Name	Amount	Received By	Main Cashier's Receipt Date
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**“Now that we have collected the \$\$\$\$\$\$, what do we do with it?”**



- ✓ Secure
- ✓ Balance
- ✓ Deposit
- ✓ Reconcile



*Let's go back to  
Our checklist.....*

# “Securing the Cash”

✓ How is the cash going to be secured?

## WHILE IN USE.....

- Cash and checks should be kept in a secure register or cash box to help prevent “cash” from being lost or stolen.
- Do not leave “cash” and individual’s personal identifiable information on your desk.
- If copies of checks are made, black out all personal financial information such as bank account numbers on copies.
- Federal laws and PCI requirements require the University to maintain proper procedures and controls to prevent an individual's identity and credit card information from being stolen.



# “Securing Credit Card Information”

## Keep Credit Card Information Secure By...

- **Never email or fax credit card #'s.**
- **Never store credit card information on a computer or external storage device.**
- **Destroy/shred/block out records with an individual's full name & credit card #.**
- **Never throw this type and other personal identifiable information in the trash or recycle bin or leave unprotected on your desk.**

**Contact Mike Richter if you would like further information on PCI compliance.**

# “Securing the Cash”

## OVERNIGHT STORAGE

**Be sure that all collected cash is kept in a locked safe. Access should be limited to only a few (2-3) people.**

**Keep safe locked during the day when possible.**

**Change the combination on a regular basis (once each year) and when an employee who knows the combination leaves the department.**



## “Securing the Cash”

*What if your department does not have a safe for overnight cash storage??*

**If your department does not have a safe, secure the cash box in a locked drawer/filing cabinet to which access is limited to the person collecting the cash and his/her immediate supervisor.**

**Make sure that the key is kept in a secure, secret place.**



# “Balancing”

- **Cash receipts must be balanced every day/shift. “Identify problems sooner rather than later”**
- **Compare the total cash, checks, credit card receipts received to the cash register tape totals or pre-numbered receipts.**
- **Balancer investigates and resolves discrepancies, then initials (or signs) & dates to document balancing.**
- **Balancer should not receive and balance cash in order to maintain proper segregation of duties.**



# “The Deposit”

- ✓ Who is going to prepare the deposit? How?
- ✓ Who will take deposit to Cashiers Office? When?
- **Deposit all funds received. Record all overages/shortages.**
- **Deposit should be prepared by someone who did not collect the cash.**
- **Deposits over \$500 should be picked up by University Police.**
- **When transporting cash under \$500 across campus, always send two people.**
- **Received funds should be deposited daily when practical but must be deposited within three working days after receipt as required by Utah Code Annotated 51-4-2(2)(a). See PPM 5-3.**

# “Transporting Cash”

**If you have responsibility for taking the cash deposits to the Main Cashier’s Office, please use good common sense.**

- **Secure the cash and checks in a locked cash pouch.**
- **Don’t be conspicuous.**
- **Don’t take the same route or go at exactly the same time every day – don’t be predictable.**



# “Reconciliation”

✓ **Reconciliation! Management Review!**

**Do not ever overlook this step!!**

- **Reconciliations should be performed by someone other than the person who received the funds or prepared the deposit.**
- **Reconcile the departmental copy of the cash report to the Main Cashier’s Office deposit receipt.**
- **Reconcile deposits on a monthly basis to Banner. (Crystal Report - Current Month Transaction Report)**
- **Maintain documentation of these reconciliations.**

## “Management Review”

**No matter who is collecting, depositing, and reconciling, Management is ultimately accountable.**

**It is management’s responsibility to regularly review the cash handling and reconciliation process to assure timeliness, accuracy and resolution of all outstanding issues.**

# “Management Responsibilities”

- **Establish an effective internal control system.**
- **Delegate responsibility for cash handling duties to maintain proper segregation of duties.**
- **Require that staff handling “cash” be properly trained & follow appropriate procedures & policies.**
- **Review receipts and reconciliations on a regular basis.**
- **Perform periodic surprise cash counts of departmental change fund.**

## “Segregation of Duties”

This is the most important control in the cash collection process, and often, the most difficult to manage. A different person should be involved in each step: billing, receipting, depositing, and reconciliation.

**Let’s talk about why and how to manage segregation of duties.....**

# Why Segregation of Duties?

- **Fraud committed by employees is the most common type of fraud.**
- **Fraud is most often committed by trusted employees:**
  - **Financial Pressure**
  - **Rationalization**
  - **Perceived Opportunity**
- **Fraud schemes often continue for years before being detected when controls are not in place.**
- **The best way to prevent and detect fraud is to have a good system of internal controls/segregation of duties to take away the “Perceived Opportunity”**

# “How to Segregate Duties”

**What if you don't have 4 people to bill, collect, deposit and reconcile?**

**Compensating controls must be implemented if you don't have enough people to segregate these duties. Consider the following alternatives:**

- **Can cash collections be received by the Main the Cashier's Office?**
- **Can Accounting Services do the billing?**
- **Is there a way to share responsibilities with another department?**
- **If only have two people – Alternate who performs collecting, depositing and reconciling**

**If segregation of duties is a problem for your department, please contact: Accounting Services or Internal Audit.**

# “Miscellaneous A/R”

## External Billing Authorizations

Accounting Services bills external customers on behalf of departments.

Contact Diane Germond at 801-626-6918 and email the following information to [dgermond@weber.edu](mailto:dgermond@weber.edu) full vendor name, complete address with city, state and zip code, description for the charge, dollar amount, cost code which receive the funds, and contact information for any questions.

Accounting Services will produce an invoice and email it to your department so you can review the invoice and send any supporting documentation to the vendor. If you receive payment for the invoice, please forward it to the Main Cashier’s Office to pay off the invoice. A monthly reminder statement is sent until the invoice is paid.

# “Available Cashiering/Collection Options”

## Departmental Deposits

- Departments will be able to do department cashiering online through TouchNet once the new system is up and running (Summer/Fall of 2010). Training will be provided as soon as this system is available for use to the campus.
- Deposits will be sent electronically to the Main Cashier’s Office to be verified.

## WSU Online Store

- For departments wanting to accept payments for conferences being held at Weber State University, please contact Rachel Ruiz at 801-626-8014 to be set up. Keep in mind your department will be charged the 3% credit card merchant fee for taking credit card payments.
- The university does not support PayPal.

# “Cash Equivalents”

**If you have the responsibility for cash equivalents such as lab breakage cards or gift cards, remember that they must be treated as if they are cash:**

- **Secure in a locked safe or drawer.**
- **Record the sale (software system, log).**
- **Document who received gift cards – Keep under \$50 per year for employees (IRS tax regulations).**
- **Reconcile sales to inventory on hand.**
- **Deposit cash promptly.**
- **Reconcile sales to deposits recorded in Banner.**
- **Resolve all outstanding issues.**



# “Keeping Records - Record Retention”

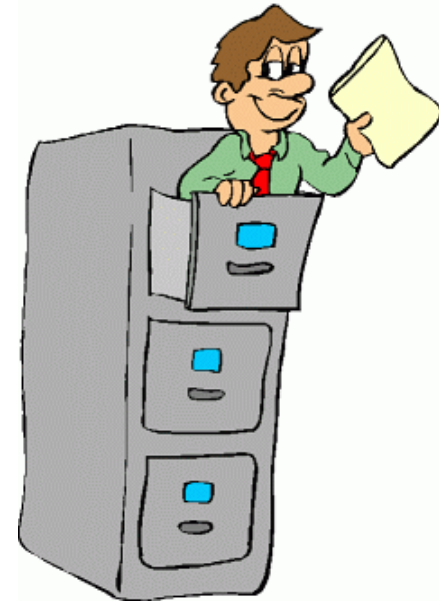
**Original** documents for cash receipts must be kept on file for the *current year plus the three prior years*. For example:

- Cash Reports
- System Generated Reports
- Cash Register Tapes
- Carbon Copy of Pre-numbered Receipt

**Copies** of this documentation can be destroyed after *one year*.

See State of Utah record retention requirements:

<http://www.archives.state.ut.us/recordsmanagement/grs/stgrslist.html>



# “Common Audit Findings”

**The following is a list of frequent audit findings to avoid:**

- **Inadequate segregation of duties.**
- **Funds not adequately secured.**
- **Deposits not made within three working days.**
- **Supporting documentation for deposits does not match deposit amounts or is not on file.**
- **Deposits not reconciled to Banner.**
- **Supervisory approval not evident on voided transactions and hand written corrections to cash register tapes.**
- **Cash equivalents not secured or adequately tracked.**
- **Departmental cash receipting procedures not formally documented in writing.**

# “Cash Handling Policies & Procedures”

## **Weber State University Policies**

[www.weber.edu/ppm](http://www.weber.edu/ppm)

**5-3 “Receipt and Deposit of Funds”**

**5-11a “Change Funds”**

## **State of Utah**

**Utah Code Annotated 51-4-2(2)(a)**

“Questions?”

