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Cash Handling Training



Cash Handling – It's your Responsibility

Whether you take
in a lot of money ...



... or you collect
pennies



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It is important to maintain good cash handling procedures

This includes having controls in place such as:

- ❖ Segregation of Duties
- ❖ Security of Funds
- ❖ Reconciliation of funds
- ❖ Adequate Documentation
- ❖ Written Cash Handling Procedures
- ❖ Appropriate Management Review



What is included in Cash Handling?

It's not just "Cash"

Cash handling includes the following:

- ❖ Currency
- ❖ Coins
- ❖ Checks
- ❖ Money Orders
- ❖ Credit Card Transactions
- ❖ Cash Equivalents
 - ❖ Gift Cards
 - ❖ Event Tickets



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

Who or what is at risk?

The Money



YOU



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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.



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Risk?

- ❖ Cash is Lost
- ❖ Cash is Stolen
- ❖ Information in Banner does not agree with Departmental 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?



Change Funds

✓ Is a change fund needed?

If you are required to make change, then you must have an approved change fund. (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 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 must have a separate secured cash drawer or register.
- ❖ All “cash” received must be entered either in a cash register or other electronic cashiering system or recorded on a pre-numbered duplicate receipt.
- ❖ All checks must be restrictedly endorsed immediately upon receipt. Stamp back of check:

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



Collecting Cash (Cont)

In person (cont):

- ❖ 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 cashier’s 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. (more on this later)



Collecting 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 an electronic cashiering system immediately if you have one. If not, then prepare a check receipt log of the checks received...reconcile this log to deposit reports.

Example of information to gather on check receipt log

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CHECK LOG

DATE RECEIVED	RECEIVED BY	CHECK #	PAYER NAME	AMOUNT	DATE DEPOSITED	RECONCILED



Now that we have collected the \$\$\$\$\$\$, what do we do with it?



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

Let's Go Back to Our Checklist



Securing “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 or other non secure areas.
- 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 “Cash”

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, unless it is encrypted.**
- ❖ **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. Always shred this type of information or keep it locked up.**

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



Securing “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.



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Securing “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.



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Balancing “Cash”

- ❖ **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.**



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Depositing “Cash”

✓ **Who is going to prepare the deposit? How?**

✓ **Who will take deposit to Cashiers Office? When?**

- ❖ **Deposit all funds received to a University index (do not open an off-campus bank account without prior authorization). Record all overages/shortages.**
- ❖ **Deposit should be prepared by someone who did not collect the cash.**
- ❖ **Prepare a cash report for funds to be deposited, unless deposits are processed electronically.**
- ❖ **Deposits over \$1,000 should be picked up by University Police per university policy.**
- ❖ **When transporting deposits between \$500-1,000 across campus, always send two people.**
- ❖ **Received funds must be deposited by the end of the next business day per university PPM 5-3 in order to comply with Utah Code Annotated 51-4-2(2)(a).**



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 deposit bag.
- ❖ Don’t be conspicuous.
- ❖ Don’t take the same route or go at exactly the same time every day – don’t be predictable.



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Reconciling “Cash”

✓ Who will do the 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. (Argos 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 of the process:
billing, receipting, depositing, and reconciliation.**

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



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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.

Provide the following information to Kendra Allan at 801-626-6918 or kendraallan@weber.edu to bill external customers:

- ❖ full vendor name
- ❖ complete address with city, state and zip code
- ❖ description for the charge, dollar amount, cost code to deposit funds received
- ❖ 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 customer. If you receive payment for the invoice, please forward it to the Main Cashier's Office with the invoice number the payment is covering. A monthly reminder statement is sent until the invoice is paid.



Available Cashiering / Collection Options

Departmental Deposits

- ❖ Departments have the option to do department cashiering online through TouchNet. Contact Accounting Services for system details and training.
- ❖ Deposit information is sent electronically to the Main Cashier's Office to be verified.

WSU Online Store

- ❖ For departments who want to accept payments for registrations, conferences, etc online contact Blair Hellstrom at 801-626-8014 to have a store set up. Keep in mind your department will be charged the 3% credit card merchant fee for taking credit card payments.

Additional Information

- ❖ TouchNet is the official university approved payment gateway. PayPal and Square are not university approved payment gateways. Do **NOT** use these applications to collect funds.
- ❖ If your department has a situation where funds need to be collected contact Blair Hellstrom. The Bursar's Office has portable point of sale devices that can be checked out to use in these cases.



“Cash” Equivalents

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

- ❖ Secure in a locked safe, filing cabinet 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.



Training / Record Retention

✓ Who needs training?

All personnel involved in handling credit card payments must attend payment card handling security training on an annual basis.

Record Retention

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

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

See State of Utah record retention requirements:

<https://archives.utah.gov/rim/retention-schedules.html>



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Common Audit Findings

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

- ❖ Inadequate segregation of duties.
- ❖ Funds not adequately secured.
- ❖ Funds not deposited by the next business working day.
- ❖ 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

PPM 5-3, Receipt and Deposit of Funds

PPM 5-2a, Accounts Receivable

PPM 5-11a, Change Funds

PPM 10-4, Payment Card Handling Policy

State of Utah

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



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Any Questions



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