

Local Desktop Procedures for Cash Handling

Org #: _____ Dept/Subdept #: _____

Required Separation of Duties

The cash collection point must maintain a clear separation of duties. An individual may not have responsibility for more than one of the cash handling components: recording of charges/billing, collecting, depositing and reconciling.

Roles/Responsibilities of Assigned Cash Handling Functions

Biller/Invoicer (if applicable): Creates and sends invoices. Records and makes changes to the Accounts Receivable system. The Biller/Invoicer should not have access to cash.

Cash Collection Point Cashiers: Conducts cash transactions with customers. Cash can be received in person and/or the mail. Enters each transaction into an approved accounts receivable system, cash register or cash receipt journal/log. Provides a receipt to everyone paying in person. Endorses all checks immediately upon receipt with a restrictive endorsement. Counts the Cash and turns Cash and supporting documentation over to the Cash Collection Point Supervisor at the end of his/her shift. If a Cash Collection Point Supervisor is not assigned, the Cash goes to the Deposit Preparer and the supporting documentation goes to the Reconciler. If there are multiple cashiers on the same shift, each person must have their own cash drawer and cash receipts book.

Cash Collection Point Supervisor (if applicable): Monitor cash receipting functions and authorize various transactions, such as refunds, voids, and cash drawer reconciliations. Have access to the cash drawers and safe.

Deposit Preparer: Retrieves and counts the cash receipts from the current or previous business day, prepares the deposit, and delivers it to the bank or designated deposit drop location. Submit all appropriate accounting information through the online eDeposit system. Deliver each validated deposit slip/eDeposit form to the Reconciler. Stores the Cash in a secure location until it is deposited. Follows UI policy or departmental (if more restrictive) deposit restrictions.

Reconciler: Verifies that the Deposit Preparer has deposited all cash received (daily on weekdays). On a monthly basis, reconciles eDeposit forms to the supporting documentation and to the General Ledger Statement of Account. The Reconciler should not have access to cash.

Complete the following roles that are applicable within your unit.

Assignment

Primary Individual(s) Name or Position Title

A) **Biller/Invoicer**

Cannot also be B, C, or D

B) **Cash Collection Point Cashier**

Cannot also be A 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 or E

E) **Reconciler**

Cannot also be B, C, or D

Describe any deviation in duties from the “Responsibilities of Assigned Cash Handling Functions” outlined above:

Cash Receipt Procedures

All transactions are to be recorded in a cash register or a cash receipt journal/log at the point of collection. If a cash register is used, develop operating procedures to be used for cashier training. Also, keep a copy of the procedures at each cash register for quick referral.

At the beginning of each designated "shift" the Cashier will ask the Cash Collection Point Supervisor to retrieve the locked register drawer/cash bag containing the approved change fund advance from the secure location. The Cashier should count the beginning till money to verify accuracy. If there are multiple cashiers on the same shift, each person must have their own cash drawer and cash receipts book.

Procedures for Cash/Checks received through the mail

- All **Checks** must be endorsed immediately with a restrictive endorsement that includes department. (i.e. “For deposit only, University of Iowa, Department of _____”). You can use a stamp with this message or it can be handwritten.
- Enter all cash and checks received into an approved accounts receivable system, cash register, or a cash receipt journal/log.

1) Are checks immediately endorsed with a restrictive endorsement? Yes No

Restrictive endorsement used: _____

2) Describe the procedure for use of cash register or cash receipt journal/log.

Procedures for Cash/Checks received in person

- All Checks must be endorsed immediately with a restrictive endorsement (“For deposit only, University of Iowa, Department of _____”). You can use a stamp with this message or it can be handwritten. {Checks will not be cashed by cash collection points (i.e. customer’s personal checks, paychecks, or customer’s third-party reimbursement check).}
- Enter all cash and checks received into an approved accounts receivable system, cash register or cash receipt journal/log (a cash receipt journal template is provided).
- The customer should be presented with a pre-numbered receipt form with a duplicate record to be retained by the unit. Staff must account for all pre-numbered receipts.

1) Are checks immediately endorsed with a restrictive endorsement? Yes No

Restrictive endorsement used: _____

2) Describe the procedure for use of cash register or cash receipt journal/log.

3) Is a pre-numbered receipt presented to the customer? Yes No

Other Procedures

If applicable, describe the procedures for receiving the following types of transactions:

MasterCard/Visa:

Third Party (3P) (i.e., Iowa Medicaid) Electronic Funds Transfer (EFT) (i.e., Credit Card Processor (Paymentech)) Remittance Processing and Reconciliation:

Student and Staff charges:

Procedures for voids and refunds

- All voided transactions are to be approved and initialed by the Cash Collection Point Supervisor.
- Refunds must be paid by University check unless UI Accounting and Financial Reporting has granted prior approval.

Does the department process voids and refunds? Yes No

If yes, describe the procedure, including who approves:

Procedures for Cashier’s end-of-shift (if applicable)

- The Cash Collection Point Supervisor will run the cash register “totals report” (usually called a “Z” or “ZZ” report). This will close the day’s activity and reset the register. If another shift will be used on the cash register, then a subtotal report would be more appropriate (usually called an “X” report).
- The Cashier will count down the drawer back to the original till/change fund amount and prepare a “Cash Drawer Reconciliation.” (The template can be used or a similar document). The Cashier must report all unresolved cash receipt variances to the Cash Collection Point Supervisor. Discrepancies (overages and shortages) will be tracked and reported to the Director/Dean for your unit on a monthly basis.
- The Cash Collection Point Supervisor will review and verify the “Cash Drawer Reconciliation,” including the till money count, retained for the next day change fund. The “Cash Drawer Reconciliation,” “ZZ” report, and other supporting documentation are to be retained by the Cash Collection Point Supervisor.
- The cash receipts will either be given to the Deposit Preparer for immediate deposit preparation or if applicable to the UI policy, will be secured in a designated location by the Cash Collection Point Supervisor, until it can be prepared for deposit.
- A copy of the “Cash Drawer Reconciliation” will be provided to the Reconciler. Only the cash, checks and credit card receipts, if applicable, should be provided to the Deposit Preparer.

1) Describe procedures used for cashier’s end of shift: _____

2) Collection procedures and supply list for periods of electronic “down time”:

Securing Cash/Cash Equivalents and receipts

Ideally, a safe should be used for storage of the change fund and daily receipts until deposited. Alternatively, where the purchase of a safe does not appear feasible, a locking cash box should be used and placed in a locking drawer. Access to the drawer and cash box must be limited to Cash Collection Point Cashier, Cash Collection Point Supervisor (if applicable) and Deposit Preparer and should remain locked when not in use. The cash box procedures, including key management and access, should be documented and parallel Management's policies and expectations. Safe combinations should be changed on a regular basis, at least annually and when someone leaves the unit who knows the combination. Keys to safes and/or cash boxes and safe combinations need to be kept in a secure, secret place.

Additionally, each Unit should reevaluate regularly, at least quarterly, whether or not the purchase of a safe for overnight cash storage is justified. Management should provide clear guidelines for this periodic evaluation.

1) Describe how cash is secured during the day:

Where is the Cash stored and in what? _____

Who has access to the Cash? _____

2) Describe how cash is secured after hours/office is closed:

Where is the Cash stored and in what? _____

Who has access to the Cash? _____

Cash Depositing

Procedure for deposit preparation

- Count money and prepare preprinted bank deposit slip (to obtain deposit slips, contact the University Billing Office).
- Submit all deposit accounting information through the eDeposit online system. For access to this system, training, or for more information regarding this system, refer to the Billing Office: http://www.uiowa.edu/ubill/policies_procedures/Edeposit.html
- Deposits accounting for receipts originating from credit card sales should follow the procedures outlined by the Billing Office at: http://www.uiowa.edu/ubill/policies_procedures/DeptCreditCard.html.

Describe deposit preparation procedures, including use of eDeposit system:

Procedure for deposit delivery

- Hand deliver the deposit with the white deposit slip (the yellow duplicate should be retained for documentation) to one of the following: U.S. Bank, UICCU, UIHC Cashier's Office, or College of Dentistry Business Office, at least weekly or when cash on hand is greater than \$500, whichever occurs first. Daily deposits are encouraged.
- Deposit all funds intact. The entire amount of receipts collected must be deposited so that all receipts are posted as receipts to the Unit's fund account(s). None of the cash collected in the Unit may be used prior to deposit. For example, the Unit cannot use \$10 of its cash receipts to purchase postage and then reduce the amount of its cash deposit by the \$10 used.
- Secure the deposit in a locked money bag/pouch or tamper evident bag (available through General Stores). Be as inconspicuous as possible by disguising the money bag in some fashion, such as placing it in a book bag. Alter the route and time of delivery to the designated deposit drop-off.

1) How frequently are deposits made? _____

2) How are deposits secured during delivery? _____

Reconciliation of Cash Receipts

- All cash collected must be balanced daily by comparing the total of the Cash to the accounts receivable system, cash register, or cash receipt journal/log. This can be accomplished by preparing the "Daily Cash Reconciliation" template or a similar document.
- The "Daily Cash Reconciliation" must be compared to the bank deposit slip/eDeposit form.
- The bank deposit slip/eDeposit form must be traced to the departmental Statement of Account (SA3) on a monthly basis.
- Proof of all reconciliations must be maintained by the department for three years plus the current year. The Reconciler will initial and date the hardcopy of the form being reconciled. If the reconciliation is done on-line, the Reconciler will initial and date another piece of supporting documentation that is required to be kept in hard copy (i.e. the deposit slip) or a log can be maintained instead.
- Reports of all unresolved reconciliation attempts must be reported to the Director/Dean for the unit on a monthly basis.

Process used to reconcile cash receipts

1) What is reconciled and how often?

2) What is the retention policy?

3) Unresolved reconciliation items are reported to whom?

Additional Comments
