



Cash Handling Training

Cash Handling

The Process and Responsibility are the same whether you take in a lot of money

Or collect just a little.



RISK and CONTROL

- ▶ *Cash and cash equivalents* are assets that carry the most risk.
- ▶ Because of the risk cash handling requires diligent *internal control*.

Remember these internal control processes are in place to protect

YOU and the **CASH** you are handling



Separation or Segregation of Duties

- ▶ An important part of an Internal Control plan
- ▶ Intended to prevent fraud and error
 - ▶ When in place these measures would require collusion with another person to perpetrate a fraudulent act.
- ▶ Separation of Duties breaks down tasks so that **no one person is able to;**
 - ▶ **Initiate, Approve, Record, Reconcile, Handle assets, or Review reports.**



RISK and CONTROL



- ▶ Cash is easily concealed
- ▶ Cash is lost
- ▶ Cash is converted to personal use (taken)
- ▶ Banner information doesn't agree
with Department Records
- ▶ Finger pointing/accusations
- ▶ No audit trail
- ▶ Lost Revenues

Before Cash Collection begins...

The CONTROL CHECK LIST

Department Cash Handling Supervisor or Impressed/Petty Cash Officer develops a plan:

- Is a Change fund needed?
- How will cash be received? By Mail, in Person ?
- Who will collect the cash? Who will record the cash?
- How will the cash be secured?
- Who will prepare the deposit?
- Who will take the deposit to the cashiers Office? When?
- Who will do the reconciliation? Management Review?
- Who will need training?



Is a Change Fund Needed?

- ▶ If you are required to make change you will need a change fund.
 - ▶ Complete a CHECK REQUEST FORM to request a change fund.
 - ▶ The person responsible for the fund should be listed on the form along with a description.
 - ▶ Think Ahead, processing a check can take up to 3 days. Will the check be picked or mailed?
 - ▶ Have a locking box ready to store the change (available at Office Supply Stores.)
- ▶ Keep Change Fund amount to bare minimum.
 - ▶ If in doubt Finance & Business Services can help you determine an appropriate amount.
- ▶ Keep the Change Fund Safe and Secure at all times.
- ▶ Never make change from your personal cash or wallet.

Collecting the Cash in person

- ▶ Each person authorized to receive cash should have a separate secure cash drawer or register.
- ▶ All sales or cash received must be entered into either;
 - ▶ A cash register, an automated cashing system,
 - ▶ Or recorded on a pre-numbered duplicate receipt
(Available through UVU Business and Finance, Contact Sandy Capell ex 8293.)
- ▶ All Checks Should be restrictedly endorsed immediately upon receipt.
 - ▶ Stamp back of check:

PAY TO THE ORDER OF
WELLS FARGO BANK
FOR DEPOSIT ONLY
UTAH VALLEY UNIVERSITY
184-0026-77
YOUR DEPARTMENT NAME HERE



Collecting the Cash in person and SALES TAX



- ▶ State Law requires that sales tax be collected on ALL sales
- ▶ With the Exception of:
 - ▶ Class related or required sales i.e., books, booklets, gloves, etc.
 - ▶ Admissions to UVU Athletic Events.
- ▶ **Check with David Phillips ext 8292 for information on collecting Sales Tax**
 - ▶ Sales tax rate varies by City so get the right rate. Orem is 6.85%
 - ▶ Separate the Sales tax collected from sales revenue on the deposit.
 - ▶ Deposit to STAX on Touch Net or Index code S12732-200023 on BANNER.
 - ▶ Sales for fund raisers are not exempt from sales tax!

Collecting Cash in person *sales from credit cards*

- ▶ Temporary use of Credit Card machines can be arranged by contacting Mike Jones ex 8291. (Must have reliable cell service).
- ▶ Contact Shawna Taylor ex 5718 for information about Square Credit Card machines.
- ▶ When receiving payment via credit card compare the signature on the back of the card and verify the picture ID.
- ▶ The cash drawer should be balanced at the end of each shift.
- ▶ Additional training may be required to satisfy payment card industry guidelines.



Collecting the Cash

- ▶ For proper internal control of cash and cash receipts
 - ▶ **Billing**
 - ▶ **Receiving Cash**
 - ▶ **Preparing Deposits**
 - ▶ **Reconciling to Departmental Accounts**

Should be divided or performed by different individuals

Collecting the Cash By Mail

- ▶ Two people should open the mail **together** if checks are received in the mail.
- ▶ Checks should be immediately restrictively endorsed. With a UVU Bank endorsement stamp or “For Deposit Only to Utah Valley University.”
- ▶ Each check should be entered into a cashiering system or listed on a daily “checks received.” log. This log should reconcile to daily the deposit.

LOG SHEET FOR CHECKS RECEIVED IN THE MAIL				
RECEIVED DATE	RECEIVED BY	AMOUNT	CHECK #	PROVIDER



AFTER COLLECTING THE CASH what next?

1. Secure
2. Balance
3. Deposit
4. Reconcile

Securing Cash while in use....

- ▶ Cash and checks should be kept in a secure register or cash box.
- ▶ Do not leave cash, cash box, or an individual's personally identifiable information out or on your desk.
- ▶ If copies of checks are made block out all personal financial information, bank account and routing numbers.



Securing Credit Card Information

- ▶ Federal laws and PCI (Payment Card Industry) Compliance Security Standards require UVU to maintain proper controls and procedures to prevent identity and credit card information from being compromised or stolen.
- ▶ Keep Credit Card Information Secure..
 - ▶ Never email or fax credit card numbers.
 - ▶ Never store credit card information on a computer or external storage device, i.e. in a file cabinet.
 - ▶ Destroy/shred/block out records with an individual's full name and credit card number.
 - ▶ Never throw this type and other personally identifiable information in the trash or recycle bin or leave unprotected on your desk.
 - ▶ Contact Shawna Taylor ext 5718 for further information about PCI compliance.

Securing Cash In Storage

- ▶ Keep cash access locked during the day when possible.
- ▶ All collected cash should be kept in a locked safe.
 - ▶ Access limited to only 2 -3 people.
 - ▶ Change combinations on a regular basis,
- ▶ Or a locking cash box.
 - ▶ Cash box should be additionally kept inside a locked drawer or closet when not in use.
 - ▶ Access limited to the person collecting and immediate supervisor.
 - ▶ Key should be kept in a secure secret place.



BALANCING

- ▶ Cash receipts must be balanced every day or every shift.
- ▶ Person balancing
 - ▶ Compares the total cash, checks, credit card receipts received to the cash register tape totals or pre-numbered receipts.
 - ▶ Investigate and resolve discrepancies then initial or sign and date to document the balancing.
 - ▶ Person balancing should **NOT** receive cash **AND** balance cash in order to maintain proper segregation of duties.



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The Deposit

- ▶ Deposit all funds received. Record all overage/shortages.
 - ▶ Departments depositing funds on a recurring basis should contact;
 - ▶ Janeen Marsigli, Cash Management Supervisor ex8956, for TouchNet deposit system signup and training.
 - ▶ TouchNet is an easier way to access and record your cash, check and credit card deposits.
 - ▶ Deposit should be prepared by someone who did not collect the cash.
 - ▶ Departments depositing funds from an annual or special activity;
 - ▶ Annual or occasional Deposits can be made on a Department Generated form or Miscellaneous Cash receipt form from the Cashiers Office.
 - ▶ Deposit should be prepared by someone who did not collect the cash.

Transporting Cash

- ▶ Secure the cash and checks in sealed cash bags available at Office Supply Store.
- ▶ Don't be conspicuous.
- ▶ Don't take the same route, the same time of day, don't be predictable.
- ▶ Use common sense.



Reconciliation

Don't overlook this step!

- ▶ Reconciliation should be performed by someone other than the person who received the funds or prepared the deposit.
- ▶ Reconcile the Departmental cash report to:
 - ▶ TouchNet Deposit **Input Report** or UVU Cashier's Office deposit receipt.
 - ▶ Reconcile deposits to **BANNER** Department Reports on a regular basis.
 - ▶ This should be done and initialed by **Manager** at least monthly.

Management review

No matter who collects deposits and reconciles,
Department management is ultimately accountable.

- ▶ Management Responsibilities
 - ▶ Establish effective internal control system.
 - ▶ Delegate cash handling duties to maintain proper segregation of duties.
 - ▶ Require that those handling cash follow appropriate procedures and policies.
 - ▶ Review receipts and reconciliations on a regular basis.

Segregation of Duties

- ▶ The primary objective is the prevention of fraud and errors.
- ▶ Fraud is most often committed by trusted employees:
 - ▶ Financial Pressure
 - ▶ Rationalization
 - ▶ Perceived Opportunity
- ▶ For increased protection against fraud.
- ▶ A good system of internal controls and separation of duties reduces both real and perceived opportunities to commit fraud and theft.

How to Segregate Duties

What if you don't have 4 people available to
Bill, Collect, Deposit and Reconcile?

- ▶ Compensating controls must be implemented if you don't have enough people to segregate duties. Consider the following alternatives:
 - ▶ If external billings are necessary send them through UVU Accounts Receivable.
 - ▶ Internal invoices should be reviewed/verified by another person.
 - ▶ Two set's of eyes principle.
 - ▶ 2 people open the mail, One lists the checks in the system or manually, The other separately totals the checks. Both lists must balance (they become receipt documents).
 - ▶ Deposit can be prepared by one of these individuals.
 - ▶ Verified in BANNER by supervisor/ Banner Responsible Party.

Responsibility	Duty	Ideal 4 person Environment	Good: 3 person Environment	Minimal: 2 person Environment
Cash receiving (cashiering) and counting cash as part of the cash drawer closing process	Asset handling	Coworker 1	Coworker 1	Joint - Coworkers 1 & 2*
Deposit preparation, and the recording of cash receipt on the Departmental / Sub Cashier Cash Collections Deposit Form.	Booking/Recording	Coworker 2	Coworker 2	Joint - Coworkers 1 & 2*
Cash-related ledger correction or adjustment (journal voucher) review and approval	Booking/Recording	Coworker 4	Coworker 3	Initiation: Coworker 2 Approval: Coworker 1
Making the cash deposit at the Campus Cashier's Office	Asset handling	Coworker 3	Coworker 1	Coworker 1
Comparing cash deposits recorded in the general ledger to deposit amounts appearing on copies of the Departmental / Sub Cashier Cash Collections Deposit Form	Comparison/Review	Coworker 4	Coworker 3	Coworker 2**

*Co-worker 2 retains & secures a copies of receipt forms for ledger review purposes.

** Ideally, the "Responsible Party", someone other than coworker 1 or 2 should perform and certify this ledger review.

Cash Equivalents

- ▶ If you have responsibility for cash equivalents such as gift cards or lab fee cards they must be treated the same as cash.
 - ▶ Secure in a locked safe or drawer.
 - ▶ Record in a software system or log.
 - ▶ Document who received/used details where necessary.
 - ▶ Reconcile Sales to Inventory on hand
 - ▶ Reconcile Deposits from sales to Banner

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 a one week
 - ▶ Cash/petty cash maintained in excess of need.
 - ▶ Deposits not reconciled to Banner
 - ▶ Supervisory approval not evident on voided transactions.
 - ▶ Departmental cash receipting procedures not formally documented in writing.