



Procedure 208-05 Cash Handling
Sponsor: Business and Administrative Services

Purpose

The purpose of the cash handling procedure is to mitigate the relatively high risk associated with transactions involving cash by establishing a strong system of internal controls to safeguard cash and liquid assets.

Definitions

None

Procedure

General Guidelines

1. Cash received must be deposited with the bank intact and on a timely basis.
2. Cash must be properly safeguarded and recorded.
3. All bank accounts must be approved by the Executive Director of Accounting and must be reconciled monthly by an employee who is not involved in cash acceptance or reconciliation.
4. Access to cash must be limited to as few employees as possible and cash payments may be accepted by authorized cash handling employees only.
5. All cash received must be immediately posted to a student account or documented in a pre-numbered duplicate cash receipt book.
6. Personal checks must not be cashed or used as an IOU to replace cash.
7. Proper segregation of duties must be established and maintained to separate cash receipt from reconciling functions.
8. Payment should be only accepted by an employee authorized to accept payment on behalf of the institution.
9. Each employee responsible for handling cash will be required to complete an acknowledgement that they have read and agree to abide by established procedures for proper handling of cash.
10. All employees who handle cash must be bonded.

Violation of procedure, theft, fraud, or other inappropriate activity

Willful violation of this procedure can result in immediate termination.

If it is suspected that a theft or fraud has occurred, Campus Security and the appropriate law enforcement authorities must be notified.

If inappropriate activity is suspected or determined (i.e., a pattern of cash shortages, forgery or alterations of checks, misapplication of refund procedures, etc.) the college staff should immediately notify the Executive Director of Accounting, Executive Vice President, or Human Resources representative, who will work with Campus Security to determine the appropriate course of action in order to investigate the allegation.

Banking

To ensure the safeguarding of cash receipts, a bank account must be established with a commercial bank that is insured by the Federal Deposit Insurance Corporation (FDIC).

Cash Receipts

All payments must be documented immediately by being posted to a student account, college account, or recorded in a duplicate, sequentially numbered receipt book. All receipts must be reconciled daily by each Student Accounts representative and certified by signature or initials. Duplicate reconciliation is performed and certified by Business Office staff.

In all locations where cash is received, a safe or locked cash box should be used to safeguard the cash until it is deposited in the College's commercial bank account. Cash must be deposited into the safe daily, where it is held until deposited with the bank. Cash must be deposited with the bank on a regular basis, sealed in the bank envelopes with a deposit form. A validated deposit slip must be obtained and filed with the daily cash receipt summaries.

A daily cash receipts summary will be performed by each Student Accounts representative, with a summary created on a regular basis by Business Office representative, prior to making the bank deposit.

Over-the-counter Receipts

All cash handling employees must maintain their own, locked cash drawer during their shift. It should remain locked at any time during the Student Accounts representative's absence. After each shift, each Student Accounts representative will compare the total payments posted to Banner with checks and cash on hand. Miscellaneous debit and credit transactions will be compared with machine summary reports. Each Student Accounts representative will then place their cash, checks, and reconciliations in the locked cash box at the end of their shift. Access to this box is restricted to the Business Office staff. Receipts are provided to the person who made the payment.

Business Office staff will count the cash in the cash box each morning to arrive at total cash collections for the previous day. This amount will be compared with summary reports from Banner. Any differences should be identified as cash over or short.

Mail Receipts

Checks received through the mail must be received by employees who are not responsible for maintaining accounting records. Checks should be forwarded to the Lone Tree campus. All checks received must immediately be stamped "for deposit only". All checks must be logged and submitted to the Business Office.

Bank Reconciliations

Monthly bank statements are downloaded and bank reconciliations are prepared by an employee with no duties involving authorizing or accounting for cash transactions, or handling cash.

1. Checks paid will be compared to the cash disbursements journal to ensure that the number, date, payee and amount agree.
2. Dates and amounts of deposits recorded on the bank statements will be compared to deposit slips maintained on file with the daily cash receipts summaries.
3. A list of all outstanding checks will be prepared, and updated after each month's reconciliation.
4. For checks remaining outstanding after a six-month period of time, the business office will attempt to contact the payee to determine if the check has been lost or sent to the wrong address.

If a new check needs to be issued, payment on the original check will be stopped. If the payee is not reached, the funds will be reported to the State of Arizona Unclaimed Property division according to their established requirements.

Club and Foundation Funds

Funds required for petty cash before an event should be requested of a Student Accounts representative at least forty-eight hours in advance of the event. Only employees of Coconino Community College may request petty cash funds, and must sign the Petty Cash Change Fund Responsibility Agreement.

Requests to process debit and credit transactions on behalf of a student club or the Foundation must be made at least forty-eight hours in advance of the event. Student Accounts will try to accommodate the processing of debit payments for Club and Foundation fundraising events to the best of their ability during scheduled office hours.

Credit payments may only be accepted if the payer agrees to the convenience fee imposed by the 3rd party processor.

Cash payments made to student clubs should be deposited with Student Accounts the same day, or at the start of business hours the following day if an event is held after regular office hours.

Deposits will be credited into the appropriate Club account.

References

State of Arizona Financial Accounting and Reporting Manual

Procedure History

01/03/2018 New and Adopted by College Council

Legal Review

None