**NICHOLLS STATE UNIVERSITY**

**CASH HANDLING POLICIES AND PROCEDURES** 

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# Policy

**Policy Statement**

The establishment of strong internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss.  Strong internal controls are also designed to protect employees from inappropriate charges of mishandling funds by defining his/her responsibilities in the cash handling process.  Cash is considered to be any type of payment for goods or services including: coins, currency, checks, money orders, credit cards and electronic transfers.  The University cash handling policy requires that areas receiving cash be approved by the University Controller’s Office and be designated as cash collection points. A cash collection point is defined as a department or other entity which handles cash on a regular basis.  Although departments and other entities with casual collections of cash are not recognized as cash collection points, they must, wherever possible, follow the same cash handling policies and procedures that apply to the cash collection points.  Casual collections include but are not limited to the following: receipt of gifts, grant payments, and non-recurring fees and sales. Required policies for cash collection points include the following:

* Accounting for cash as it is received.
* Adequate separation of duties.
* Adequate safeguards for handling and storing cash.
* Approval of any voided cash receipts.
* Promptly depositing cash at the University Fee Collection Center of the Controller’s Office into an authorized University account.
* Reconciliation of validated deposit forms to supporting documentation and to the statement of accounts in the Banner Finance system.
* Notifying the Controller’s Office, in writing, of any changes in their cash handling procedures.

The use of checking or other bank accounts by University personnel for depositing University cash is strictly prohibited.  Periodic reviews of cash handling procedures will be conducted by the University Controller’s Office.  Periodic audits of these procedures will be performed by the Internal Audit Department.  Departments not complying with approved procedures may lose the privilege to serve as a cash collection point.

## Policy Distribution

Any official or administrator with responsibilities for managing University cash receipts and those employees who are entrusted with the receipts, deposit, and reconciliation of cash for University related activities should be informed of this policy.

## Responsibilities

**Department or Unit Executive Officer –** Submit a request to establish a new cash collection point.

**Cash Collection Point Supervisor –** Design a written policy stating an adequate separation of duties in cash handling.  Develop a method of accounting for cash as it is received.  Provide adequate safeguards for storing cash.  Establish procedures for promptly depositing cash receipts at the University Fee Collection Center of the Controller’s Office.  Reconcile validated deposit forms to the supporting documentation and to the statement of accounts (Banner Finance).  Approve any voided cash receipts.  Inform the Controller’s Office, in writing, of any changes in cash handling procedures or changes in personnel involved with the cash collection point.

**Cash Collection Point Cashiers** – Conduct cash transactions with customers.  Endorse all checks immediately upon receipt with a restrictive endorsement.  Count the cash and turn it over to the deposit preparer at the end of the shift.  Turn over any supporting documentation (cash register tapes, etc.) to the cash collection point supervisor.

**Deposit Preparer** – Count the cash receipts, prepare the deposit and deliver or have it delivered to the University Fee Collection Center of the Controller’s Office.  Store the cash in a safe or other secure place until it is deposited.  Personnel bringing deposits daily to the Fee Collection Center must wait for a receipt for the deposit.

**Fee Collection Window Personnel –** Count the cash received and reconcile to the deposit total.  Answer questions relating to the depositing of cash.  Fee Collection Center Personnel are located in Elkins Hall.  Fee Collection Center personnel contact is

Melissa Rivere – 448-4055 

**Controller’s Office Personnel** – Review and approve the establishment of new cash collection points.  Conduct periodic reviews of existing cash collection points. Advise departments on cash handling policies and procedures.  Controller’s Office contact is:

Elizabeth Riviere – 448-4067

## Procedure

### Establishing New Cash Collection Points

All new cash collection points must be authorized by the University Controller’s Office and approved by the University Office of Finance before collection begins.  Departments or other entities wishing to become cash collection points must submit a request to the University Controller’s Office in the form of a memo which must include all of the following:

* + Name of Department or Office making the request.
  + Account Name and Account Number where funds will be deposited
  + Reason(s) why a cash collection point is needed.
  + A list of those persons involved with the cash collection point and a description of their duties.
  + Whether there is a need for a change advance.
  + A description of the reconciliation process, including frequency of reconciliation.
  + A description of the security for safeguarding cash until it is deposited.
  + Information on how often cash deposits will be made.

The request will be reviewed and if appropriate, authorized by the University Controller’s Office and submitted to the University Office of Finance for approval.

**Procedures for Cash Collection Points**

The following list of procedures is required for the operation of cash collection points:

* + All cash received must be recorded through a cash register when one is available, or the customer should be presented a pre-numbered receipt form with a duplicate record being retained by the receiving department.
  + The cash collection point must maintain a clear separation of duties.  An individual should not have responsibility for more than one of the cash handling components: collecting, depositing, and reconciling unless approval has been received from the University Controller’s Office.
  + The cash received must be reconciled to the cash register or to the pre-numbered receipts at the end of the day or at the end of each shift.
  + All checks, cash and credit card receipts must be stored in a safe or other secure place until they are deposited.
  + All checks should be endorsed immediately with a restrictive endorsement payable to Nicholls State University.
  + In those rare occasions where checks are made payable to a payee other than Nicholls State University, these checks must be endorsed as drawn and then respectively endorsed for deposit to Nicholls State University.

The endorsement placed on the back of these checks should read on the first line - payee’s name and on the second line - “Pay to the Order of Nicholls State University”. Example, if a check is made payable to the Athletic Department, the endorsement should be: Athletic Department

Pay to the Order of Nicholls State University

* + Any voided cash receipts must be approved by the cash collection point supervisor.
  + Checks must not be cashed by cash collection points.
  + Deposits must be made at the University Fee Collection Center daily unless other arrangements have been made.  University departments may implement a more restrictive deposit policy if security and/or employee safety are of concern.
  + All funds received must be deposited intact.
  + Refunds as a result of an amount overpaid to the University must be paid by University check issued through the University Controller’s Office.
  + The deposit (receipt of cash) forms must be reconciled to the supporting documentation upon deposit and to the statements of account monthly.
  + Personnel bringing deposits daily to the Fee Collection Center must wait for a receipt. Deposits cannot be left without a receipt being written.
  + Deposits should not be sent through campus mail.

**Instructions**

**Receipt, Deposit and Reconciliation of Cash Deposited**

1. **Cash Received in Person**

* The cash received must be entered on a cash register, if one is available, and a copy of the receipt given to the customer.  If a cash register is not available then authorized, pre-numbered, three- part receipts must be utilized and a copy of the receipt given to the customer.
* All checks should be endorsed immediately with a restrictive endorsement payable to Nicholls State University.
* All voided transactions or receipts are to be approved and initialed by the cash collection point supervisor.
* Only one cashier should be allowed access to a cash register or cash drawer during a single shift.
* Cash must be stored in a locked safe or other secure place until it is deposited.

1. **Cash Received Through the Mail**

* An authorized, pre-numbered receipt must be written for all cash or checks received through the mail.  A copy of the receipt must be mailed to the payer.
* The mail is opened and all checks received must be endorsed with a restrictive endorsement.
* All voided transactions or receipts are to be approved by the cash collection point supervisor.
* The cash must be stored in a locked safe or other secure place until it is deposited.

1. **Balancing of Cash Receipts**

* All cash collected must be balanced daily by comparing the total of the cash, checks, credit card receipts, etc. to the cash register totals, the pre-numbered receipt totals and the money received by mail totals, as applicable.

1. **Preparation of Deposits**

* This function includes counting the cash collected and preparation of the deposit. The deposit must be prepared by someone not involved with collecting the cash or opening the mail.  The deposit preparation procedure should be as follows:

1. A transmittal letter or other documentation containing the following information should be submitted along with the deposit to the University Fee Collection Center.
   * 1. The total amount of money being turned in with a subtotal of how much is in cash, how much is in checks, and how much is in credit cards (if applicable).
     2. The pink copy of the authorized, pre-numbered receipts issued for funds being deposited must be attached.
     3. Total receipts should equal total amount of deposit.
     4. The account number and name into which the money should be deposited.
     5. The reason or purpose for which the money was received or collected.
     6. The transmittal letter should be signed by the person in charge of the account.
     7. Funds to be turned in for deposit should not be sent through campus mail.
2. **Reconciliation of Cash Deposited**

* This function must be performed by an employee who has no cash handling responsibilities.  It includes verification of supporting documentation of cash deposited(cash register totals, pre-numbered receipts, and total of the money received through the mail) to the deposit receipt received from the University Controller’s Office.  At least monthly, the validated deposit receipts should be reconciled to the statement of accounts in the FRS system.  Proof of reconciliation must be maintained on file by the departments.