

# University of Wisconsin-Green Bay Cash Handling Policy

*Updated: December, 2015*

## **PURPOSE:**

All University of Wisconsin Green Bay departments that handle cash, coin or checks (referred to as cash) must understand and show a commitment to strong internal controls for cash handling. Internal controls are necessary to prevent mishandling of funds and to safeguard against loss/theft. Strong internal controls also protect employees from inappropriate charges of mishandling funds.

## **POLICY:**

Departments that handle cash are responsible for complying with the procedures outlined in this document and for developing written departmental operating procedures. The Bursar office and Controller office staff are available for consultation and review of current departmental cash handling procedures. Departments are responsible for training designated employees in cash handling policies and procedures.

### A. Before handling cash, all departments should:

1. Notify the Bursar's office that the department will be accepting cash payments.
2. Obtain a blank receipt book from the bursar office, unless a cash register is used.
3. Keep cash and/or checks in a locked cash box or other secured device/safe. Have the ability to secure funds in a safe or locking file cabinet which is located in a locked office.
4. Have a procedure in place for securing and changing combination/keys of secured devices where there is an employee change.
5. Have at least one locking money bag for transporting money.
6. Designate one person to be responsible for the funds.
7. Have a department stamp to endorse with UW-Green Bay's bank account information and the department name on the stamp. The bursar office can assist in ordering department endorsement stamps.
8. Departments can request a temporary change fund from the Bursar office in writing. Controller approval is required.

### B. Cash Handling

1. All transactions must be receipted. This is for your protection as well as the customer.
  - a. Make sure when making change that you keep the money visible to the customer until the transaction is complete or verified.
  - b. Receipts must be completed immediately when the transaction is made.
    - All receipts should be pre-numbered and used sequentially. When a receipt book is used, the payer should be given the original receipt and the carbon copy should be left in the book. If a receipt is voided, the original receipt must be attached in the receipt book. Skipped receipts should be voided with the original kept in the receipt book.
    - Cash registers should be placed to enable the payer to see what is being rung up. The machine printed receipt should be given to the payer.
    - Concession vending sales are an exception in which receipts are not required. In this case, cash is controlled through tight inventory control.

2. Checks should be made payable to UW-Green Bay, must be written for amount of purchase only, and must be restrictively endorsed with the department's endorsement stamp. Upon receipt of checks, staff should:
  - a. Verify the check is signed and that the preprinted name and signature agree.
  - b. Verify the correct amount has been entered in the numerical portion and that it matches the written portion.
3. Post dated checks shall not be accepted for payment.
4. IOU's borrowed against starting cash or non-deposited receipts are prohibited.
5. Cash handling accounts are designed for transacting business and should not be used as check cashing funds for students or staff.
6. Refunds cannot be made out of receipts. If a refund is needed, a refund request should be submitted to Accounts Payable, indicating the account number, date of receipt, amount of receipt, refund amount, name of individual to refund, and the reason for the refund.
7. Checks should be written from a U.S. bank drawn as US dollars. Foreign checks and foreign currency are not accepted - this includes Canadian currency.

### C. Deposits

1. Receipts should be deposited within 4 days, and more frequently if volume, safety, or storage makes this necessary.

Wisconsin State Statute 20.906 (1) dictates frequency of deposits as follows:

*"Frequency of deposits. Unless otherwise provided by law, all moneys collected or received by any state agency for or in behalf of the state or which are required by law to be turned into the state treasury shall be deposited in or transmitted to the state treasury at least once a week..."*

Wisconsin State Statute 20.906 (4) defines potential penalties that may be imposed for non-compliance with these guidelines as follows:

*"Penalties. If any state agency fails to make such deposits of money, or to make such reports as are required by this section, the department of administration, with the approval of the governor, shall withhold all moneys due such state agency until this section is complied with; and upon such failure to make such deposits of money, the officer or employee so failing shall be liable to the secretary of administration for an amount equal to the interest upon the moneys so withheld from deposit at the same rate as that received by the state upon moneys held in the state investment fund, for the period for which such deposit is withheld; and such interest shall be a charge against the officer or employee and shall be deducted from that person's compensation."*

Departments that collect large sums of money should make deposits more frequently than once a week.

2. All departments must complete the standard deposit form when depositing cash with the Bursar Office. Include supporting documentation to explain what the deposit is for with the deposit form. Any variance should be noted as an over/short entry.
3. Deposits should be presented to the Bursar office between 8:00 a.m. and 4:15 p.m., Monday through Friday. Cash or checks should not be sent to the bursar office through intercampus mail.

4. When receipt books are used, they should be dated and stored for audit in the department.
5. When a cash register is used, the register tape should be dated and stored for audit in the department.
6. When tickets are used, a record of ticket numbers sold for each deposit should be on file in the department. Unused tickets should be stored in a secured cabinet.
7. Concession sales/inventory reduction reports for each event should be stored for audit in the department.

#### D. Returned Checks

1. Deposited checks may be returned from the bank for non-sufficient funds, account closed, invalid account, no account, payment stopped, etc. When a check is returned from the bank, Student Billing will charge back accounts either through the student account system or through a departmental deposit transaction.
2. A student account charge back is processed by reversing the payment on the student's University account. The student will be notified by email to their University email account. The account will be re-credited when a new payment is received and processed.
3. The University charges a non-sufficient funds (NSF) check fee. The fee amount is listed on the Bursar website.

#### E. University Bank/Department Accounts

1. University departments cannot possess an outside bank account.
2. All collections must be deposited to official University accounts by departments operating them. Exceptions to this policy are unofficial UW-Green Bay activities (activities that are in some way connected with UWGB, but are not official University functions) such as student clubs and organizations. These types of activities are encouraged to set up an Agency Fund Account with the Bursar Office.
  - a. Agency Fund accounts are kept separate from State funds and, thus, are not regulated by State guidelines and restrictions as university accounts are. There is no charge to the organizations, and each account is kept separate internally and accounted for as such. This means that each account essentially receives free checking and "automatic bookkeeping." No interest will be credited to any account deposited within the Agency account.
  - b. Deposits to Agency Fund accounts are made directly to the Bursar Office. Whenever a check is needed, it will be provided upon request with the check request form, proper documentation and approvals.

#### F. Security

Take precautions when handling cash. Consistent with article C of this policy, cash should be deposited within the same business day, whenever practical and possible. If daily deposits are wholly impossible then cash must be kept in a locked secure storage unit.

Money in a safe or change fund should be counted on a periodic basis and recorded in a log by denomination. The Controller's office will perform routine counts of petty cash and change funds.

Cash handling units are responsible for posting notice of procedures to safeguard cash in the event of robbery, fire, or fire drills.

Some other considerations with regard to security are as follows:

- A minimal number of people should be allowed to have access to cash; as adequate separation of duties must be insured.
- More than one person should be present when cash is being handled.
- Student employees should be required to report receipts and any resulting variances to their supervisor on a daily basis.
- Employees should be careful to not be lured away from the area where cash is kept.

#### G. Segregation of Duties

Cash handling duties should be performed by different people so that no one person has control over the entire cash handling process. Separating the cash handling duties among different people will minimize the risk of errors, decrease the opportunity for fraudulent activity and increase the chance of detecting errors.

Cash handling duties can be divided into three stages: receiving, depositing, and reconciling. Ideally, all three stages would be performed by different individuals. In a smaller department, it may not be feasible to fully segregate all of the cash-related duties. In these circumstances, the department must identify compensating controls to mitigate the risk that cash is misappropriated (e.g., increased monitoring.)

Reconciliations should be completed by a specified individual who does not handle cash. If this is not feasible within a department, someone outside of the cash handling process should review the reconciliation. Reconciliations should compare the following:

- The cash receipt records (e.g., cash register balancing records or pre-numbered receipt books) to the deposit slip.
- The cash receipt records to the department funding string activity in WISDM.
- Any differences should be documented and resolved promptly.