

University Cash Handling

## Procedures

For Departmental Use

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Prepared by

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Cash handling refers to all the tasks inherent to the acceptance, receipt, storage, transportation, and depositing of coin, currency, checks, money orders, negotiable instruments and charges on behalf of UW-Whitewater and/or the State of Wisconsin.

Due to the associated risks, cash handling activities are highly regulated and closely monitored. Internal controls are utilized to safeguard assets against loss/theft and to prevent mishandling of funds. A strong internal control program defines responsibilities and procedures and serves to protect employees from inappropriate charges.

Supervisors of departments that handle cash must be knowledgeable regarding internal controls and are responsible for establishing and maintaining the proper environment, procedures and training. Supervisors are also responsible for monitoring their department’s cash handling activities on an ongoing basis and conducting periodic reviews to ensure the internal controls are being followed and are effective.

Procedures used by University departments, Cashier Office, and Student / Faculty organizations are outlined below. This document has been prepared to serve as a guideline for any University department or organization that handles cash. These guidelines represent the minimum requirements and each department is expected to develop more detailed procedures tailored to their specific needs. Assistance with the development, implementation and monitoring of an appropriate internal control program is available from Financial Services upon request.

**STATUTORY REQUIREMENTS**

The Legislature uses Chapter 20 of the statutes to cover a broad range of issues under the title of “Appropriations and Budget Management.” Included in Chapter 20 is a very specific guideline on the frequency of deposits and the penalties for failure to observe the guidelines:

**Wisconsin Statutes 20.906 Receipts and Deposits of Money**

“(1) Frequency of Deposits. Unless otherwise provided by law, all monies collected or received by any state agency for or on behalf of the state treasury shall be deposited in or transmitted to the state treasury **at least once a week**…..”

“(4) 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 approval of the governor, shall withhold all monies 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 state treasurer for an amount equal to the interest upon the monies so withheld; and such interest shall be a charge against the officer or employee and shall be deducted from his compensation.”

The University Cashier Office makes all deposits on behalf of the University.

**DEFINITIONS:**

**State Receipts**

State receipts are “all monies collected or received by any State agency for or on behalf of the State….” This includes all fees (resident, non-resident, and segregated) for credit and non-credit programs, user fees, contract proceeds, fines, assessments, service fees, grants, gifts and other miscellaneous revenues.

State receipts are distinguished from other receipts by the source of authority for their collection and assessment. Only fees authorized by the Board of Regents, the Wisconsin Statutes, or by an official UW-Policy paper may be collected. Conversely, no individual, department, or entity may create or cause a fee to be assessed unless authorized to do so by the Regents, the Statutes or by UW Policy. Special course fees are permitted only under the parameters of System Policy 825 Special Course Fees.

**Student / Faculty Organization Receipts**

The deposit of student or faculty organization receipts into Student / Faculty accounts is permitted. Student and Faculty organizations may collect funds as part of the operation of their organization, and utilize the University bank account provided for this purpose. Because these funds are under the protection of the University, the University federal ID number is used for the maintenance of the account. No student or faculty organization may use this ID number to open separate checking or other bank accounts.

C**ASH HANDLING RESPONSIBILITIES / DIVISION OF LABOR**

System Administration is responsible for issuing general guidelines, seeking legal interpretations, assisting UW-Whitewater Financial Services and monitoring compliance.

The University Cashier Office is responsible for receipting and depositing all university revenues or recovery of expenses. In addition, the Office reports State and County sales tax collections to the Department of Revenue. Inquiries about the taxability of goods or services provided by the University may be directed to the Cashiers Office. The Cashiers Office also offers checking account services for Student/Faculty organizations. They provide instructions and the necessary forms for State and Student/Faculty account transactions.

Departments collecting university revenue must deposit all funds with the Cashiers Office. No university funds may be diverted to the Foundation or used to direct pay expenses.

**CHECK CASHING SERVICES**

The Cashier Office does not provide check cashing services. Local banks should be contacted if this service is needed.

**CASH COLLECTION PROCEDURES**

Collections should be made only in areas that are secure for both the employees and for the State’s assets.

The **University Cashier Office** is designated as the main cash collection point at UW-Whitewater, and all deposits or payments should be directed there whenever possible.

**Departments** collecting revenues at locations remote to the University Cashier Office must deliver deposits to the Cashiers Office in locked security bags and with an accompanying completed deposit form at least weekly. Additionally, cash register receipts, manual (hand-written) receipts or receipt logs must be processed for all money received. (Contact the Cashier Office for procedures for manual (hand-written) receipts and receipt logs in the event of off-site collection activities or emergency situations such as long-term equipment or power failure.)

1. Cash Register Receipt Requirements:
2. The original machine printed receipt must be given to the customer.
3. The journal tapes from all the cash registers will serve as the source documents for receipts. The journal tapes must have the beginning/ending dates and beginning/ending receipt numbers as well as the cash register ID marked on the outside and should be retained for five years for audit purposes.
4. Manual Receipt Requirements:
5. Must be pre-numbered and have a duplicate copy.
6. All pertinent information should be itemized on receipt (i.e., method of payment (cash or check), date, $ amount, description of item(s), customers name and signature of person preparing receipt.
7. The “original copy” of the receipt must be given to the person making the payment.
8. The “duplicate copy” of the receipt must remain in the receipt book.
9. If a receipt is made out incorrectly, write “VOID” across the face of the receipt and leave all copies in the receipt book.
10. A separate log which accounts for all pre-numbered receipts should be maintained.
11. Fully used receipt books should be retained as mandated by records retention policies. The beginning/ending dates and name of department should be marked on the outside front cover of the receipt book.

C. Mail Receipts:

Student fee payments received by departments other than the University Cashier should be hand delivered promptly to the University Cashiers Office. The payments should include the student’s name, ID# and the purpose of the payment (i.e., Fall 2016 fees). Generally, canceled checks will serve as receipt of payment.

**SECURITY AND LOCATION OF RECEIPTS**

Cash or checks should never be left unattended or kept in an unlocked receptacle (i.e., desk drawer, file cabinet, etc.), but should be stored in a locked cash drawer, desk drawer or safe/vault. No receipts should leave the campus.

Be aware of the amount of receipts on hand and remember that cash is more vulnerable to loss/theft than checks. In cases where the predominance of revenue is cash, deposits should be prepared and transported to the University Cashier Office several times each week.

Periodic inspections/inventories of the safe/vault in Departmental Offices and the University Cashier Office should be conducted by designated personnel. All non-marked items, cash, old checks, etc., should be identified and processed in accordance with correct procedures.

NOTE: Personal items such as cash, jewelry, or other valuables should never be stored in the safe/vault and if discovered MUST be returned to the owner at once.

**DISTRIBUTION OF KEYS AND SAFE COMBINATION**

Locks and combinations should be adequately safeguarded. Distribution of keys and safe combinations is limited to authorized personnel only and a “Safe Combination / Key Control Log” should be maintained. Keys for locked drawers, cash registers, restricted areas, etc. should be secured and stored either in a locked key case or in a safe/vault. Combinations must be changed, keys returned and locks rekeyed whenever changes in authorized personnel occur.

**SEPARATION OF DUTIES**

Strong internal control over cash handling procedures includes separation of duties wherein revenue collections and the subsequent deposit/transmittal and reconciliations are performed by different individuals. This provides a system of checks and balances to ensure both accuracy and propriety of transactions. Efforts must be made to separate these duties whenever possible (within staffing limitations). Should staff limitations be an issue, the department must have alternative methods to ensure a problem is caught timely, such as review of revenue logs, cashier receipts going to a separate person who has not been involved in the deposit process, alternative logs of items sold compared to deposits, etc.

Should departments have questions about how they should separate duties, assistance is available from Financial Services.

**DEPOSIT AND TRANSMITTAL OF RECEIPTS OF STATE ACCOUNTS**

1. All Revenues collected as a result of the sale of University goods or services belong to the University and must be deposited with the University Cashier Office in the following order of preference:
2. Directly to the University Cashier Office during regular posted business hours.
3. In a night depository drop box located next to the University Cashier Office windows.
4. **Never use inter-departmental mail to forward payments or deposits to the University Cashier Office.**

B. All revenues must be deposited “intact”, i.e.:

1. Sales by university departments for services or goods are university funds and must be deposited in university accounts (ie. no university funds may be deposited in the foundation or a student/faculty account)
2. Refunds are **not** to be made from revenues on hand. See correct procedures contained in the “Refunds” section of this document.
3. Change funds or petty cash funds are **not** to be created by withholding revenues. See “Cash Advances / Change Funds” section of this document.
4. Invoices for goods or services received are **not** to be paid directly by departments from revenues on hand. They must be paid through normal University Accounting Accounts Payable.
5. Departmental non-student billing MUST use the Peachtree/Sage 50 software. These invoices are to be mailed to individuals or vendors from University departments with instructions to send payments directly to the Cashier's Office. Peachtree/Sage invoices will be marked 'Paid in Full' when funds are received by the Cashier.
6. I.O.U.’s from employees or loans to employees are not allowed.
7. Personal checks from students or employees are not to be cashed from revenues to be deposited.

C. All State account deposits originating from a department must be:

1. Made in a LOCKED money bag. Departments should contact the University Cashier regarding the purchase of money bags if they do not have them. The University Cashier will order the bags to ensure proper keying and will charge the cost to the department. The University Cashier keeps a master key and the department gets a key.
2. Transported by two people if possible. University police will assist in transporting amounts of $2,000.00 or more if arrangements are made in advance.
3. Must not leave campus, ie. employees should never take deposits home to allow for late or early drop off at the Cashier’s Office.
4. Accompanied by an appropriate deposit form (see Attachment 2) that contains the following information:
5. Date receipts accepted/collected.

b. Name of Department/Account.

c. Account coding.

d. Source of revenue or description of/reason for the collection.

e. Gross total of receipts entered on appropriate line, identified as taxable or non-taxable. If taxable, identify the county in which possession of the service or item took place. (Questions about taxability of a transaction or the applicability of county tax should be directed to the Cashier Office.)

f. Deposit detail in the form of coin, currency, EDC charge slips, and checks. The total amount of the deposit should equal the total amount of the receipts. If there is a difference, it should be shown as cash over/under and explained. Continual patterns of overages and shortages may be indications that proper procedures are not being followed or that staff may need additional training. Unexplained variances require investigation by the department head.

g. Signature of the preparer and date prepared.

h. The department should attach all backup documents, e.g. ticket logs, worksheets, etc., to this document and retain a copy.

1. Deposited to the bank by the University Cashier and transmitted to the System Administration Office in compliance with Wisconsin Statutes 20.906 previously defined in this document.
2. Money bags can be picked up from the Cashiers Office by the department at the time of the next deposit. The cash register receipt and department’s copy of the deposit form will be inside.
3. Departments must reconcile the deposit form to WISDM to ensure the accuracy of the deposit and the entry into the accounting ledger.

### **PREPARING THE DEPOSIT FORM**

A completed deposit form and one copy must accompany all deposits made to the University Cashier. Departments should retain a copy or keep a record of “deposits in process” until the cash register receipt is returned from the Cashier.

Restrictive Endorsement - All checks must be restrictively endorsed “For Deposit Only” immediately upon receipt.

All checks must have your department code on the back (see Attachment 1). Department code refers to the six digit account number assigned to your office. Checks made payable to someone or some organization other than UW-Whitewater will not be accepted for deposit. The individual/organization must take ownership of the check and write a check or pay to the university the amount owed to UW-Whitewater.

Checks should be bundled (no more than 50 per bundle) and include two calculator tapes showing the total dollar amount of the checks in each bundle.

State and County tax should be calculated per the following formula:

Gross amount ÷ 1.055 = net amount Example: $126.51 ÷ by 1.055 = $119.91

Net amount x .05 = state tax $119.91 x .05 = $6.00 state tax

Net amount x .005 = county tax $119.91 x .005 = .60 county tax

Cash should be sorted by denomination with the largest denominated bills on top with all bills facing the same direction. If possible, include a calculator tape of the total cash by denomination. Individual denominations of cash should be banded as follows:

$ 1.00 - # 50 = $ 50.00

$10.00 - # 10 = $100.00

$20.00 - # 25 = $500.00

Description of revenue on the form should be concise. This is the description that will be entered into the accounting system and is limited to 30 characters. Description examples:

Library fines Tickets – Yul Fest

Sale of T-shirts at cost Application fee

Postage sales Soccer Tournament fee

Book sales Commissions

Deposit forms are available from the Cashier Office website http://www.uww.edu/adminaffairs/finance/cashiers-office/department-deposits If you have any questions, please call the University Cashier's Office at 472-1378.

**CASH OVER AND SHORT**

Wisconsin Statutes 20.905(3) state: “Unless otherwise provided by law, state institutions and agencies, as defined in s.227.01(1), may retain overpayments of fees, licenses, and similar charges when the overpayment is $2.00 or less, unless such refund is specifically requested in writing. Under payments of not more than $2.00 may be waived when the administrative cost of collection would exceed the amount of the underpayment.”

Cash over or short is to be reported in the state department code appropriate for revenue. Account code 9315 is always used to report overages and shortages. This coding structure is non-taxable.

**RECORD KEEPING / ACCOUNTABILITY**

Departments that collect money must maintain proper records such as receipts (normal receipts or cash register tapes); cash count documentation, reconciliation forms, deposits and inventories of items for sale.

Reconciliation of the deposits to the accounting ledger in WISDM must be completed monthly by a staff member who has not been involved in the cash handling process. This allows each department to verify the amount of their deposits and provides a means to detect any error or omission that may have occurred. Any discrepancies should be reported to the Cashiers office as soon as discovered. Suspicions of fraud should be immediately reported to the Vice Chancellor for Administrative Affairs (472-1922) or Internal Audit.

Source document financial records (i.e., cash register tapes, manual receipts, cash count and reconciliation forms, invoices, deposit back-up, the various logs required, etc.) must be retained for the time periods specified by the University Archivist (five years).

**REFUNDS**

Refunds ARE NOT to be made from revenues collected **except** for those authorized by the refund policy of the Bookstore.

Requests for refund of revenue (other than tuition & fees) should be forwarded to Financial Services for processing. Financial Services will process the refund for the requesting department through the accounts payable system. Refund requests may be made by memo, e-mail or a department’s internally developed form. The request must be signed and dated by an authorized signor for the department. Information required to process refunds includes: the requesting department’s name and department code, the recipient’s name, ID# (if a student), address to which the refund check should be mailed, amount, reason for refund, deposit amount and date of original remittance, account code and grand total if multiple refunds are requested.

When a departmental refund is required and the original payment was made via credit card; a refund must be in the form of a credit to the card. The department can deduct the credit from the total charges for a day, leaving a net deposit via Master Card/Visa on the deposit form.

Standard refunds for tuition and fees payable to students are processed through the student accounting system twice each week. Special requests for refunds for tuition and fees should be directed to the University Cashier Office. The University Cashier Office prepares all refund checks for mailing.

**STATE ACCOUNT WORTHLESS CHECKS**

Returned checks (NSF, Account Closed, Not Endorsed, Invalid Webcheck Account, etc.) for the State Account are returned from by bank. These checks have been deposited TWICE in the State Account and CANNOT be deposited again unless they were returned for a missing or incorrect signature or post-dating. A $20 service fee is collectible for each returned check. A letter is sent to the customer, with a copy to the department, providing the customer a 10 day grace period for payment. If not paid, a second letter, with a second 10 day grace period is provided before turning the check over to the University Police for collection and possible citation.

**CASH ADVANCES / CHANGE FUNDS**

When required, cash advances and change funds, etc. may be issued out of the Contingent Fund. Requests must be submitted in writing on the Change Fund Request form, and signed by an authorized signor for the department taking responsibility for the funds. Cash advances or cash receipts are NOT to be used for cashing personal checks, extending loans, making purchases or for any other non-business purpose. Cash receipts are NOT to be withheld from revenues to be deposited in order to establish change funds, petty cash funds, etc. Once issued, the designated individual or custodian in the receiving department is responsible for the secure on-campus storage of the funds and appropriate use of the funds.

The designated custodian may transfer custodial authority of the fund to another individual at the direction of the authorized department head on the Transfer of Change Fund Custody Form.

Forms are available at the Cashier Office website <http://www.uww.edu/adminaffairs/finance/cashiers-office> If you have any questions, please call University Cashier's Office at 472-1378.

**BURGLARY, THEFT OR FRAUD RELATED LOSS OF ASSETS**

Adherence to the guidelines and procedures in this document will minimize the potential for burglary, theft, embezzlement and fraud. If, however, any of these situations are suspected or known to exist, they should be reported immediately to the UW-Whitewater Vice Chancellor for Administrative Affairs (472-1922). Personnel reporting these types of situations SHOULD NOT discuss the matter with anyone else and will be given further direction by the UW-Whitewater Vice Chancellor for Administrative Affairs Office.

The procedures are mandated by UW-System Financial Policy and Procedures Paper #16 and must be followed.

ATTACHMENT 1



ATTACHMENT 2



