



BANKING & ACCOUNTING OPERATIONS NEWSLETTER #13 SEPTEMBER 2019

REVIEWING THE CASH HANDLING POLICY

In August 2018, Banking & Accounting Operations (BAO) launched a central [UW Cash Handling Policy](#). This policy based on [State Administrative & Accounting Manual \(SAAM\) 85.50](#) and [UW Administrative Policy Statement \(APS\) 31.1](#).

In 2019, BAO made it a goal to start cash handling review visits with campus departments. The purpose of these visits are to make sure departments are aware of policy set by BAO, prepare for any potential cash accountability audits, and to provide recommendations to strengthen the procedure and policy established by the department.

In the next couple of newsletters, BAO plans to break down each section of the policy and provide common findings found during the reviews and provide recommendations. Below are the topic:

**For the purpose of this newsletter, the word "cash", covers all physical monetary items such as cash, coins, checks, money orders, traveler's cheques, etc. excluding card payments.*

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- Segregation of Duties
- Cash Deposit

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- Cash Register
- Change Fund

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- Storing Cash
- Transporting Cash
- Check Writing

Segregation of Duties

There are two main roles in segregation of duties in cash handling:

- Cash Handler – Person who physically touches and process the cash
- Cash Reconciler – Person who reconciles the movement of cash, but does not touch the cash

Segregation of Duties is a common source of audit finding and is prevalent in the BAO visits. Below are common findings from the visits and the recommendations made by BAO:

Common Finding – When preparing a deposit, a second person was not reconciling the receipt of checks to the prepared deposit.

Recommendation – The cash reconciler should review the prepared deposit to the receipt of checks received. This is to ensure that the number and amount of checks reconcile to the prepared deposit.

Common Finding – One person would perform the roles of both cash handler and cash reconciler. For example, one person would prepare the deposit, make the deposit, and reconcile the budget.

Recommendation – The rule of thumb is, if you touch the cash, you should not reconcile the cash. The cash reconciler should always be someone other than the cash handler. Please visit the [Segregation of Duties](#) section of the Cash Handling Policy to obtain a visual representation.

Cash Deposit

There are multiple policies regarding the deposit process. Please visit the [Cash Deposit](#) section of the Cash Handling Policy to find out more. Below are common findings from the visits and the recommendations made by BAO:

Common Finding – Checks are not being endorsed at the time of receipt.

Recommendation – Endorsement stamps can be acquired through bankrec@uw.edu. The first order is free of charge and \$30 for any additional orders.

Common Finding – Deposits of \$500 or more are not made within one business day.

Recommendation – This is a hot topic around campus departments and has been a repeat finding in the past two accountability audits performed by the State Auditor’s Office. UW must be in accordance to [SAAM 85.50.20](#) by depositing all deposits over \$500 within one business day and deposits under \$500 once a week. Best practice is to make deposits on a daily basis or to request payments by ACH or Wire to reduce the amount of checks received. Additionally, in accordance with Office of Merchant Services, departments will soon be able to accept payments through an e-commerce solution online. The E-commerce solution will provide ways for vendors and individuals to pay by card or electronic check payments to University of Washington online. This will significantly reduce acceptance of physical cash or checks.

Common Finding – Deposits are still being mailed to Schmitz Hall through campus mail

Recommendation – Per the Cash Handling Policy, deposit are not to be mailed through campus mail. Due to the timeframe it takes for deposits to arrive at Schmitz Hall, this would not be in compliance to the deposit frequency policy mentioned previously. All deposits must be hand delivered to Schmitz Hall, taken to the closest Bank of America banking center, or picked up through armored courier. If these three options are not feasible for your department, please email bankrec@uw.edu.

BAO Updates

- BAO is currently working on providing a more up to date list of unclaimed deposits. Currently, the list is based on the previous month's reconciliation, and BAO is looking to provide a more frequent list. More updates to come in the next newsletter.
- BAO has created a Monthly Deposit Report for cash/check deposits to assist in reconciliation. To find out more, please [click here!](#)
- To review previous BAO Newsletters, please [click here](#).

Fun Facts

Back-to-class spending expected to reach \$80.7 billion!

Back-to-School 2019 (2019) Retrieved from <https://nrf.com/insights/holiday-and-seasonal-trends/back-school>

BAO is committed to providing campus departments with high-quality customer services. Please send your feedback or suggestions to bankrec@uw.edu to help us improve our services.

THIS NEWSLETTER WAS SENT TO YOU BY UW BANKING & ACCOUNTING OPERATIONS

For additional information, visit BAO's webpage: <https://finance.uw.edu/bao/>

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