

# Cash Handling at University of Washington

## Responsible Office – Banking and Accounting Operations

**Date Effective – August 1, 2018**

### Overview and Purpose

Banking & Accounting Operations (BAO), part of the Financial Accounting department within The Controller’s Office, is responsible for establishing formal cash handling policies at the University of Washington. This policy is in accordance with [APS 31.1](#). It also complies with the [State Administrative and Account Manual \(SAAM\) 85.50](#) and state law as contained in [RCW 43.09.240](#).

All University of Washington departments, auxiliary enterprises, and service centers for the collection of monies on behalf of the University of Washington are required to comply with this policy.

### Scope

The scope of this policy is to establish and maintain guidance in the following areas:

- **Segregation of Duties**
- **Cash Deposits**
- **Change Funds**
- **Cash Register**
- **Transportation of Cash**
- **Storing Cash**
- **Check Writing**

### Internal Controls

Each department is responsible for implementing, documenting, and maintaining sufficient internal controls and procedures to comply with the requirements of this policy.

### Definition

For purposes of this policy, the word “**cash**”, covers all physical monetary items such as cash, coins, checks, money orders, traveler’s cheques, etc., excluding debit/credit cards. Please contact [cardsvcs@uw.edu](mailto:cardsvcs@uw.edu) for questions about card acceptance or visit their website: <https://finance.uw.edu/merchant-services>.

### Contact Information

If there are any questions pertaining to this policy or your department’s handling of cash, or any exception to the policy is required, please contact BAO at [bankrec@uw.edu](mailto:bankrec@uw.edu).

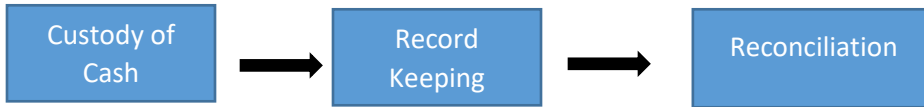
**Written By:** Mark Park, Manager – Banking & Accounting Operations

**Approved by:** Sue Camber, AVP/Controller and Dan Schaaf, Associate Controller

**Segregation of Duties**

Applies to all departments that conduct cash handling. Segregation of duties is a process of safeguarding cash by assigning the handling, recording, and reconciling of cash to different individuals.

- **Assign a minimum of two personnel for cash handling**
  - o If segregation of duties to two individuals is not feasible, please contact [bankrec@uw.edu](mailto:bankrec@uw.edu) to discuss an alternative control
- **Ideal Segregation of Duties**



- **Below are two ideal examples of segregation of duties:**
  - o **Two person cash handling operation**

Role	Receiving/Handling Cash	Safekeeping of Cash	Preparing Deposit	Reconciling Receipts to Deposit	Recording Deposit to GL/Budget	Making Deposit	Reconciling Deposit to GL/Budget Entries
Person 1	X	X	X			X	
Person 2				X	X		X

- o **Three person cash handling operations**

Role	Receiving/Handling Cash	Safekeeping of Cash	Preparing Deposit	Reconciling Receipts to Deposit	Recording Deposit to GL/Budget	Making Deposit	Reconciling Deposit to GL/Budget Entries
Person 1	X	X				X	
Person 2			X				
Person 3				X	X		X

## Cash Deposits

Applies to all departments that deposit cash to University of Washington bank accounts

- **Record all cash received at the time of receipt**
  - o Must keep a record of every type and amount of cash received
  - o The record must be reconciled to the deposits made by the department
  - o The record must record the following:
    - Date of receipt
    - Amount of receipt
    - Who sent the funds
    - Who recorded the funds received
    - What type of funds were received
- **Frequency of deposits must adhere to SAAM 85.50.20**
  - o <https://www.ofm.wa.gov/sites/default/files/public/legacy/policy/85.50.htm>
  - o If the total amount exceeds \$500, deposit all cash by the next business day
  - o If the total amount is under \$500, deposit all cash at a minimum of once per week
- **Endorse all checks with a UW endorsement stamp at the time of receipt**
  - o Obtaining a UW endorsement stamp must go through [bankrec@uw.edu](mailto:bankrec@uw.edu)
  - o Each department is allowed one endorsement stamp free of charge
    - Department budgets will be charged for any additional orders
- **All checks must be payable to University of Washington for acceptance**
  - o Abbreviations of University of Washington is acceptable
    - Ex) UW, UofW, Univ of Wa
  - o Checks payable to University of Washington and department name is acceptable
    - Ex) UW Department XYZ
  - o Checks payable only to department name is **NOT** acceptable
    - Ex) School of XYZ, Department XYZ
  - o Checks payable to "Washington University" is **NOT** acceptable
  - o All unacceptable checks must be referred back to the maker
    - Request a new check made payable to University of Washington
- **Department deposits should always be made in one of the following methods**
  - o **Bank of America – Primary method for all departments in no particular order**
    - Transport sealed deposit bag(s) to bank cash vault by utilizing an armored courier service such as Dunbar, Garda, Loomis, etc.
      - For more information, please email [bankrec@uw.edu](mailto:bankrec@uw.edu)
    - Transport sealed deposit bag(s) to the nearest banking center
      - Closest Bank of America located on Seattle Campus is at NE 47<sup>th</sup> and University Ave, or located in the University Village
      - For all other campuses and locations, please visit [Bank of America](#)  
**(NOTE: Effective August 14, 2018, all UW student/staff/faculty must have their UW Husky Card with photo when making the cash deposit. This is required by Bank of America for security purposes.)**
  - Transport sealed deposit bag(s) to deposit lockbox located on 1<sup>st</sup> Floor of Schmitz Hall Room 129 (Open M-F 9am to 5pm)

- **DO NOT** send deposit by campus mail to Schmitz Hall. Departments are required to hand deliver the deposits to the deposit lockbox.
- Mail a sealed deposit bag(s) to Bank of America’s Deposit by Mail
  - Do not mail cash, only checks
  - Recommended only for remote locations

Standard Mail	Overnight Mail
Bank of America Attn: Atlanta Bank by Mail PO BOX 105576 Atlanta, GA 30348-5576	Bank of America – Atlanta Bank by Mail 6000 Feldwood Road Mail Code: GA4-004-01-52 College Park, GA 30349-3652

- US Bank – Access only given to certain departments with prior approval
  - Transport sealed deposit bag(s) to the nearest banking center
    - Closest US Bank located on Seattle Campus is on the 1<sup>st</sup> floor of the Husky Union Building
- **Deposits that relate to Grants/Contracts and Gifts/Donation must be made by the following methods**
  - Grants and Contract Budget Deposits
    - Send all payments received to GCA via campus mail at Box 354966
    - Reference a budget number and/or eGC1 number
    - Attach all supporting documentation for the payment
  - Gifts/Donation Budget Deposits
    - Send all gifts or pledge payments to Gift Services, Box 359505
    - Please include a Gift Transmittal (<https://gs.gifts.washington.edu/uwnetid/GiftTransmittal>) or response device
    - Attach supporting documentation and/or gift agreement
  - All departments are required to campus mail payments within 1 business day of receipt
- **Only utilize deposit bags and slips issued by Banking & Accounting Operations**
  - Bank of America Depositors
    - Do not use bank deposit bags or deposit slips not issued by BAO, as this will cause delays in processing the deposit and may incur additional fees
    - Deposit bags issued by BAO are pre-approved by Bank of America
    - Order deposit bags and slips through BAO’s website, [click here](#)
    - **NOTE:** Bank of America deposit bags and slips are free of charge, all other supplies may be charged to departmental budgets.
  - US Bank Depositors - Access only given to certain departments with prior approval
    - Do not use bank deposit slips and bags not issued by BAO as this will cause delays in processing the deposit and may incur additional fees
    - Deposit bags issued by BAO are pre-approved by US Bank
    - Order deposit bags and slips by emailing [bankrec@uw.edu](mailto:bankrec@uw.edu)
    - **NOTE:** US Bank deposit bags and slips are NOT free of charge. Departments are required to pay a fee to order supplies for US Bank.



- **All deposits made to UW's bank accounts, including electronic deposits such as ACH and Wire, must be claimed by a Cash Transmittal (CT)**
  - o Submit CTs by filling out the CT webform below
    - <https://finance.uw.edu/bao/cash-receivables/cash-transmittals>
    - It is also acceptable to upload CTs through your department's FASTRANS access if applicable
  - o **NOTE:** Deposits made to UW's bank accounts do not automatically credit a budget or GL, unless auto CT uploads have been pre-arranged with BAO. Submission of a CT through the UW's Financial Accounting System (FAS) is required.
- **Reconcile department deposits to FAS accounting entries on a monthly basis**
  - o Visit the website below to obtain information regarding reconciliation
    - <https://finance.uw.edu/fr/internal-controls/reconciliation>
- **Notify BAO when staff changes occur**
  - o BAO keeps a record of contact information for all depositors at the UW, and it is crucial that this list be kept current
- **For additional information on how to complete a deposit please visit the weblink below:**
  - o <https://finance.uw.edu/bao/cash-receivables/checkcash-deposits>
- **For deposits regarding foreign checks and currency, please visit the weblink below:**
  - o <https://finance.uw.edu/bao/cash-receivables/checkcash-deposits/foreign-deposits>

## Change Funds

Applies to all departments requiring change funds, which are funds used by cash handling locations to make change during the process of conducting cashing services.

- **Obtain approval from BAO to establish a change fund**
  - o Fill out [New Change Fund](#) form to establish a UW change fund
  - o BAO must review and approve all change fund requests
- **The amount of the change fund must remain constant at all times**
  - o Deposit any funds exceeding the amount of the change fund
  - o Replenish any shortage in the change fund from the cashing service
  - o If the reason for the shortage cannot be found, contact [bankrec@uw.edu](mailto:bankrec@uw.edu)
  - o Submit all requests to increase the amount of the change fund to [bankrec@uw.edu](mailto:bankrec@uw.edu)
- **Change funds must only be used to make change for cashing services**
  - o Do not use change funds as a petty cash account or to cash checks, and do not borrow from a change fund
  - o Any misuse of change funds may be reported to UW Police and Internal Audit
- **A departmental "Custodian" must be designated for the change fund**
  - o The designated "Custodian" is the point of contact regarding the change fund, and is responsible for the following:
    - Proper use of the change funds
    - Verifying that the amount advanced from BAO is accounted for and remains constant
    - Physically securing the funds for safekeeping
  - o The department must notify BAO whenever the custodian changes
- **Count the change fund on a regular basis**
  - o It is recommended that the change fund is counted once a month for accountability
  - o If a budget number is assigned to your change fund, reconcile the budget on a monthly basis (**NOTE: Not all departments have budget numbers assigned. This only applies to departments that have budget numbers assigned.**)
  - o Make sure segregation of duties is in place when counting the change funds
    - For example, someone other than the custodian should count the change funds for accountability purposes
- **If your department needs to order change on a regular basis, please contact [bankrec@uw.edu](mailto:bankrec@uw.edu)**
- **Please see the "Storing Cash" portions of this policy regarding physical storage of the change fund**

## Cash Register

Applies to all departments that possess and utilizes a cash register for sales of goods and services.

- **Do not leave the cash register unattended and keep it locked at all times**
  - o If left unattended, lock the cash register before vacating the area
  - o Store cash register in a place not easily accessible by the public
  - o Only open the cash register when performing a cashiering transaction
- **Each department must have their own documented procedures for the following areas related to cash register usage**
  - o Maximum amount of cash on hand at cash registers
  - o Reporting of cash overages/shortages
  - o How to balance cash registers on a daily basis from beginning to end
  - o Sharing cash registers (not recommended, only if it is needed)

## Transportation of Cash

Applies to all departments that transport cash from one location to another. This includes transportation to/from UW locations, or to/from a third party such as banks and cash vault.

- **Always store cash in a sealed deposit bag and/or locked bag when transporting cash for any purpose**
  - o Keep a receipt of the cash inside the bag for accountability purposes
  - o Departments can utilize sealed bags ordered through BAO for transportation
  - o Departments can order locked bags through department supply orders
    - Locked bags can be purchased through most office supply stores
- **Utilize an armored courier service to reduce the risk of tampering, physical harm, theft, etc.**
  - o Utilize an armored courier to transport cash to/from campus, and/or to/from the bank, especially when handling over \$500 more than once per week
  - o If an armored courier is not an option, refer to “Cash Deposits” section of the policy on how to make cash deposits
  - o Please contact [bankrec@uw.edu](mailto:bankrec@uw.edu) for more information regarding armored courier services
- **Segregation of duties is required when transporting cash**
  - o A minimum of two personnel are required to demonstrate proper accountability
    - One person should count the cash that is placed inside the bag and place the receipt inside the bag
    - When the bag reaches its destination, minimum of two personnel is required to open the bag and reconcile the cash to the receipt inside the bag
      - One of the two personnel can include the person transporting the cash
- **Do not leave cash unattended if transporting by vehicle**
  - o Do not leave the cash bag in a parked car or in checked luggage if traveling by plane/train/etc.
  - o Maintain physical possession of the cash bag at all times
  - o Responsibility for lost/stolen cash falls on the department
- **Contact UW Police if further assistance is required to transport cash across campus**
  - o Phone: 206.543.0507
  - o Email: [uwpolice@uw.edu](mailto:uwpolice@uw.edu)



## Storing Cash

Applies to all departments that store cash on premises.

- **Store cash in a secure and locked area at all times**
  - o Restrict access to cash to as few personnel as possible
  - o Keep combinations/passwords/keys to cash storage in a safe place
  - o Only provide combination/passwords/keys to authorized personnel
  - o A cash safe/vault is the recommended method for storing cash amounts over \$500
    - Obtain a fireproof cash safe/vault
    - Store the cash safe/vault behind a locked door
  - o A cash box with security lock is sufficient for cash amounts under \$500
    - If possible, obtain a fireproof cash box with security lock
    - Place the cash box in a locked cabinet or drawer
    - Locate the locked cabinet or drawer behind locked door
  - o Security cameras are highly recommended as a means of monitoring activity at any location where cash is being stored
- **Departments must establish segregation of duties in regards to accessing the cash vault/safe/box**
  - o Establish custodian(s) of the cash vault/safe/box
  - o Keep access to combination and/or keys to the storage unit at a minimum
  - o An individual other than the custodian must reconcile the cash stored in vault/safe/box on a monthly basis
- **Never leave the cash storage vault/safe/box unattended when it is unlocked**
  - o Always lock the cash storage vault/safe/box when vacating the area
  - o Only access the cash storage vault/safe/box when performing a required monetary activity, for example:
    - Making change or replenishing the cash register
    - Preparing a deposit
    - Storing change or any excess cash
    - Performing a cash audit

## Check Writing

Applies to departments that have check writing capabilities.

- **Store unsigned blank checks in a safe and secure location**
  - o Always place unsigned blank checks inside a locked cabinet or drawer
  - o Restrict access to the locked cabinet or drawer to only custodians and check signers
  - o If checks are placed inside a cash vault/safe or locked cash box, please follow “Storing Cash” section of the policy on page 8
- **Complete and sign checks at the same time**
  - o Blank checks should never be pre-signed
  - o Checks should only be prefilled if all required fields (payee, date, amount, and signature) are provided at the same time
- **Checks should not be written to cash or to the custodian of the bank account**
- **Reconcile check writing activity on a monthly basis**
  - o An independent person other than the check signer should reconcile or review the reconciliation
  - o Reconciliation should account for all written checks whether it is valid, voided, or stale dated
  - o If a FAS GL is assigned
    - Reconcile the check writing activity reflected on the bank statement to the FAS GL
    - Submit FAS accounting entries for all checks written from the bank account
  - o If a revolving fund is assigned
    - Reconcile the check writing to the bank statement and send replenishment request to [revfund@uw.edu](mailto:revfund@uw.edu)
    - Departments are required to report stale-dated checks to [revfund@uw.edu](mailto:revfund@uw.edu). Please contact [revfund@uw.edu](mailto:revfund@uw.edu) for policy and procedures regarding stale-date checks.
    - Stale dating is a process by which uncashed checks over 180 days old are reported to the state and deemed an “irregular” bill of exchange