

Procedure/Process Title: Cash Handling Procedures	
Summary:	Managers in University units are responsible for establishing and maintaining the proper environment of internal controls. All University units collecting cash must address the following cash receipt controls by developing and implementing procedures in support of these controls. Campus units with occasional cash receipts must, whenever possible, follow the same minimum operating procedures that apply to units handling cash on a regular basis. Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process. "Cash" includes coin, currency, checks, money orders, and credit card transactions.
Updated:	05/08/08
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Department Responsibilities

Accounting for Cash as it is Received

1. If received in person, ring up on a cash register or record on a pre-numbered multiple-copy receipt form. Give a copy of the receipt to the customer.
2. If received by mail or phone (credit card payments), enter the payment immediately into a registration or order system, or cash receipt journal (for example, a computer application or a payment log).
3. Indicate the type of payment (currency or check).
4. Restrictively endorse checks immediately as "*Deposit only-Payable to The University of Washington*" on the left 1 1/2" of the back of the check.

Separating Individual Cash Handling Duties

Separate the components of cash handling - collecting, depositing, reconciling and posting the payments and adjustments to customer accounts - so that one individual does not have responsibility for more than one component. In small departments separate the handling of the actual cash from the reconciliation. Restrict access to cash to a minimum number of authorized employees.

Safeguarding the Handling and Storing of Cash

1. During hours of operation, secure coins, currency, credit card slips and checks to restrict access.
2. At other times store all coins, currency, credit card slips and checks in a safe or other locked secure place until they are deposited.
3. Each cashier should be assigned their own cash drawer.
4. Perform unannounced cash counts.
5. If you have a vault, change the combination when employees leave the unit.
6. All over and shortages must be approved and recorded by a supervisor.

Reviewing / Approving Voided Cash Receipts

The supervisor of the cash collection area has the responsibility for reviewing and approving voided cash receipts and documenting all actions performed.

Depositing Cash Promptly

1. Deposit cash receipts when the total on hand reaches \$500 or at least weekly. Certain locations may require a more restrictive policy based on security, cash/check composition, and the average dollar amount of checks. It is recommended, that at minimum, a deposit be made once a week.
2. If credit cards are accepted, settle authorized transactions daily. Failure to do so will result in additional charges from the bank.
3. Deposit all funds received. Do not make refunds, pay expenditures, or create a change fund from cash receipts. Do not hold checks for future processing. Do not use cash receipts to cash checks from employees and customers.
4. If a direct depositor, deliver the deposit to your designated University depository, using your sequentially numbered deposit slips. Deposits may be made in-person, by mail or by armored car depending on security, cash/check composition, distance, amount of deposit and other factors. Send the cash transmittal form prepared with the deposit to your designated University office in a timely manner.
5. If a depositor at Student Fiscal Services, deliver the deposit and the cash transmittal form to Student Fiscal Services. Deposits that do not include currency may be delivered through campus mail or in-person. Deposits that include currency must be delivered in-person.

Reconciling Daily and Monthly Activity

1. Daily balancing: balance each deposit by comparing:
 - o the cash receipt records (cash register tape, pre-numbered receipts, or receipt log totals)
 - o the completed cash transmittal
 - o the validated deposit document (sequential deposit slip if a direct depositor, cash transmittal if a depositor at Student Fiscal Services)
2. Monthly balancing: monthly reconcile the UW Budget Activity Report (BAR) with the validated deposit documents.
3. If coins and currency are purchased, reconcile monthly actual purchases with those recorded in the UW BAR for the unit's coin and currency clearing budget.
4. Document unidentified differences.

Monitoring the Cash Receipts Process

Administrators not directly involved with the cash receipt process have the responsibility to periodically:

1. Review the nature and extent of overages and shortages. Overages and shortages should be monitored for unusual patterns.
2. Compare actual deposits recorded with receipts.
3. Review daily and monthly cash activity reconciliation.
4. Compare the mode of payment (coin/currency or checks) recorded at the time the cash was received with the coin/currency and check totals on the validated deposit document.
5. Evaluate overall internal controls to ensure that reasonable controls exist to safeguard cash, and that employees understand and follow them.