



INTERNAL/ DEPARTMENTAL POLICY AND PROCEDURE

TITLE: Controller’s Office: Cash Handling Procedures

EFFECTIVE DATE: June 11, 2013

CANCELLATION: BAA-A02, General Money Counting Procedures (4/16/08)

DIVISION: BUSINESS AND ADMINISTRATIVE AFFAIRS (BAA)

CATEGORY: General Business and Administrative Affairs (A)

RESPONSIBLE DEPARTMENT: Controller’s Office

POLICY STATEMENT

The establishment of strong internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls are also designed to protect employees from inappropriate charges of mishandling funds by defining his/her responsibilities in the cash handling process. *Cash* is considered to be any type of payment for goods or services including: coins, currency, checks, money orders, credit/debit/gift cards and electronic transfers. Any official or administrator with responsibilities for managing College cash receipts and those employees who are entrusted with the receipts, deposit, and reconciliation of cash for College-related activities is to be informed of this policy.

PROCEDURES & SPECIFIC INFORMATION

1. **Purpose**

To publish Delgado Community College’s cash handling procedures.

2. **Applicability**

This policy and its procedures apply to Bursar’s Office staff and/or any other individuals designated by the Controller’s Office to handle cash.

3. **Cash Handling Requirements**

- A. All areas receiving cash must be approved by the Controller's Office and be designated as cash collection points. A cash collection point is defined as a department or entity that handles cash on a regular basis. Although departments and other entities with casual collections of cash are not recognized as cash collection points, they must, wherever possible, follow the same cash handling policies and procedures that apply to the cash collection points.
- B. Casual collections include but are not limited to the following: receipt of gifts, grant payments, non-recurring fees, and sales.
- C. Cash collection points must ensure the following:
- Accounting for cash as it is received.
 - Adequate separation of duties.
 - Adequate safeguards for handling and storing cash.
 - Approval of any voided cash receipts.
 - Promptly depositing cash at the Bursar's Office into an authorized College account.
 - Reconciliation of validated deposit forms to supporting documentation.
 - Notifying the Controller's Office, in writing, of any changes in cash handling procedures.
 - Handling of all cash overages and shortages in accordance with Delgado's policy, [BAA-A05, Controller's Office: Cashier Shortages and Overages](#).
- D. In accordance with [Louisiana Community and Technical College System policy on cash management](#), all employees handling cash must be bonded by the State of Louisiana through the Office of Risk Management.
- E. The use of checking or other bank accounts by College personnel for depositing College cash is strictly prohibited.
- F. All departments or organizations or entities in receipt of funds (i.e., checks, money orders, etc.) to be deposited must deliver them to the Bursar's Office upon receipt but no later than three (3) days of receiving the funds.
- G. Periodic reviews of cash handling procedures are conducted by the Controller's Office. Departments not complying with approved procedures may lose the privilege to serve as a cash collection point.
- H. The Bursar's Office is responsible for addressing improper or negligent cash handling in accordance with the College's [disciplinary procedures](#).

4. **Responsibilities**

The following describes the responsibilities of each individual/unit involved in the cash handling process:

A. **Cash Collection Point Supervisor:**

- Develop a method of accounting for cash as it is received.
- Provide adequate safeguards for storing cash.
- Establish procedures for promptly depositing cash receipts.
- Reconcile validated deposit forms to the supporting documentation.
- Approve any voided cash receipts.
- Inform the Controller's Office, in writing, of any changes in cash handling procedures or changes in personnel involved with the cash collection point.

B. **Cash Collection Point Cashier:**

- Conduct cash transactions with customers.
- Count the cash received and reconcile to the deposit total.
- Endorse all checks immediately upon receipt with a restrictive endorsement.
- Count the cash and turn it over to the deposit preparer at the end of the shift.
- Turn over any supporting documentation (cashier reports, etc.) to the cash collection point supervisor.
- Both cashier and supervisor must sign cashier worksheets agreeing on collections and deposit.

C. **Deposit Preparer:**

- Count the cash receipts, prepare the deposit.
- Store the cash in a safe or vault until it is deposited.
- Personnel bringing deposits daily to the Bursar office must wait for a receipt for the deposit.

D. **Controller's Office:**

- Review and approve the establishment of new cash collection points.
- Conduct periodic reviews of existing cash collection points.
- Advise departments on cash handling policies and procedures.

5. **Procedures**

A. **Establishing a New Cash Collection Point**

- 1) All new cash collection points must be authorized and approved by the Controller's Office. Departments or other entities wishing to become cash collection points must submit a request to the Controller's Office in the form of a memo, which must include all of the following:

- Name of Department or Organization making the request.
 - Account Name and Account Number where funds are to be deposited
 - Reason(s) why a cash collection point is needed.
 - A list of those persons involved with the cash collection point and a description of their duties.
 - Whether there is a need for a change advance.
 - A description of the reconciliation process, including frequency of reconciliation.
 - A description of the security for safeguarding cash until it is deposited.
 - Information on how often cash deposits are to be made.
- 2) The request is reviewed and if appropriate, authorized by the Controller's Office.

B. Cash Collection Point Operations

- 1) All cash received must be recorded in the computer system when one is available, or the customer is presented a pre-numbered duplicate receipt form with the duplicate record being retained by the receiver.
- 2) The cash collection point must maintain a clear separation of duties. An individual is not to have responsibility for more than one of the cash handling components: collecting, depositing, and reconciling unless approval has been received from the Controller's Office.
- 3) The cash received must be reconciled to the cashier report or to the pre-numbered receipts at the end of the day or at the end of each shift.
- 4) All checks, cash, money order and credit card receipts must be stored in a safe or other secure place until they are deposited.
- 5) All checks are endorsed immediately with a restrictive endorsement payable to Delgado Community College.
- 6) In those rare occasions where checks are made payable to a payee other than Delgado Community College, these checks must be endorsed as drawn and then respectively endorsed for deposit to Delgado Community College. The endorsement placed on the back of these checks must read on the first line - payee's name and on the second line: "*Pay to the Order of Delgado Community College.*"

Example: If a check is made payable to the Athletic Department, the endorsement must be:

*Athletic Department
Pay to the Order of Delgado Community College*

- 7) Any voided cash receipts must be approved by the cash collection point supervisor.

- 8) Checks must not be cashed by cash collection points.
- 9) Deposits must be made at the Bursar's Office daily unless other arrangements have been made. The Controller's Office may implement a more restrictive deposit policy if security and/or employee safety are of concern.
- 10) All funds received must be deposited intact.
- 11) Refunds as a result of an amount overpaid to the College must be paid by College check issued through the Accounts Payables department.
- 12) The deposit (receipt of cash) forms must be reconciled to the supporting documentation upon deposit.
- 13) Personnel bringing deposits daily to the Bursar's Office must wait for a receipt. Deposits cannot be left without a receipt being written.
- 14) Deposits must not be sent through campus mail.

6. **Instructions for Receipt, Deposit and Reconciliation of Cash Deposited**

A. **Cash Received in Person**

- 1) The cash received must be entered into the computer system, if one is available, and a copy of the receipt given to the customer. If the computer system is not available, then authorized, pre-numbered, three-part receipts must be utilized and a copy of the receipt given to the customer.
- 2) All checks are endorsed immediately with a restrictive endorsement payable to Delgado Community College.
- 3) All voided transactions or receipts are to be approved and initialed by the cash collection point supervisor.
- 4) Only one cashier is allowed access to a cash drawer during a single shift.
- 5) Cash must be stored in a locked safe or other secure place until it is deposited.

B. **Cash Received Through the Mail**

- 1) The mail is opened and all checks, money orders received must be endorsed with a restrictive endorsement, and posted day of receiving.
- 2) The cash must be stored in a locked safe or other secure place until it is deposited.

C. Balancing of Cash Receipts

All cash collected must be balanced daily by comparing the total of the cash, checks, money orders, credit card receipts, etc. to the computer system totals, the pre-numbered receipt totals, and the funds received by mail totals, as applicable.

D. Preparation of Deposits

- 1) This function includes counting the cash collected and preparation of the deposit. The deposit must be prepared by someone not involved with collecting the cash.
- 2) The deposit preparation procedure requires documentation to contain the following information, which is submitted along with the deposit to the Bursar Supervisor for dual counting.
 - The total amount of money being turned in with a subtotal of how much is in cash, how much is in checks, money orders and how much is in credit cards (if applicable).
 - Total receipts are to equal total amount of deposit.
 - The account number and name into which the money is to be deposited, for small receipts.
 - The reason or purpose for which the money was received or collected.
 - Cashier and Supervisor signatures on cashier worksheets verifying deposit being submitted to bank.
 - Funds to be turned in for deposit are not to be sent through campus mail.
 - The College's contracted armored car services are to bring the deposit directly to the appropriate bank. If contracted armored services are not available for the campus or site, the Controller's designated employee and a Campus Police are to bring the deposit directly to the bank. In the event of contaminated funds (i.e., flood damage, etc.), the Controller or his/her designee is to contact the local bank branch to determine the bank's procedures for handling such deposits.
 - A copy of the deposit slip and the summary report are given to the Controller's Office – General Accounting Department for entry into the accounting system.

E. Reconciliation of Cash Deposited

- 1) This function must be performed by an employee who has no cash handling responsibilities. It includes verification of supporting documentation of cash deposited (computer system totals, pre-numbered receipts, detail tape totals) to the deposit receipt received from the Bursar's Office.
- 2) At least monthly, the validated deposit receipts are to be reconciled to the statement of accounts. Proof of reconciliation must be maintained on file by College General Accounting department.

Reference:

Delgado Internal/Departmental Policy and Procedure [BAA-A05, Controller's Office: Cashier Shortages and Overages](#)
Delgado Policy and Procedure Memorandum, [Reporting and Handling Fiscal or Related Misconduct](#)
Louisiana Community and Technical College System Policy 6.014 [Discipline for All Employees](#)
Louisiana Community and Technical College System Policy 5.013, [Cash Management and Investment](#)

Review Process:

Ad Hoc Committee on Cash Handling Policy 5/14/13
Assistant Vice Chancellor/Controller 6/4/13
Business and Administrative Affairs Council 6/11/13

Approved:

Vice Chancellor for Business and Administrative Affairs 6/11/13