

**West Virginia State University
Office of Fiscal Affairs
Fiscal Procedure 200
Cash Handling Procedures
Effective May 1, 2011
Updated November 7, 2012**

Purpose

Internal controls are to prevent the mishandling of cash and to safeguard against loss. Also, strong internal controls protect employees from inappropriate charges of mishandling cash by defining responsibilities in the cash handling process.

“Cash” is defined as coin, currency, checks and credit card transactions.

Cash Collection Points

A cash collection point is a department or other entity that handles cash on a regular basis. Any area receiving cash on a regular basis must be approved by the Vice President of Business and Finance. The area will be designated as a cash collection point. If there are any departments or other entities with casual cash collections and are not recognized as a cash collection point, they must follow the same cash handling procedures that apply to the cash collection points.

It is the University’s goal to maintain a minimum number of cash collection points. Please note that if you are in a situation where cash needs to be handled, you may utilize the Cashier’s Office with permission from the Vice President of Business and Finance.

The following areas are designated cash collection points for the University.

- Cashier’s Office
- Bookstore
- Library
- Student Union
- Athletics
- Capitol Theater
- Testing Center, Wallace Hall
- Davis Fine Arts (Ticket Box Office)

Outside Bank Accounts

The use of checking or other bank accounts in the name of West Virginia State University, or any version thereof, is prohibited unless approved by the Vice President of Business and Finance. Also, the use of the University’s federal identification number (FEIN) is prohibited.

Safeguarding Cash

- During hours of operation, secure cash, credit card slips and checks to restricted access.

- At other times, store all cash, credit card slips, and checks in a safe or other locked, secure area until they are deposited with the Cashier's Office. Deposits should be made to the Cashier's Office at the end of **every** business day. There is a drop box located at the Cashier's Office for after hour's deposits.
- Restrict access to cash to a minimum number of authorized employees.

Procedure

1. All cash received must be recorded through a cash register, if available, or by a pre-numbered receipt. If a cash register is not available, the customer must be presented a pre-numbered receipt with a duplicate record being retained by the receiving department. All numbered receipts must be accounted for, including voided receipts.
2. The cash collection point must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing, and reconciling.
3. The cash received must be reconciled to the cash register or to the pre-numbered receipts at the end of the day or at the end of every shift. Except in the Cashier's Office, cash must be reconciled separately from checks/credit cards by comparing actual cash received to the cash total from the cash register tape or to the sum of the cash sales on the pre-numbered receipts. Over/short amounts must be separately recorded, investigated, and resolved to the extent possible in all areas.
4. Checks must be made payable to West Virginia State University or WVSU and must be endorsed promptly with a restrictive endorsement stamp payable to West Virginia State University or WVSU.
5. Checks or credit card transactions will not be cashed or written for more than the amount of the transaction.
6. All voided transactions must be approved and initialed by the area supervisor. Write the word "VOID" across the face of the receipt and retain the original along with the copy in the receipt file. Do not discard voided receipts.
7. Upon deposit with the Cashier's Office, the Cashier's Office will issue a receipt of deposit to be used for reconciliation of the supporting documentation to the deposit and any reports maintained at the cash collection point.

Pre-numbered Receipts

A receipt must be issued for each payment received. At a minimum, manual pre-numbered receipts must include the date, mode of payment (cash, check, or credit card), and the identification of the department and the person issuing the receipt as well as identification of the customer. Machine generated receipts must include similar information. Receipts must be prepared in duplicate.

General Requirements for Checks

A check or money order received must be reviewed for completeness.

1. Verify that the account holder's name, address, and phone number is included on the check.
2. Verify that the check has a bank name listed, and that the routing number and customer's bank account number are encoded on the bottom edge of the check.

3. Note the date. Do not accept post-dated or stale dated checks, and do not agree to hold a check for future deposit. Post-dated checks have a date in the future; stale-dated checks have a date of six months ago or longer.
4. Verify that the amount written in numbers matches the amount written in words.
5. Verify that the check is signed and made payable to the University.

Cash Received by Mail

1. The mail must be opened with two people present and all checks must be endorsed with a restrictive endorsement stamp. All receipts of coin or currency must be listed in a log.
2. If the cash is not credited directly into the appropriate account or receipted through a cash register, a list of the checks and cash should be prepared in duplicate. The list should include the customer's name, amount received, and check number. One copy of the list should be kept in the area and the other should accompany the deposit to the Cashier's Office.
3. Documents enclosed with the mail payments should be date-stamped.

Preparation of Deposits for the Cashier's Office

1. Checks must be made payable to West Virginia State University or WVSU. A calculator tape of the checks must be included with the checks bundled together.
2. Cash must be recorded on the deposit slip in the appropriate space.
3. Attach a copy of the credit card machine batch tape showing transaction totals for credit card receipts. Record the total on the deposit slip.
4. Someone not involved with collecting the cash, opening the mail or reconciling the deposit must prepare the deposit.
5. The deposit must be delivered to the Cashier's Office or dropped in the night drop box at the end of each business day.

Preparation of Deposits for the Bank (Cashier's Office Only)

1. Checks must be made payable to West Virginia State University or WVSU. A calculator tape of the checks must be included with the checks bundled together.
2. Cash must be recorded on the deposit slip in the appropriate space.
3. Someone not involved with preparing the deposit must take the deposit to the bank. Deposit receipts must be delivered back to the Cashier's Office for their reconciliations and records.
4. There should be a log sheet with a signature verifying any money transferred to the bank.
5. The bag holding such money should be sealed/locked before it leaves the University.
6. The employee that has collected the money or made the deposit should not also reconcile the funds.

Management Responsibilities

An effective system of internal controls must be established at every cash collection point. Management must delegate responsibility for cash handling, while maintaining proper segregation of duties. Employees who handle cash should be properly trained and aware of these procedures. The daily reconciliations should be periodically reviewed, then signed and dated to document the management review.

Responsibility of the Office of Fiscal Affairs

Periodic reviews and unannounced cash counts will be performed by the Office of Fiscal Affairs at all cash collection points.

Record Retention

The following documents should be retained for five fiscal years (July 1 through June 30).

- Cash register “total” tapes
- Departmental copy of receipts
- Cash over/short record
- Daily reconciliations

Student Organizations

Organizations such as honor societies, fraternities, student clubs, etc., that collect money are responsible for monitoring their own collections and maintaining their own bank accounts. These funds are not considered University funds according to WV State Code; therefore, the University is not required to monitor collections. The bank accounts that are opened CANNOT use the University’s name or FEIN number. In the case of national organizations, one should use the national organization’s FEIN number or apply for their own FEIN number at www.IRS.gov. In the case of local clubs, the organization should use the information from the faculty, student or staff representative.

Exceptions

The Vice President of Business and Finance must approve any exceptions to these procedures. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard cash must be established and approved by the Vice President of Business and Finance. Requests for exceptions to these procedures must be submitted in writing and a copy of the approved exception must be retained at the cash collection point.