

University of Wisconsin – Oshkosh

Cash Handling Procedures

January 2016

Table of Contents

Introduction2

Statutory Requirements3

I. Cash Collection 4

 Location 4

 Receipt Forms 4

 Recordkeeping 5

 Acceptance of Checks.....5

 Separation of Duties6

 Cash Advances6

II. Cash Count and Reconciliation6

III. Deposits and Revenue7

IV. Transporting Money8

V. Refunds 9

VI. Security and Storage of Undeposited Revenue9

VII Debit and Credit Card Transactions10

VIII. Accounts Receivable 11

IX. Worthless Checks11

X. Burglary and Theft of Assets11

XI. Attachments:

 1. Cash Advance Request Form

 2. Deposit Slip Form

 3. Cash Count and Reconciliation Form

Introduction

Cash and checks are handled in many departments at UW Oshkosh and cash handling procedures must be followed in the collection, recording, safekeeping and deposit of these University funds.

This guide is intended as a general reference for these procedures and was developed to assist you in the proper compliance with Wisconsin statutory requirements.

These procedures must be followed to ensure compliance with state law and the safeguarding of University assets, and to protect you and the University from alleged negligence.

Instruct those employees responsible for handling cash in your department to become familiar with these procedures and to apply them. Responsibility begins with those handling the cash and moves in an upward progression through normal administrative organizational lines of responsibility.

If questions or problems arise regarding cash handling, assistance may be obtained by contacting the University Controller (phone 3318), or the University Cashier (phone 1338).

Departments are reminded that the procurement of goods and services from authorized cash collections remain subject to University purchasing procedures. Failure to follow these policies can result in an employee being financially responsible for commitments and could create situations where liability insurance is excluded.

Statutory Requirement

The following Wisconsin State Statute relates to the receipt and deposit of moneys (<http://docs.legis.wisconsin.gov/1995/statutes/statutes/20/X/906>). You are reminded that this statute must be followed under penalty of section (4).

S.S. 20.906 **(1) Frequency of Deposits.** Unless otherwise provided by law, all moneys collected or received by any state agency for or in behalf of the state or which is required by law to be turned into the state treasury shall be deposited in or transmitted to the state treasury at least once a week...

(4) Penalties. If any state agency fails to make such deposits of money, or to make such reports as are required by this section, the department of administration, with the approval of the governor, shall withhold all moneys due such state agency until this section is complied with; and upon such failure to make such deposits of money, the officer or employe so failing shall be liable to the state treasurer for an amount equal to the interest upon the moneys so withheld from deposit at the same rate as that received by the state upon moneys held in the state investment fund, for the period for which such deposit is withheld; and such interest shall be a charge against the officer or employe and shall be deducted from that person's compensation.

Please note that S.S. 20.906 (1) reads "... at least once a week ...". Departments which collect larger sums of money should deposit them more frequently than once a week.

I. Cash Collection

Location

Designate an area for money collection and store the receipts in a secure location, such as a safe or vault. Cash or checks must never be left unattended or kept in an unlocked moneybox, file cabinet, desk or cigar box. Always be concerned with the amount of funds on hand and what it primarily consists of, cash or checks. Do not hold cash in excess of \$100 overnight, unless you have a safe or vault. If there is a predominance of cash, immediate deposits are encouraged.

Receipt Forms

Receipts should be issued for all money received and can be in the form of a cash register receipt or from a receipt book.

A. Manual Receipt Requirements

1. "Prenumbered" duplicate-copy receipt books are available from the University Cashier.
2. Record all information requested on receipt.
3. The original copy of the receipt should be given to the person making payment whenever possible; if this is not possible, it should be left in the receipt book (e.g., voids, mail-ins, etc).
4. All duplicate copies of receipts must be left in the receipt book
5. If a receipt is made out incorrectly, write, "void" across the face of the receipt and leave both copies in the receipt book.

B. Cash Register Receipt Requirements

1. Receipt must be made available to customer.
2. Daily and weekly read-out and audit tapes must be available for reconciliation of collections.
3. Register should allow programming to identify different operators, as well as, types of different sales transactions where applicable.

Attachment A

Recordkeeping

Departments collecting money must maintain proper records such as cash register tapes or manual receipts, cash counts and reconciliation forms, deposit slips, and inventories of items for sale.

Reconciliation of the deposit slips to the monthly accounting distribution report must be made. This process will enable your department to verify the amount of their deposits made with the University Cashier.

Source document financial records must be kept for **five years**.

Acceptance of Checks

The following procedures must be followed when accepting in-person checks from individuals.

1. Require proper identification (i.e., valid UW Oshkosh identification card or a driver's license.
 - a. The ID information must be recorded on the back of the check along with the initials of the individual accepting the check.
 - b. Checks from individuals lacking proper identification must not be accepted.
2. Checks must be payable to the University of Wisconsin Oshkosh
3. For the exact amount of the transaction only.
4. Endorsed when they are accepted with the department's restrictive endorsement stamp "For Deposit Only (Department/Name)".
5. Checks should be listed on a log.
6. Cross referenced with the receipt number and entered on the back of the check.
7. Drawn only on the account of the writer of the check. No third party checks are to be accepted.
8. Procedures #2 - #6 should be followed when accepting checks in the mail.

Personal checks cannot be exchanged for cash except through the use of the check cashing service offered at the Reeve Union Newsstand or University cashier.

Departments will be charged for all checks returned by the bank. (See Section IX, page 11).

Separation of Duties

Separation of duties is crucial to the safekeeping and control of cash. Different individuals should be assigned the responsibility for the collection and deposit of cash however; the degree of separation will depend on the number of staff within the operation. The supervisor is responsible for verifying the deposit slips to the monthly accounting distribution report, but the supervisor may delegate this duty to another employee who is not responsible for the collection and deposit of the money. Questions regarding separation of duties may be directed to the Controller, phone 3318.

Cash Advances

If a “change fund” or “petty cash fund” is necessary, a Cash Advance Request form must be completed and submitted to the University Controller. A copy of the University Cash Advance Request is attached and additional forms are available from the University Cashier or the Business Office. Cash receipts are not to be withheld from deposits to establish “change funds” or “petty cash funds”.

When the approved period of time for the cash advance expires, it must be immediately returned to the University Cashier. The cash advance must be deposited as a separate deposit with the deposit slip noted as “return of cash advance”. This deposit is not to be included with regular deposits of generated revenue.

Cash advances and receipts are not to be used for cashing personal checks or for any other non-business purpose, such as IOU’s. All cash receipts are to be deposited intact and all expenditures must follow state accounting procedures.

II. Cash Count and Reconciliation

Internal departmental cash counts are performed to:

1. Ensure the accountability of money on hand.
2. Verify the correctness of daily transactions.
3. Identify cash handling problems.

A copy of the Cash Count and Reconciliation form is attached and additional copies are available from the University Controller. The form is intended for departmental use and may be tailored to fit your needs, and as with all accounting records, should be retained for future reference. A cash count should be done at the start of each day’s activity and at shift changes to

Attachment A

verify the amount of cash an employee is responsible for is correct. The cash count and reconciliation should also be performed at the end of each day and reconciled with the day's receipts. This count and reconciliation should be performed in the presence of two employees.

The administrator or manager who is not directly involved with cash receipts process has the responsibility to periodically

- review the nature and extent of overages & shortages,
- compare actual recorded deposits with expected receipts, and
- review daily and monthly reconciliations.

If someone requests access to records or wants to count and reconcile your receipts in your possession, require proper identification and proof of authorization. These actions should always be done in the presence of the individual responsible for the cash.

III. Deposits of Revenue

All revenues collected as a result of the sale of University goods or services belong to the University and must be deposited with the University Cashier. Deposits can be made at the Cashiers office during their business hours of 8:30 am and 4:00 pm or in the night depository located next to the Cashier's window. A copy of the University Deposit Slip is attached and additional copies are available from the cashier.

All revenue received must be deposited "intact":

1. Refunds should not be made from revenue on hand unless previously approved and then only when properly documented.
2. Withholding revenue to create a change or petty cash fund is not permitted.
3. Invoices for goods or services received are not to be paid directly by departments from revenue on hand. These must be reimbursed through the pay voucher process following University purchasing procedures.
4. IOU's from employees are not to be accepted.

All revenue deposits must be:

1. Made at least weekly under penalty of Wisconsin State Statute 20.906.
2. Made in a locked moneybag, which is available from the University Cashier at cost.
3. Transported by two people. (See section IV, transporting money.)
4. Accompanied by the appropriate deposit slip completed in duplicate as follows:

Attachment A

- (a) Indicate the name of the account the deposit is to be made to.
- (b) Enter the proper University account code.
- (c) Indicate the proper revenue code or reduction of expenditure code.
- (d) Indicate the proper cash code. This cash code corresponds to the University account code and the Revenue/Expenditure code. If there is no cash code assigned, you should leave it blank.
- (e) Enter the receipt numbers or the cash register transaction numbers and/or dates, where applicable, used during the deposit period.
- (f) Enter the gross total of receipts on the appropriate line. Determine if the sales are taxable or tax exempt.
- (g) Check off the line or lines that apply in the “State Tax Information” section.
- (h) Enter the amount of total receipts
- (i) Enter the deposit detail in the form of coin, currency and checks (list on back of deposit slip or attach adding machine tape). The total amount of the deposit should equal the total amount of the receipts. If there is a difference it should be shown and explained.
- (j) Signed and dated by the preparer.

The Cashier will return a copy of the receipted deposit slip to the department. Attach all cash count and reconciliation forms, along with other backup data to the validated copy of the “deposit slip” and retain in a file. An employee who does not prepare or make the deposits must perform the reconciliation of the deposit slips to the monthly accounting distribution report to verify deposits have been posted to the proper account. The deposit slips must be retained for a period of five years.

IV. Transporting Money

Employee safety as well as taking precaution to avoid financial loss to the University should have top priority when transporting money.

1. In situations where an amount of consisting of more than \$1000 in cash is being transported an advance request for a University Police escort should be made. If you feel you may need this service at some time during the year, contact University Police #1216.

2. When transporting money consisting of less than \$1000 in cash (non-escorted), a varied schedule should be used. Avoid setting a pattern such as going at the same time, on the same day of the week, and using the same route.
3. A locked moneybag should always be used when transporting money. This should always be done in an inconspicuous manner such as placing the locked moneybag in another bag, backpack, etc. Contact the University Cashier regarding the purchase of locked moneybags.

V. Refunds

Refunds should not be made directly by departments. However, there may be some exceptions to this (i.e., document services) with pre-approval of the Business Office and proper documentation. This documentation must provide the information necessary to determine the validity and detail of the transaction.

VI. Security and Storage of Undeposited Revenue

Revenue must be deposited weekly (S.S. 20.906). However, it is advisable to deposit daily during periods of high cash collections.

Non-deposited cash and receipts must be adequately secured at all times. One or a combination of the following alternatives must be used.

During business hours:

1. Kept in a secure cash register
2. Kept in a locked cash box.
3. During activities with a high volume of cash transactions over a short period of time (athletic and theatre events), cash must be kept in a closely monitored area with limited access. At the conclusion of this type of an event, the revenue must be locked in a cash box, safe or deposited. If this event concludes after business hours the receipts may be deposited in the night depository.

During non-business hours:

1. Kept in a locked safe or vault where possible. Those departments that do not have their own safe or vault should contact the University Cashier for use of the night depository to secure cash overnight.

Attachment A

2. Kept in a locked box in a locked area with limited access.
3. Be deposited with the University Cashier either directly or through the night depository.

Additional points to consider in safeguarding cash are:

1. Limit cash collection points to specific areas.
2. Limit the number of individuals who have access to cash storage areas.
3. Establish specific cash collection days for satellite areas such as coin-operated machines and make deposits the same day.

Revenue that is not secured must never be left unattended. Adequate security measures must always be implemented.

Distribution of keys and safe combination must be kept to minimum and made only when absolutely necessary. Keys left in unlocked desk drawers or labeled/tagged identifying their use are invitations to easy theft. Locks and combinations must be adequately safeguarded and must be changed when personnel changes take place.

VII. Debit and Credit Card Transactions

Security

Debit/Credit card terminals (magnetic strip readers) which are “stand alone” terminals, that is, those that are not permanently attached or manufactured as part of a lockable cash register, must be installed and kept in a secure location such as a lockable drawer or cabinet. Because these terminals are always “live”, they should not be left unattended or unlocked.

Acceptance of Debit or Credit Cards

1. Verify user signature on the debit/credit card with the purchaser’s signature on the receipt.
2. If necessary, verify purchaser identity with another form of identification such as a UW Oshkosh identification card or driver’s license.

VIII. Accounts Receivable

As with the Cash Handling Procedures, proper billing procedures must be followed and adequate records maintained in accounting for receivables. For those departments involved with accounts receivable, a copy of the Accounts Receivable Procedures can be obtained from the Business Office.

IX. Worthless Checks

When the University Cashier is returned a check from the bank due to insufficient funds, no account, account closed, etc., the check will be considered worthless. The University Cashier will remove the amount of the check from the department's account and follow the Procedures for the Worthless Checks. The amount of the check will be added back to the department's account only if the check is eventually made good.

Departments that know of situation where it appears there is no hope of ever collecting the amount of the worthless check are expected to share this information with the University Cashier.

X. Burglary and Theft of Assets

If the guidelines and procedures in this booklet are followed, the opportunities for burglary, theft, embezzlement and fraud will be reduced. However, if any of these situations are known to exist or are suspected, they should be immediately reported to the following University Offices.

1. Vice Chancellor, Administrative Services - #3030
2. University Police - #1212
3. Controller - #3318

Personnel reporting these types of situations should not discuss this matter any further with anyone else at this time.

Procedures mandated by UW System Financial and Administrative Policy Paper #16 will immediately be followed.

ATTACHMENTS

UNIVERSITY OF WISCONSIN – OSHKOSH CASH ADVANCE REQUEST

Submit in duplicate to Brenda Hallman in Financial Services. One copy will be returned to the requestor.

Date: _____ Type of Advance: Temporary Permanent

Name of Department: _____

Purpose/Justification:

AMOUNT REQUESTED: _____

Date Needed by: _____

Date to be Returned : _____

Individual handling cash advance: _____

Signature of responsible individual: _____

For Accounting Office use only

_____ Approved _____ Not Approved _____ Controller

Comment _____

Date check issued _____ Check # _____ Amount _____

Date advance revised _____ Date advance returned _____



DEPOSIT SLIP

University of Wisconsin Oshkosh

Name of Department:

Dept. Number - - Account#
FUND ORG PROG

Source of Revenue:

Receipt # through

or
Cash Register Trans # and/or Date through

Gross Taxable Receipts \$
Gross Tax Exempt Receipts \$
Total Receipts \$

Deposit in form of:

Coin \$	<input type="text"/>			
Currency \$	<input type="text"/>	NET DEPOSIT	\$ <input type="text"/>	<input type="text"/>
Checks \$	<input type="text"/>			
Credit Cards \$	<input type="text"/>	Cash Over/(Short)	\$ <input type="text"/>	<input type="text"/>
TOTAL DEPOSIT \$	<input type="text"/>			

Prepared by Phone # Date

Received by Date

To be presented to cashier in duplicate

CASH ADVANCE RECONCILIATION

Department: _____ Cash Advance Amount: \$ _____

Date Counted: _____

ACTUAL:

	<u>Denomination</u>	<u>Bands/Rolls</u>	<u>Individual</u>	<u>Total</u>
Bills	Hundreds			
	Fifties			
	Twenties			
	Tens			
	Fives			
	Twos			
	Ones			
	Coins	Dollars		
Halves				
Quarter		@ 10.00		
Dimes		@ 5.00		
Nickels		@ 2.00		
Pennies		@ 0.50		

Total Cash Count	
Add: Checks (Summary 1)	
Add: Credit Cards (Summary 2)	
Add: Titan Card Payments (Summary 3)	
<u>ACTUAL TOTAL</u>	

REQUIRED:

Cash Advance Amount	
Add: Total Receipts (Summary 4)	
Less: Total Disbursements (Summary 5)	
Less: Total Refunds (Summary 6)	
<u>REQUIRED TOTAL</u>	

VARIANCE: Over \$ _____
Under \$ _____

Attachment C

I hereby certify that I have counted back the cash and cash items turned over for count and find that it agrees with enumeration in the above report. I further certify that the above actual count totaling \$_____represents all the undeposited cash and checks which I am responsible for as of this date.

Signature _____

Controller_____

Title _____

Date _____

Date _____