Cash Handling Procedures

Management and Set up for Cash and Credit Card Handling Procedures
This presentation is designed to give managers a brief outline of key procedures and controls that should be in place to safeguard cash and credit card transactions.

For this presentation, “Cash” refers to currency and Checks.
Cash and Credit Card Handling Procedures

- It is important to the institution as well as our employees to create a safe and secure environment in which to carry out transactions.

- Weak controls over cash and credit cards might lead trusted employees to take inappropriate actions that may result in loss of job, reputation and self-respect.
Risks Associated With Currency

1. Currency is risky because it can easily be converted to personal use since it is immediately negotiable.

2. It’s difficult to identify the thief since one dollar looks like another.

3. Thefts, if left undetected, usually continue and escalate.
Risks Associated With Credit Cards

1. An unauthorized person may be using the credit card.

2. If left unsecured credit card numbers can be stolen

These risks can be minimized by using good procedures.
Risks Associated with Checks

1. Checks can be stolen and cashed.

2. Checks contain personal financial information which could be used to steal a person’s identity.

3. Identity theft can also occur if checks are copied for departmental records and personal financial information is not blocked out.
Setting Up a Receipting System

When setting up a receipting system the 3 following key issues need to be addressed:

1. Receipting policies and procedures need to be written and available for reference.
   A. Adequate training should be provided.
   B. Responsibility for cash and payments should be clearly establish.
2. An adequate number of personnel should be dedicated to this activity.

A. If payments are received through the mail, two people should open the mail and log the payments.

B. Duties should be properly separated so that one person does not receive, record and reconcile cash and payments.

C. Employees need time to reconcile the money to the receipts at the end of their shift.

D. Employees need time to prepare deposits so that they can be made within three working days.
Setting Up a Receipting System

3. There should be adequate facilities and equipment.

   A. Receipt books or cash registers must be provided.

   B. If more than one person can receive payments at a time they should have separate cash drawers.

   C. There should be a secure place to prepare the cash reports.

   D. There must be a safe, locked box or secure drawer to store money.
Best practices in the daily operation of a cash receipting process include the following:
Best Practices

- The University is responsible to ensure security of personal financial information. Checks and credit card numbers must be kept in a secure register, cash box, or cash bag.

Leaving cash or credit card receipts on desk tops, in unlocked drawers or in envelopes increases the risk of identity theft.
Best Practices

- Make sure to provide a restrictive endorsement stamp so that checks can be restrictively endorsed to **Utah Valley University** as soon as they are received.

It is relatively easy to get a check cashed even if it is not made out to you, unless it is stamped “Deposit to Utah Valley University” on the back.
Best Practices

- The number of people with knowledge of safe combinations should be limited and keys to cashier drawer should be strictly controlled.

This minimizes the risk of not being able to identify the thief.
Best Practices

- In the event that the department receives a donation or gift be sure to send it directly to the development office.

Donors should be encouraged to send donations directly to the development office so that the donation can be properly recognized.
Best Practices

- When you need to increase or replace your change fund, use a purchase requisition.

Temporary increases (i.e. for special events) should be returned as soon as they are no longer needed. This helps avoid excess cash in the register.
Best Practices

- Voids and all changes to the cash register tape or computer tally should be approved by an authorized person. This minimizes the risk of easy conversion of cash to personal use.
Best Practices

- No IOUs!

This minimizes the risk of easy conversion of cash to personal use.
Invoices and petty cash purchases should not be paid out of cash receipts or change funds. This circumvents procedures to capture total expenses and revenues.
Cashing Checks

- Departments cannot cash checks unless they are authorized by Finance/Business Services.
- When authorized the following rules apply:
  1. Postdated checks will not be accepted.
  2. Checks must be imprinted with name, address and telephone number. No counter checks will be accepted.
  3. Two–party checks will not be accepted.
  4. Deposit slips cannot be used in place of the check.
Basic Responsibilities

Departmental Director/Manager

1. Determine if cash receipting could be handled better by the main cashier’s office.
2. Make sure that there is adequate personnel.
3. Ensure over/short accounts are used.
4. Provide necessary equipment (receipt books, cash registers, safes, etc.).
5. Make sure there is an adequate training program.
Basic Responsibilities

- Supervisor/Head Cashier
  1. A cash register or cash box with a lock and receipt book should be provided – envelopes and cardboard boxes are not acceptable.
  2. All cash receipts should be reconciled to the register tape or receipt book.
  3. Over/short totals should be tracked.
  4. Funds need to be deposited in 3 working days and credit cards should be settled daily.
  5. Responsibility for cash should be identified.
  6. Cash should be kept in a safe place or secured area.
Basic Responsibilities

Cashier

1. Every transaction, including voids, should be rung through the machine or receipted in a receipt book.
2. All voids should be approved and initialed by the supervisor.
3. Checks should not be exchanged for cash
4. Checks should never be held out of the deposit.
5. The cash box should be kept out of sight during the day and locked in a drawer at night.
6. All funds should be deposited within 3 working days and credit card settlements should be completed daily.
Questions?

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