

Cash Operations Training - 2012

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Purpose of the Cash Operations Manual

The purpose of the cash operations manual is to consolidate the cash handling/cash operations policies and procedures of Savannah State University, hereafter referred to as the University, into one centralized, easy to use reference manual.

The Bursar is the University's primary cash handling agent and should be considered the repository for all Savannah State funds. Only this office can make deposits on behalf of SSU directly with the bank. Unless you have been recognized by SSU as a legally separate component unit no one should have bank accounts listed under the SSU entity name.

For funding that is being maintained for a group under the umbrella of Savannah State University that is collecting funds for its own use (not State, SSU revenues, Grants, Contracts, etc.) it is recommended that you set up and utilize an agency fund.



Purpose (continued)

For the purpose of this manual, Savannah State University includes all University departments, administrative offices, affiliated organizations, and contractors acting as cash handling agents for the University's cash.

While this manual provides the overall cash operation procedures for the University, individual departments may have more detailed procedures for cash handling positions which must, at a minimum, include this document by reference. The University Comptroller reserves the right to make interpretations and exceptions to the policies contained in this document.

NOTE: Historical practices will not constitute justification for deviation from the following policies and procedures. The material contained in this document supersedes any previous policies and procedures regarding the handling of cash on behalf of the University.



APPLICABILITY OF MANUAL

This manual is for the benefit of all University employees and contractors who are involved in cash handling operations on behalf of the University, regardless of their location or organizational relationships. Employees and contractors with cash handling functions should be required to read this manual and become familiar with its contents.

Departmental Cash Handling Form signed by the department head/supervisor/contracted supervisor and copies of the **Cash Handling Form** signed by the subordinate responsible for the cash handling functions should be on file with the Comptroller's Office, indicating that they have received and read the University's Cash Operations manual.



The overall cash policy of Savannah State University is to institute controls and procedures to:



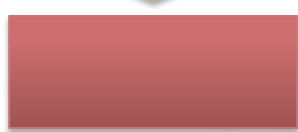
Ensure the physical security of cash.



Maximize the use of cash funds.



Accurately record the receipt of cash to ensure the reliability of financial data.



Ensure a separation of duties between the persons receiving *cash* and the persons responsible for maintaining the accounting records.



Policy

It is the responsibility of each depositing unit to ***safeguard funds and provide an unbroken audit trail*** that reflects where funds were initially recorded, deposited, and appear as a credit in an official University account. ***Each University unit that collects funds or maintains a petty cash or change fund has the responsibility to follow cash control procedures*** established by the Comptroller's Office.



Training Responsibility

Departments are responsible for informing and training designated employees in cash handling policies and procedures. Contractors are responsible for informing and training their designated employees who handle University cash in fund handling policies and procedures.

Guidance should be sought from the Comptroller's Office if there are any questions or assistance is needed.



INTERNAL CONTROL

Internal control encompasses the **policies and procedures that an organization establishes to:**

- 1) safeguard its assets,*
- 2) to check the accuracy and reliability of its accounting data,*
- 3) to promote operational efficiency,*
- 4) and to encourage adherence to prescribed managerial policies.*



Internal control procedures that are designed in relation to cash handling involve:

Proper segregation of duties.

Adequate safeguards for handling, transporting, and storing cash.

Prompt deposits of cash with the Cashier's Office and into bank accounts.

Accountability through independent reconciliation of deposit documents to the statement of accounts.

Management oversight and review.



INTERNAL CONTROLS OVER CASH

*Cash funds must be kept in a **secured cash register, locked cash box, or vault** and access to the funds must be limited to authorized personnel.*

*Sales taken from a cash register or cash drawer must be placed in a **locked deposit bag when being transferred** for deposit preparation or to the Cashier's Office.*

*Petty cash and change funds must be **balanced periodically, preferably daily**.*

*Deposits must be made **daily or within 24 hours of receipt** of funds by the office making a deposit.*

*Petty cash and change funds must be **retained on campus and available for cash verification** by the Comptroller's Office or the Internal Auditor at any time.*



INTERNAL CONTROLS OVER CASH – con't.

Departments having **large deposits of cash should request a Campus Police escort to the Cashier's Office.**

Disbursements must not be made from cash receipts or change funds for any reason.

Cash **discounts or refunds must be authorized** by an appropriate departmental manager.

The Bursar's Office maintains a log of all **cash overages and shortages** and is responsible for reporting significant variances to the appropriate campus authorities.

Any loss or entry **to cash over/short exceeding \$100 must be immediately reported** to the Bursar, who will immediately notify the Comptroller's Office.

In most cases, these will also be immediately reported to campus police and the internal auditor.



INTERNAL CONTROLS OVER CASH – con't.

*Cash operations must be subject to **daily supervisory review**.*

*All cash must be **completely and accurately recorded** in the financial records of the University.*

Segregation of duties is the one internal control which most effectively assures the secure handling of cash. This is attained by having a different individual to 1) receive cash, 2) account for or record the transaction, and 3) reconcile the ledger sheets. This allows each person to serve as a control over the others, catching mistakes and preventing the misappropriation of funds.



Periodic reviews of cash handling procedures will be conducted by the Comptroller's Office and are always **subject to audit** by the Comptroller's Office, Internal Audit, and any State Auditors or review firms engaged by the aforementioned. Departments or affiliates not complying with approved procedures may lose the privilege to handle any cash transactions on behalf of the University.

Additionally, violations of internal controls or improper use of University resources may result in termination of employment.



Comptroller Responsibilities:

Establish and enforce policies and procedures governing the receipt, handling, custody and disbursement of funds.

Require the establishment and maintenance of records giving full account of funds received and paid by the University.

Request audits of any aspect of the cash receiving and handling functions of the University.

Establish and terminate petty cash or change funds and set limits on the amount and use of such funds.

Establish and enforce minimum security standards applicable to all University cash handling operations.



Bursar Responsibilities:

The Bursar is the University's primary cash handling agent and has the responsibility to collect, control, and maintain records for all campus funds.

All cash collected by University departments must be forwarded to the Cashiers' Office in accordance with the cash receipts procedures outlined in this document. The primary responsibility of the Bursar's Office is to make sure an effective cash management system is maintained and to oversee the internal control of cash receipts.

The Bursar is also responsible for reviewing cash overages and shortages and to report any significant cash discrepancies or failure to follow appropriate cash handling procedures immediately to the Comptroller and to the Internal Auditor, if appropriate.

The Bursar's Office is the liaison for identifying and working with all cash handling units, as any department making a deposit of University cash.



Departmental/Unit Responsibility:

Departments are responsible for complying with the policies and procedures outlined in the Cash Operations Manual and for developing detailed written departmental operating procedures.

The Bursar's Office and Comptroller's Office are available for consultation and review of departmental procedures.

Departments are responsible for training designated employees in fund handling policies and procedures.



All departments, administrative offices and affiliated organizations of the University that handle cash accept responsibility to:

Receive funds and deposit them in accordance with the daily deposit policy with the Cashiers' Office.

Supervise all cash activities so that all funds received are properly recorded and deposited in accordance with University policy and procedures.

Ensure that proper records are maintained and that entries are made promptly and properly.

Ensure that all funds are adequately safeguarded.

Conduct periodic reviews of their cash activities to determine that all systems are functioning as intended and that all applicable University policies and procedures are being followed.



Individual Responsibility:

Responsibility for handling cash is assigned to individual employees who participate in any cash function and to their supervisors. Any employee who handles cash is ultimately responsible for all funds in custody. The supervisor of any employee who handles cash is responsible for ensuring that proper and reasonable safeguards are followed. Each employee involved in cash operations assumes the responsibility for full and true reporting of all funds received.



Contractor Responsibility:

Contractors who have employees who handle cash that belongs to the University are required to ensure their employees are educated regarding the policies and procedures that are contained within this document and to train them accordingly before they are allowed to handle cash. Contractors must ensure that employees handling University cash are insured by a Fidelity Bond, and contractor supervisors must maintain signed copies of the Cash Handling Form for their employees. Contract supervisors will be required to complete and turn in the Departmental Cash Handling Form to the Comptroller, with a copy to be maintained by the Department Head responsible for the contract.



General Policies – Cash Receipts

*Deposits must be made with the University's authorized depository bank on a **daily basis**.* This is accomplished through the Bursar's Office.

A **receipt must be provided** for all cash received. A receipt may be in the form of a computerized receipt or a hand written receipt. Receipts issued by the Cashiers' Office must be computerized when possible.

A department must have **a written and legal authorization** (as in the budget document or directly from the Vice President for Business and Financial Affairs) before fees may be charged and collected.



General Policies – Cash Receipts (con't)

All checks received must be ***restrictively endorsed*** immediately with the University's endorsement stamp, ***remotely deposited*** via remote deposit capture, or ***electronically converted*** to an ACH.

There must be a ***separation of duties*** among employees receiving cash. Different persons should be designated to receive cash, deposit cash, and record transactions to ensure that no single person has total control over the entire process.

Cash **receipts and recording should be reviewed daily and approved by a supervisor** in addition to the person receiving the funds.



General Policies – Cash Receipts (con't)

Checks accepted must be made *payable to Savannah State University only*.

Currency should not be sent by campus or U. S. mail.

All questions regarding procedures for cash receipts should be directed to either the Comptroller or the Bursar, depending upon the particular informational needs.



The Comptroller must grant approval to a department to collect cash on behalf of the University.

Departments are required to utilize Receipt Books issued by the Comptroller's Office, which maintains a control log of receipt books issued, on the second floor of Hill Hall.

A Cash Transmittal Form must accompany receipts submitted by all individuals, departments, administrative offices, and affiliated organizations of the University.

<http://www.savannahstate.edu/fiscal-affairs/documents/TRANSMITTALSHEET.pdf>



General Policies – Petty Cash Funds

*Petty cash funds are to be maintained on an imprest basis, which means the amount of the fund remains constant. **Currency and coin plus petty cash receipts in the fund should always equal the authorized amount of the fund.***

It is the policy of Savannah State University that no disbursements are made from these funds except to satisfy a liability of the University that has incurred for authorized purposes.

All petty cash funds belong to Savannah State University and should be *kept on University property at all times.*

The fund is subject to surprise count.



General Policies – Petty Cash Funds

*The fund may **not** be used to cash personal checks.*

Mishandling of funds may result in dismissal and/or prosecution of involved employees and/or relinquishment of the fund by the department.

A custodian for the fund must be appointed and approved by the Bursar and is the party responsible for safekeeping, disbursing, and balancing the fund. Only regular, full-time employees may request custodianship of a petty cash fund.



General Policies – Petty Cash Funds

*Custodians of petty cash funds must ensure that they are **safeguarded at all times**.*

Any discrepancies in the fund are the responsibility of the custodian and the departmental administration.

*Petty cash funds are **not to be commingled** with other University or personal funds.*

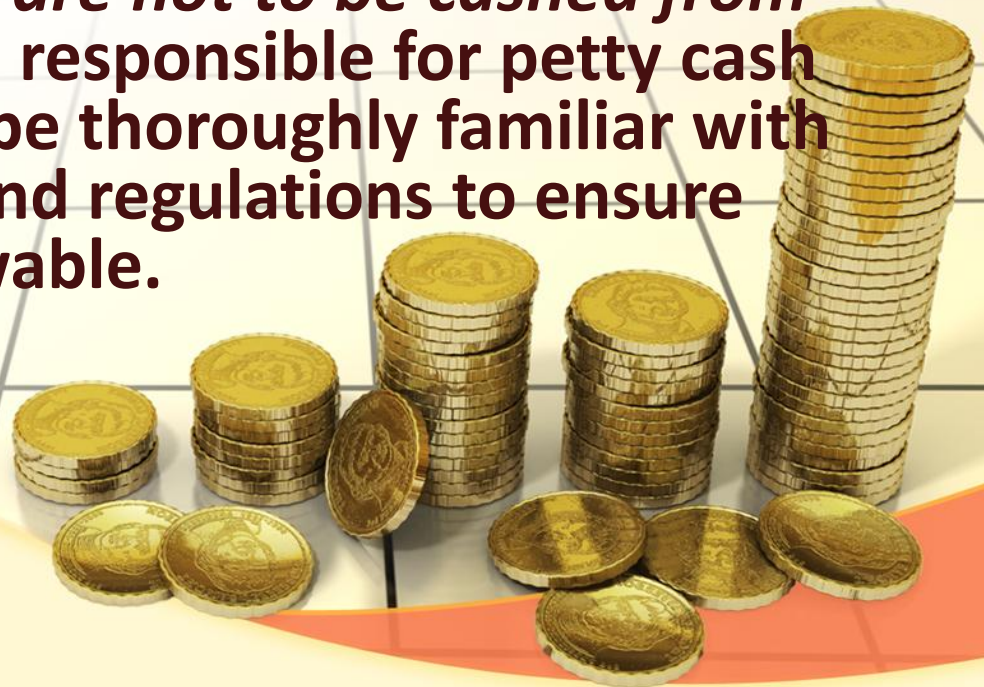
*A petty cash fund is limited to an amount that is **reasonable and necessary** to carry out the essential activities for which the fund is authorized.*



General Policies – Petty Cash Funds

As a part of the annual University audit, all petty cash funds must be reconciled and a copy of the reconciliation forwarded to the Comptroller's Office.

Expenditures made from a petty cash fund must follow Savannah State University's Purchasing policies and procedures. Checks are not to be cashed from these funds. Custodians responsible for petty cash funds of this type must be thoroughly familiar with State purchasing rules and regulations to ensure disbursements are allowable.



General Policies – Petty Cash Funds

For the majority of small purchases employees should utilize a Purchasing Card when feasible or request reimbursement through Accounts Payable. *Small, eligible reimbursements* can be made from these funds but only if the attached information is presented:

1) Support of payment made such as a register receipt or invoice which includes the name of the vendor paid. Support must include evidence that payment was made by the employee to be reimbursed.

2) Date of the expenditure.

3) Description of the goods or services.

4) Purpose for which the goods or services were purchased and reason for the immediacy of the purchase.

Amount of purchase.



Petty Cash Custodian Responsibilities:

Counting funds – Funds must be *counted and the amount certified monthly (as part of the reconciliation process)* and whenever they are transferred from one person to another.

Documenting disbursements and reimbursements – Written or printed receipts or “paid” invoices must be maintained to support each transfer of funds (disbursement and reimbursement).



Petty Cash Custodian Responsibilities:

Accounting for overages and shortages – *A supervisor must review and certify all overages and shortages. Shortages must be reimbursed by the custodian. If not repaid, then it is the responsibility of the Department Head.*

Limiting access to funds – *Access to petty cash funds must be limited to the person responsible for the fund. Two or more persons may not work from the same fund.*



Petty Cash Custodian Responsibilities:

Safeguarding funds - *Custodians of petty cash funds must ensure that they are safeguarded at all times.*

Monitoring discrepancies - *Any discrepancies in the fund are the responsibility of the custodian and the departmental administration.*

Manage funds appropriately - *Responsibility for effective management of the fund lies with the custodian.*



RECONCILIATION OF PETTY CASH FUNDS

At the **end of the month, the custodian must reconcile the petty cash fund** to ensure that all money is accounted for. The cash on hand, vouchers, and receipts must total the amount of the fund. Reconciliations must be kept on file and readily available for review by the Department Heads. Department Heads are required to perform or appoint someone to perform **surprise audits during the year**. Any variances are to be immediately noted to the Bursar, who will report to the Comptroller and the Internal Auditor as necessary.



SECURITY

To ensure security of cash and other related assets of the University:

Control the access to the room or location where your Change Fund is located and where you audit your day's business. Control includes having a safe/vault large enough to contain the cash and any related documentation. Where space permits, control includes a locked room with the door closed at all times.

Safes MUST BE closed and locked at all times unless someone is accessing the funds or doing safe counts. The use of a "Day Lock" or partial lock of the safe is not permitted.

Checks should be restrictively endorsed immediately with the "For Deposit Only" stamp, to the credit of Savannah State University, for areas outside the Bursar/Cashier's Office.



SECURITY

To ensure security of cash and other related assets of the University:

Do NOT PERMIT unauthorized persons in areas where cash is handled.

Large sums of cash should be counted and handled out of sight of the general public.

Cash should never be left unattended.

This applies to cash registers and desktops. If an employee leaves his or her workstation for any reason, regardless of how brief the period, cash must be appropriately secured in a locked place.



GUIDELINES IN THE EVENT OF A ROBBERY

Cooperate with robber. Avoid any confrontation and facilitate a rapid departure. Stay as calm as possible. Take no risks. Try not to panic or show any signs of anger or confusion.

Make a mental note of any descriptive features or distinguishing marks on the robber, such as his/her clothing, hair color, eye color, scars, tattoos, etc. Touch nothing in areas where robbers were and note specific objects touched by robbers.

If it is safe to observe, the direction the robber took should be determined. If possible, observe color and make of vehicle leaving the scene.

Departments having security alarms should trip the alarm as soon as it is safe.



GUIDELINES IN THE EVENT OF A ROBBERY

University Police should be called as soon as it is safe.

The robbery should not be discussed with anyone until the police arrive.

The victim should, above all else, remain calm and try to remember the details. Write them down.

Cooperation with the University Police is important.

Unnecessary risks should never be taken.



No individuals, departments, administrative offices, or affiliated organizations of Savannah State University may *establish a bank account or, deal directly with a bank or similar depository institution for the purpose of making deposits, arranging for safekeeping of assets, cashing checks, or any other function without the written consent of the President or Vice President for Business and Financial Affairs.*

All signature cards establishing a University bank account must be processed through the President's Office.

All funds payable to Savannah State University must be receipted and deposited into the University's bank account.

The Comptroller's Office is responsible for all online banking transactions, reconciliations, and reporting of cash.



HIRING CONSIDERATIONS

Individuals being considered for a regular full-time cash handling position must have his or her employment record verified by Human Resources. The Human Resources Office will conduct a background check on the individual to determine if a criminal record exists, and in some cases, a credit check may be required.

Department Heads or Direct Supervisors are responsible for ensuring that employees are trained in appropriate cash handling procedures, have reviewed this Cash Operations Manual thoroughly, and have signed the CASH HANDLING FORM before they are allowed to handle cash. The Department Head/Supervisor must have a DEPARTMENTAL CASH HANDLING FORM on file with the Comptroller. (For Departments needing assistance with training please contact the Comptroller.)



CASH HANDLING GUIDELINES FOR DEPARTMENTS

DO:

Endorse checks immediately with the “For Deposit Only” stamp.

Define cash as checks, coins, currency, money orders, travelers’ checks, and credit card receipts.

Allow only authorized departmental employees to deliver cash.

Obtain security guards at times when extra large sums of cash are being handled (registration payments, cafeteria sales, and ticketed events).

Provide adequate security (such as security guards, or two or more employees) when transferring cash to other departments or banks.

Close vault and safe doors when unattended.



CASH HANDLING GUIDELINES FOR DEPARTMENTS

DON'T:

Permit unauthorized persons in areas where cash is handled.

Leave cash drawers/cash registers containing cash unattended.

Leave cash unattended on desk tops or counters.

Send cash through Campus Mail.

Count cash in view of the public.



CASH HANDLING GUIDELINES FOR DEPARTMENTS

DAILY CASH DEPOSITS

DO:

Deposit cash on a daily basis.

DON'T:

Permit cash to be left in a department overnight, weekend, or month-end without being secured.





Questions?

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