

Miami University DEPARTMENTAL CASH HANDLING POLICY

It is extremely important that all departments that handle cash set up and adhere to strong internal controls. By doing so, the potential for mishandling of funds can be minimized. Also, by following proper procedures, overages and shortages can be identified and an audit trail will exist so that transaction can be properly reviewed.

For the purposes of this policy, “cash” includes coins, currency, checks, money orders, credit card, internal charge and payroll deduction transactions.

Prior to receiving any cash, a department must have written approval from Treasury Services. Treasury Services retains the right to determine what forms of cash a given Department can accept. *All Departments who collect funds should be registered with Treasury Services.* Along with the right to accept cash, a department assumes the responsibility of instituting and following proper cash handling procedures outlined below. *All Departments who collect funds may be subject to periodic, unannounced audits by the Internal Auditors.*

Separation of Cash Handling Duties

Cash Handling Duties are divided into three categories – the receiving of cash, the depositing of cash, and the reconciliation. The ideal is for all three categories to be the responsibility of different individuals. In a small department where this is not possible the goal should be the separation of the cash receiving responsibility from the depositing and reconciliation.

I. Receiving Cash

- Formal Cashiering Environment (cash register used)
 1. Each cashier should start their day’s business with a new beginning cash and their own cash drawer (cash drawers should never be shared).
 2. All checks and money orders should be made out to Miami University.
 3. All checks should be restrictively endorsed with “For Deposit Only Miami University” by the receipt printer of the register. The endorsement should include the identifier for the department.
 4. If the customer is there in person, a receipt for the transaction should be given to them.
 5. Each cashier should balance their business at the end of their shift.
 6. An independent designated individual needs to verify that the cash received matches the cash register’s report of business by cashier. This function is usually performed during the preparation of the deposit.

- Non-Formal Cashiering Environment (no cash register)
 1. Specific person(s) should be delegated the authority to receive cash.
 2. All cash received should be immediately recorded. If received in person, a written receipt should be given to the person.
 3. All checks need to be restrictively endorsed with "For Deposit Only Miami University" immediately upon receipt. The endorsement should also include identifier for the department.

Safeguarding Handling and Storing of Cash

1. Collections should be held in a secure manner until deposited (i.e. in a locked location).
2. Access to secure location(s) via keys or combinations should be limited to authorized individuals only.
3. Collections should be deposited intact (no expenditure should ever be made from a collection).

Reviewing/Approving Voided Cash Receipts

1. All voids and refunds should be reviewed and approved by the Cashier Supervisor.
2. Documentation for all voids and refunds should become part of Daily Balancing reports.

II. Depositing Cash Promptly

1. The preparation of the deposits should not be done by the person collecting and recording receipts. The person preparing the deposit should verify the cashier's balancing form.
2. To maximize cash flow and safeguard assets, deposits need to be made in a timely manner. Section 9.38 of the Ohio Revised Code requires that all deposits exceeding \$1000 be made by the next business day following the day of receipt. If the total does not exceed \$1000, the lag may be up to three business days to make the deposit, if the funds are safeguarded.
3. Unless prior arrangements have been made for directly depositing to the bank, all deposits are done at the Cashier's windows (101 CAB) of the Office of the Bursar. Deposits that include currency or coin must be delivered in person to the Office of the Bursar. Deposits that do not include currency or coin can be sent through campus mail or delivered in person to the Office of the Bursar. The Miami University Police Department provides an optional escort for the transporting of cash using the following guidelines:
 - The transfer of cash (currency and coins) is in excess of \$1,000.00.

- The Police Officer will escort the courier from her/his office to the point of destination.
 - The Police Officer will not carry any funds.
 - The Police Officer will ensure that the courier remains on the Officer's non-armed side.
 - The Police Officer will escort the courier back to her/his office.
4. All Deposits should include the following:
 - a. completed Deposit Transmittal Form,
 - b. two adding machine tapes of checks, checks(properly endorsed) in order of adding machine tapes, cash grouped by denomination, Visa/Master Card tapes attached to sheets of paper, and if possible coins rolled ,
 - c. for workshop deposits, a listing that includes the name, ID number of each student along with the amount collected from the student.
 - e. For each deposit processed at the Office of the Bursar a receipt is generated and given or sent to the person who prepared the deposit. These receipts need to be kept with the paperwork for that deposit. All paperwork needs to be kept in an orderly manner for four years so that it can be reviewed at any time by administrative staff or auditors.

III. Reconciling Daily and Monthly Activity

1. One individual should verify and initial all deposits prior to making a deposit.
2. Daily reconciliation is accomplished by comparison of the following:
 - a. the cash receipt records (cash register balancing records, pre-numbered receipts, or activity reports).
 - b. the completed Deposit Transmittal Form,
 - c. the deposit receipt(s) from the Office of the Bursar.
3. Monthly balancing is accomplished by comparing monthly reports from General Accounting to deposits.
4. All differences should be documented and resolved promptly.

Monitoring the Cash Receipts Process

1. Management should do a periodic review of the internal controls in place to determine that the controls are:
 - a. sufficient to safeguard cash collected,
 - b. understood by staff,
 - c. carefully followed by all staff.
2. A member of management should be designated to take responsibility for reviewing and approving the reconciliations in a timely manner.

3. The designated member of management should also review the nature, extent, and resolution of overages and shortages.
4. Management should periodically do an unannounced verification of prepared deposits, comparing the deposits with cash receipt records.
5. Management should ensure that sales tax is collected and accounted for as required by the Controller's Office.