

**Cash Handling Procedures**

The handling of University monies requires that certain basic procedures be followed precisely at all times. Procedures for the handling of cash receipts are designed to provide accountability for funds received in accordance with accepted standards of internal accounting controls. Cash handling procedures are designed to assist and protect both the individuals handling the funds and the University. The Financial Affairs Office is responsible for ensuring that funds are properly receipted and recorded and should be contacted if questions arise regarding these procedures. All funds are subject to audit at any time by State Auditors, Internal Auditors, or University Finance and Administration personnel. All Petty Cash Funds and Till Funds must be authorized through the Associate Vice Chancellor for Financial Affairs (AVCF). The procedures outlined in this guide must be followed where applicable. Any deviation from these procedures must be approved in writing by the AVCF.

**General Procedures**

- A. Individual accountability must exist at all times for cash funds. University of Arkansas employees who are assigned funds, (the fund custodian), must follow this policy and procedure. Failure to follow this policy and procedure may result in the employee's personal liability to the University of Arkansas for any shortages.
- B. Each cash fund should be maintained separately. Co-mingling of University and Non-University funds is prohibited.
- C. The number of persons in a department or unit required to physically handle funds should be kept to the very minimum.
- D. Persons who receive funds on behalf of the University should not be assigned the responsibility for determining amounts due or owed to the University.
- E. Departments should ensure that all deposits are reflected on their Departmental Budget Reports (DBR's). This should be done by an employee who is independent from determining amounts due the University and who receives funds on behalf of the University.
- F. Only one person should have access, custody, and responsibility for monies at any point in time. Custodianship should be documented in writing and all fund custodians should be provided a copy of this policy and procedure.
- G. University policy is to record all overages or shortages in the University's books and accounts per Fayetteville Policy and Procedure 311.0. Complete and attach a copy of the Report of Cash Over/Short to the deposit transmittal.
- H. All exchanges of monies, receipts, or other transactions should be documented in writing. This also includes the transfer of funds from one custodian to another. Fund custodians should verify all monies to assure themselves of the accuracy of amounts involved in any transaction.

I. Till Fund and Petty Cash Fund amounts should be kept at a minimum level but sufficient for necessary departmental operations.

- Till Funds (also called change funds) - A sum of money used by the fund custodian to make change.
- Petty Cash Funds - A sum of money set aside for the purpose of making immediate payments of relatively small amounts,

J. There should always be a locking drawer, locker, safe, or other security device where cash funds and receipts are physically safeguarded.

K. Departments should include payment instructions on all billing invoices. These instructions should include the following information:

- Make checks payable to the University of Arkansas
- The payment remittance address
- Specific information to include with payment, such as, invoice number, invoice stub, etc.

L. Personal transactions with cash funds are prohibited. Monies may never be borrowed nor loaned from cash funds, nor may personal checks be cashed from receipts. Personal checks are cashed on a limited basis at the Hunt Hall University Cashier's Office.

## **Mail Logs**

A. In any operation where funds are received by mail, written procedures should be established for the person(s) opening the mail. The procedures (as a minimum) require the person who opens the mail to maintain a log of all mail that contains money, whether currency or check.

1. Information on this log should include, at least, the following:

- Name of Payer Amount
- Check number (if applicable)
- Check Date
- Purpose of Payment
- Disposition of the payment (cash receipt number, further routing, etc.)

2. Additional departmental procedures should verify that all the funds logged have been receipted. The University Cashier's Office in Hunt Hall may be contacted for assistance in establishing proper procedures.

3. Any time currency is received by mail, the supervisor should be notified and a special notation entered on the mail log. The cash payment should be receipted immediately.

## **Receiving Funds**

A. Checks

1. All checks should immediately be restrictively endorsed when received. This endorsement should include the following:

- For Deposit Only
- University of Arkansas
- Department Name or Activity

2. All payers should be instructed to make checks payable to the University of Arkansas, not to departments, department heads, or other parties.

3. Checks made payable to the University of Arkansas and any other party, i.e. joint payable checks, may only be negotiated by the University Cashier's Office in Hunt Hall.

4. Cash handlers should ensure the following information is on the face of each check:

- Payer's name
- Local address
- Telephone number
- Student, employee, or other identification number

5. Cash handlers should verify identification by photo-id for all checks received in person.

6. Departments may not accept post-dated checks, IOU's, or third party checks.

## B. Cash

1. Cash may be accepted only when the payer can be provided with an official receipt at the time of payment.

2. A receipt must be issued immediately upon the acceptance of any cash payment or deposit.

3. Departments that do not have receipting facilities should direct such payers to the University Cashier's Office in Hunt Hall.

4. All packaged coin or strapped currency received as payment should be removed from the package or straps and verified.

5. Cashiers and other fund custodians will balance or reconcile monies at least daily. A dated and signed written record of the reconciliation is maintained on file. Additionally, daily cash counts and reconciliations should be performed on a random basis, at least monthly, by a cashier supervisor, or other knowledgeable person. These reconciliations should be signed and dated by the reviewer.

## Receipting

A. Receipt forms must be pre-numbered and issued in sequential order. All forms should be accounted for from time of delivery to authorized disposal.

B. Only those receipt forms that have been approved by the AVCF may be used.

C. At a minimum, sequential, pre-numbered receipt forms must contain the following information:

- Date issued
- Receipting Cashier
- Name of payer (not the department name or revenue source)
- Net amount received.
- Sufficient information to identify the purpose of the payment
- Form of payment (cash, check, credit card)

D. The receipt forms should also contain all available identifying numbers, and other pertinent, descriptive information including invoice numbers.

E. Receipts must be issued in a minimum of two copies, one for the payer and one retained by the department.

F. Receipt forms may never be altered. If any type of change is necessary, all copies of the receipt must be clearly marked "void" and a new receipt issued.

G. All copies of all receipt forms, including void receipts, must be filed sequentially and retained by the department.

H. Receipts may not be issued for a zero or a negative net amount.

### **Receipting Exceptions**

#### **A. Cash Register Receipts**

Cash register receipts may be used in place of pre-numbered receipts when an activity is equipped with adequate cash registers and has written cash handling procedures approved by the AVCF.

1. Cash registers must issue receipts.

2. Written procedures must be adequate to record the daily beginning and ending receipt numbers of the cash register, and includes safeguards to prevent manipulation of register totals, receipt numbers, etc.

#### **B. Pre-Numbered Tickets**

1. The use of pre-numbered tickets may be used in place of separate receipts when the accountability of the ticket itself can be substantiated. The use of tickets in lieu of issuing separate receipts requires written procedures approved by the AVCF.

2. Control over the printing of the tickets and the assignment of custody and responsibility for the tickets will be considered the equivalent to that for the custody of cash funds.

## **Transmittal and Deposit Guidelines**

Generally, all departments or activities receiving monies transmit the receipts and the monies to the University Cashier's Office in Hunt Hall. However, when the volume or other circumstances warrant, departments and activities may be authorized to prepare deposits for the bank if specifically approved in writing by the AVCF.

A. All departments or activities that make their own deposits to the bank will make such deposits within 48 hours of monetary receipt.

B. All departments authorized to receive funds on behalf of the University are required to transmit receipts to the University Cashier's Office on a timely basis. See Fayetteville Policy and Procedure 311.0 regarding Departmental Deposits for more information.

C. Disbursements or refunds of any type may not be paid from receipts.

D. Each deposit slip and cash transmittal form should be related to and identifiable with specific inclusive blocks of receipt numbers. Receipt numbers should be listed in the "Remarks" section of the form.

E. At no time may currency or coins be transmitted through the campus mail service.

F. All persons responsible for the receipting of funds must reconcile monies on hand on a daily basis.

G. All cash discrepancies, whether overages or shortages, should be immediately reported to and investigated by the cashier's supervisor and department head. Complete a Report of Cash Over/Short for each incident. This report is attached to the deposit transmittal for that day.

H. Suspected shortage of more than \$100.00 should be reported immediately to the AVCF by telephone or E-Mail.

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