

EASTERN OREGON UNIVERSITY
DEPARTMENTAL CASH HANDLING
USER MANUAL

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ADMINISTRATION AND FINANCE
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INTRODUCTION:

Cash represents one of the University's most sensitive assets. Due to its nature, there should be clear accountability for cash, in its receipt for deposit and custodianship.

The primary purpose of this guide is to assist campus departments and clubs with the collection, custody, and reporting of cash.

The cash handling function is the ultimate responsibility of the Business Manager. The Business Manager reports to the Director of Business Services and the Vice President of Finance and Administration. Department management is especially important to ensure appropriate stewardship of public funds and provide employee protection. The heads of campus units are responsible for:

- Ensuring compliance with established standards
- Supervising individuals assigned responsibility for cash handling

The cash handling function is divided into two general areas:

Cash Collections The collection, control, and deposit of amounts received by the University from cash sales, credit card sales, and other sources. In this guide, we address cash (currency) receipts, checks received, and **credit card** receipts. Receipts may be handled in person or through the mail.

Cash Disbursements The dispensing of cash for expenditures for miscellaneous reasons and the control of funds set up for this purpose. In this guide, **the handling of Petty Cash Funds is addressed.**

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CASH HANDLING PROCEDURES

Cash Receipts

State Accounting Manual Section Number 44 05 03
FASO 01.21C in compliance with ORS 293.265

- Each day's cash receipts must be deposited intact. All receipts must be deposited with the Cashier's Office. Refunds or expenditures must not be made from cash receipts.
- Cash should be recorded as soon as it is received. Initial record of receipt may be a pre-numbered receipt (receipt books available in the Cashier's Office), a cash receipt tape, and/or mailroom log listing the checks and cash received.
- All pre-numbered receipts (if used) should be accounted for; including voided originals. **The department should retain one copy**; one copy with the person making the payment (if payment was in person), and the original should be presented with the deposit to the Cashier.

Departments Using Cash Registers

- All register tapes should be accounted for by assuring the first transaction number on each tape follows the last number on the previous tape.
- Someone should review the register tape daily for frequent or large void transactions other than the register cashier.
- All register tapes should be collected and submitted to the Cashier's with the departmental deposit.

Deposit Requirements

State Accounting Manual Section Number 44 0503
FASOM 02.32 in compliance with ORS 293.265 (1)

- Deposits of cash must be made in person by an appropriate departmental designee and must include a completed EOU Deposit Form. Deposit all cash and checks received with the Cashier's Office within one business day of receipt. Deposits should be made by 4:00p.m. on the next business day. All cash should be faced and bundled as instructed by the Cashier.

20's	\$ 500.00
10's	\$ 200.00
5's	\$ 100.00
1's	\$ 25.00

- Departments receiving cash are responsible for the safekeeping of the funds and timely deposit. Within one business day of receipt, is the requirement for depositing cash.

- Exceptions may be made in cases where a valid business reason exists to provide for deposits of at least once a week. Valid business reasons must be documented and filed with the Cashier's Office.
- Cash shortages greater than \$ 20.00 must be immediately reported to the Business Manager, Administration and Finance (2-3653).

Segregation of Duties

State Accounting Manual Section 44 05 03 – 44 05 05

- No one individual should handle the cash transaction from beginning to end.
- The individual handling the cash should not be the same individual who maintains the monies received roster.
- Daily reconciliation of cash received should occur promptly and should be performed by another staff member other than the individual responsible for handling the cash. The reconciliation process should be dated and initialed.
- If the employee who maintains the monies received roster is the same as the one who accepts cash receipts, then an independent person should be designated to verify the detailed recorded documents against deposits. This should be done daily.
- A monthly reconciliation should be made between the total deposits and the total receipts recorded. Someone independent of the cash function will review the reconciliation.

For Departments that use cash registers :

- Someone other than the department cashier should (in the cashier's presence) count the cash and extract the register tape.
- Someone other than the register cashier should balance the amount collected with the register total.
- A record of cash overages and shortages, by employee, should be maintained, with explanations for all differences.

CHECK HANDLING PROCEDURES

Restrictive Endorsement

State Accounting Manual Section 44 05 03
FASOM 01.21C ORS 293.265

- All checks must be properly and clearly endorsed, preferably with a rubber endorsement stamp. The required endorsement stamp must be ordered through the Cashier's Office (2-3590).
- Checks should be restrictively endorsed on the date received. Ideally, this occurs upon opening the mail or upon payment.
- The area on the back of the check allowed for endorsement is the first 1.5" from the stub end of the check. Please note, the Federal Reserve mandates these requirements.
- If a two party check is accepted, the individual presenting the check shall endorse the check on the reverse side exactly as shown on the face of the check. The restrictive endorsement stamp shall be impressed directly below the signature endorsement.
- Do not accept checks drawn on foreign banks (including Canada), unless you submit the check on a separate deposit and are willing to accept the funds at the rate of exchange. The checks must be clearly identified and advance notice must be given to the Cashier's Office.

Deposit Requirements

State Accounting Manual Section 44 05 03
FASOM 01.21 C ORS 293.265 1

Departments receiving checks are responsible for their safekeeping and timely deposit. Departments should observe the following:

- Restrictive endorsement should occur immediately
- All checks received and held overnight should be in a secure area such as a safe or a locked filing cabinet.
- Deposit all checks received with the Cashier's Office within one business day of receipt. **An appropriate departmental designee may make deposits of checks in person.** Deposits should be made by 4:00 p.m. on the next business day, unless arrangements are made with the Cashier's Office to document the valid business reason.

Segregation of Duties

- Control procedures include, but are not limited to:
 1. Adequate supervision
 2. Verification of receipts and deposits
 3. Administrative review of transactions, reconciliation, and timeliness of deposits
 4. Periodic reassignment of duties, so that the same individual is not always handling the accounting.

- Checks/Cash received should be listed on a roster. The following information should be included:
 1. Account Number
 2. Check Number
 3. Payor
 4. Amount

The original report should be submitted to the Cashier's Office, and a copy kept for the department files. A receipt will be returned to the department immediately as verification that the deposit was received. The receipt should be attached to the department copy of the cash/check report log.

- An administrative employee should review the cash/check report log and dated receipt file, at least monthly. The totals should be reconciled with BANNER FIS on a monthly basis. Review should be documented with the date and initials of the person performing the review.

CREDIT CARD PROCEDURES (VISA/MASTERCARD/DISCOVER)

Eastern Oregon University is part of the Oregon State Treasury's credit card contract with US Bank. Departments may accept VISA, MasterCard, or Discover credit or debit cards bearing the VISA/MasterCard/Discover symbol. This payment method is ideal for departments whose customers are overseas, paying large amounts, or U.S. Government agencies no longer permitted to write checks.

All departments authorized to accept credit card payments must exercise reasonable care in screening charge transactions to reduce credit card misuse and loss of funds. All credit card transactions must be reported to the Cashier's Office within one business day of receipt for timely processing and deposit.

Card Signature

Transactions that are handled in person are not valid without an appropriate signature by the cardholder. Departments are responsible for ensuring the person using the card is authorized to do so. Comparison should be made between signatures and photo idea should be required.

Security Issues

Credit/Debit card payment forms, authorization, and other information should be treated the same as cash. Payment information should be kept in a secure safe or locked file until deposit with the Cashier's Office. Deposits should be made within one business day.

Copies of Visa numbers should not be kept in department files. All forms are to be turned into the Cashier for safekeeping.

More than one individual should be responsible for taking and recording the credit/debit card payments.

INCOMING WIRE TRANSFERS

Eastern Oregon University accepts wire transfer of funds as payments. Departments need to notify the Cashier's Office Supervisor (2-3626) immediately to arrange for an incoming wire transfer. Wire transfers are handled through the Oregon State Treasury's Cash Management Branch. Required information for incoming transfers is shown below:

Beneficiary Name: EOU

Bank Name and Address: U.S. Bank National Association OR
PO Box 4412, EFTS Branch PL – 7
Portland, OR 97208

Bank Routing Number: 1230-0022-0

Bank Account Number: 153600334160

Swift Code: USBKUS44PDX

Purpose or Description: Include school name, receiving department name, the fund number to be credited, conference registered for, purpose, etc.

Oregon State Treasury
Contact: Cash Management Division
Oregon State Treasury
Room 100
Labor and Industries Building
Salem OR 97310

OUS Contact: Trina McGaughy
OUS Controllers Division
PO Box 488
Corvallis OR 97339
Telephone: 541.737.0824 Fax: 541.737.0850

**** NOTE:** To ensure proper credit, please notify the Cashiering Supervisor (2-3626) if you are expecting an incoming wire transfer. Do not contact the State Treasury directly. All correspondence must be routed through the Controller's Office.

PETTY CASH FUNDS

State Accounting Manual Section 44 05 08

NOTE: Use of petty cash is discouraged. Whenever possible, departments are encouraged to use a procurement card to handle small volume purchases.

Purpose of a Petty Cash Fund

Petty cash funds may be used for the following:

- Making change
- Making small volume purchases when a procurement card is not available
- Reimbursement to employees for small purchases when receipts are presented

Receipts must be provided for authorized purchases. No money should be disbursed unless an original paid receipt or invoice is received.

If cash is advanced to make an authorized purchase, a petty cash advance slip should be signed showing the amount of money advanced. When the unspent money and receipt of purchase is returned, the advance slip should be destroyed.

Petty cash funds should never be used for the following transactions:

- Travel expenses
- Transactions that have reportable services rendered
- Prizes and Awards
- Refunds of tuition or class fees
- Making loans
- Cashing checks
- Personal reasons

Establishing a Petty Cash Fund

- Complete a Request for Petty Cash Advance form (Exhibit 2)
Submit the form to the Business Manager, IH 119 (Cashier's Office)

Custodian Responsibilities

- Ensure that the funds are kept in a secure location, such as a locked cash box or desk drawer. The custodian should maintain possession of the key. It is the responsibility of the department head to inform the Business Manager (2-3653) when there is a change in the designated custodian. A new request for petty cash advance form should be completed immediately reflecting the change in designated custodian.
- Ensure that appropriate receipts are obtained to support any disbursement.

- Ensure that the expenditure is appropriate in nature
- Ensure that the Petty Cash Fund is reconciled at all times. The paid receipts or invoices plus the cash should always equal the fund balance. (Exhibit 3)
- Maintain a Petty Cash log with dates and transactions.

Storage and Security of Petty Cash Funds

Funds should never be left unlocked or unattended and should be concealed from general view when not in use.

No one other than the custodian should have access to the Petty Cash Fund.

Petty Cash Funds and associated documents should not be combined or commingled with any other departmental funds.

Petty Cash Fund Reimbursement

The Following process should be used to replenish Petty Cash Funds:

Step 1: Create a BANNER FIS invoice using your department's petty cash fund as the vendor. The invoice amount is for the total amount of expenses. This should bring your petty cash account back to the original amount of cash on hand.

Step 2: Fax or mail a hard copy of the invoice to Accounts Payable. Be sure to include the custodian's name, phone number, and document number on the hard copy.

Step 3: The custodian may pick up the check at the Cashier's Office on the designated day for issue. The custodian may cash the check at the Cashier's Office. It may be necessary to present photo identification.

Segregation of Duties

- If the custodian of the fund is the same individual that will be creating the reimbursement invoice, an authorizing signature of approval should be obtained from the department head or another authorized individual who is administratively senior to the custodian.
- If the fund is used for making change, or is inactive, a periodic accounting of the fund should be completed. A quarterly review is acceptable. The review should include documentation showing the date and initials of the reviewer as evidence that this procedure is occurring.

CASH BOX (Advance) FOR FUND RAISING EVENTS

Change funds are available for fund raising events, upon request from the Cashier. Requests should be made three business days in advance of the event. Many of the same custodial and security requirements are enforced and apply as follows.

Purpose of a Cash Advance

Cash advances may be used for the following:

- Making change

Cash advances should never be used for the following transactions:

- Reimbursement of expenses or purchases of any kind
- Prizes and awards
- Making loans
- Cashing checks
- Personal reasons

Requesting a Cash Advance

- Complete a Request for Cash Advance form
Submit the form to the Cashier, IH 119 at least three business days before the event. The Cashier can also assist with planning the required denominations based on the price of admission.

Custodian Responsibilities

- Ensure that the funds are kept in a secure location, such as a locked box or desk drawer. The custodian should maintain possession of the key. It is the responsibility of the club officer or faculty advisor to account for the funds advanced. The cash box needs to be returned the next business day following the event. Revenue receipts need to be deposited within three business days of the event. Depositing the revenue in a timely manner is very important to safeguard your club receipts.
- Ensure that the cash advance fund is reconciled in the presence of two individuals. Revenue receipts should be counted in the presence of two individuals and recorded for verification with the actual deposit.

Storage and Security of Cash Advances

Funds should never be left unlocked or unattended and should be concealed from general view when not in use. The custodian may pick up the cash box at the Cashier's Office on the designated day for issue. It may be necessary to present photo identification.

GLOSSARY

Custodian

The individual authorized by the department or club to manage and account for the Petty Cash Fund or Cash Box. The custodian should be a permanent (full or part-time) staff member, or an officer of the club. Custodians and club officers may also be responsible for transporting deposits to the Cashier.

Valid Business Reason

A legitimate business reason for not meeting the next day deposit requirement examples include, but are not limited to the following:

- Aggregate receipts on hand total less than \$ 100.00
- Peak, infrequent volume of receipts is so great that existing staff cannot meet the next business day requirement.
- Severely limited staff resources
- Small dollar volume of transactions

Regardless of the volume and frequency of the receipts, deposits should be made weekly.

Segregation of Duties

Segregation of duties is the primary internal control to minimize fraud and embezzlement by assuring that any one person does not have access to two different control functions. Incompatible duties are:

- Operational responsibilities and record keeping
- Custody of assets and accounting for those assets
- Authorization of transactions and custody or disposal of the related assets and records