Handling and Accounting for Cash Policy

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General Description

Policy Summary:

This policy, along with the detailed procedures, sets out good business practices and minimum procedural requirements for handling and safeguarding University cash receipts. The establishment of strong internal controls for cash collections is necessary to prevent mishandling of funds and to safeguard against loss.

Purpose:

A chairperson or director whose office accepts cash or checks for any purpose is responsible for assuring that proper procedures for handling and accounting for cash are followed.

Scope:

This policy applies to all Departments and all staff whose duties involve receipting, handling, or processing cash and/or cash equivalents of any type. Cash and cash equivalents include, but are not limited to, currency, cheques, money orders, bank drafts, payments via credit card, debit card, e-commerce, campus card, and electronic funds transfer.

Exceptions:

None.

Policy Content

Handling and Accounting for Cash

Cash Receipts Control

1. Each department accepting cash shall maintain a documentation file. This file shall include:

    - An Authorization for Petty Cash signed by the Bursar for each petty cash fund used by the department.

- Records to indicate who has been assigned custody of the department's petty cash funds and all other correspondence and documentation related to departmental cash handling and cash controls.

2. All "over-the-counter" collections of money must be supported by pre-numbered receipts or written documentation. The original copies of receipts are to be issued to the payer, and duplicate copies are to be retained for balancing with cash deposits and for audit purposes.

3. All received checks shall be payable to Trinity University. A restrictive endorsement with Trinity University and the department name shall be placed on each check at the time of receipt.

4. A department "cash log" should be used by a non-cash-handling employee for the purpose of maintaining a permanent record of incoming cash. If the department receives cash for sales or services for which department sales receipts are written, this need not necessarily be recorded in the cash log. The person accountable for the department's budget is responsible for reviewing the cash log and monthly budget report to ensure all cash receipts have been deposited to the proper account.

5. When cash is transferred from one person to another (even for a short period of time), it should be counted in the presence of both parties. The amount should be recorded on a receipt, and the receipt should be signed by the person accepting custody. This is necessary for the purposes of establishing responsibility relating to a shortage

6. Weekly cash reports shall be prepared by each cashier, reconciling cash to receipts and accounting for overages and shortages. One copy remains with the department and the second copy is presented to the cashier together with the locked bag.

7. Cash shortages and overages must be reported on the Cash Transmittal Form.

8. Cash and checks in amounts over $200 shall be deposited within 24 business hours, and weekly even if the accumulation is less than $200.

    - Deposits to the cashier shall be made by a department representative using a locked bag.
    - A TUPD escort is required for a deposit of more than $500 in cash. An acceptable alternative to a TUPD escort (especially when the department is located a short distance from the Cashier's Operations) is for a

supervisory-level person to serve as an escort. Deposits with more than $1,000 cash must always have an escort from TUPD.
- The department representative making the deposit must get a receipt from the cashier. The head cashier will open and count the deposit and validate the original amount on the Cash Transmittal Form

Security

1. A TUPD escort is required for all cash deposits exceeding $500 made outside the office (except for authorized armored car pickup services).

2. Cash processing areas shall be secured from entry by unauthorized people.

3. Cash shall be stored in a safe when not in use and in a locked drawer or locked box at the cashier's window. Cash in unlocked drawers or boxes should never be left unattended.

4. The cash-handling and record-keeping functions should be separated. If the office is small and separation of duties is impractical, the supervisory personnel who do not handle cash should perform specific verification that provides for reasonable and sound internal controls. It is the specific responsibility of supervisory level personnel to review cash-handling documents that are prepared by personnel who report to them.

Cash Overage / Shortage Procedures

For Cash Box Operations

1. Verify work performed so far

    - Re-add all figures on your reconciliation sheet using an adding machine.
    - Re-count all receipt copies or other sales-documenting items (i.e., tickets sold).
    - Make sure you can account for all receipts, tickets, etc.
    - Re-count money, making sure that no bills or checks are stuck under the cash drawer, all denominations are together, and no bills are commingled in the wrong slot (i.e., $10 bill in $1 slot, etc.).

2. Check the office area (trash cans, behind the counter, the floor area around the cash box, under the cash box) to see if a check or cash was dropped or misplaced.

3. If any other employees were using the register, ask them if they had any problems with transactions that could have resulted in the discrepancy.

4. If any unauthorized office employees may have had access to the receipts, check with them to see if they used the receipts in any way.
   NOTE: If this is the case, the matter should be discussed with your supervisor immediately so that this situation does not re-occur.

5. If the shortage still has not been reconciled follow specific written and communicated office procedures that were established for reporting and recording shortages and overages.
   NOTE: These procedures should at least include the following:

   - Notify your supervisor immediately upon substantiating the shortage.
   - Follow the specific office procedures for recording and reporting the discrepancy. For overages or shortages of $25.00 or more, you must also notify the Business Office.
   - Shortages or overages must be officially documented and recorded in the departmental accounting records.

Petty Cash Management

Procedures

1. The custodian should sign for the entire petty cash fund:

   - Whenever there is a change of custodian, the Bursar must be notified of the change.
   - The cashier should sign for all or any part of the fund entrusted to him or her.

2. The custodian’s supervisor should verify the petty cash fund balances periodically throughout the year.

3. Only the custodian or cashier should handle the petty cash fund.

4. As soon as a check is received, a restrictive endorsement should be placed on it. This endorsement must begin with the words "FOR DEPOSIT ONLY TO TRINITY UNIVERSITY," and may also include the name of the office or department.

5. Personal checks should not be cashed for any reason. Checks for only the amount of sales (goods and/or services) may be accepted if so desired.

6. Private funds should not be commingled with the petty cash fund.

7. Petty cash funds approved to be used as imprest funds should be reimbursed at reasonably frequent intervals throughout the fiscal year. At a minimum the fund should be reimbursed quarterly, and in any event by May 31 of each fiscal year.

8. Whenever there is a change of cashier, the custodian or his or her designee should open the petty cash fund safe and witness the verification of the petty cash fund by the new cashier. This should be recorded on the Petty Cash Reconciliation Form, and should be signed and dated by both the custodian (or his or her designee) and the new cashier.

9. Petty cash funds should be counted or reconciled as follows:

    - For change funds — the cashier of the change fund or a designated employee should count and record the change fund on a Cashier Recap Sheet weekly. This worksheet should be reviewed, signed, and dated by the custodian.
    - For imprest funds — the custodian should count and record the imprest fund on a Petty Cash Imprest Fund Reconciliation Form at least once a week. This worksheet should be signed and dated by the custodian.

10. Whenever possible and practical, the functions of receiving cash or receipts (taking in cash receipts and balancing daily) and recording the cash or receipts (preparing the Cash Transmittal Form) should be done by two different employees (i.e., separation of duties for good internal control).

11. An acceptable form of receipt must be used for all revenues received, such as pre-numbered tickets, pre-numbered receipts, or any other pre-numbered general purpose forms reflecting the type of sale and the date and the amount of sale.

12. All receipts should be deposited intact, with any overages or shortages noted.

13. All negotiable items should be placed in a safe during non-working hours.

14. The combination to the safe containing a petty cash fund (change or imprest fund) should be limited to three persons.

15. Access to locked areas used to store money should be limited to a minimal number of people.

16. The Business Office should be notified immediately whenever any overages or shortages occur in the amount of $25 or more.

17. When petty cash is counted by an auditor, the person responsible for the money must remain present.

Receipt, Custody, and Disbursement of Moneys

Deposits with Trinity University Cashier's Operations

1. Money received by all departments from all sources shall be deposited at the Cashier's window using a Cash Transmittal Form, unless deposited directly to a special bank account that has been specifically approved by the Controller. Cash and checks shall be deposited within 24 hours if the amount is more than $200, and weekly even if the accumulation is less than $200.

2. Departments or activity groups shall maintain adequate records of deposits, including detailed description of negotiable instruments.

3. Cash overages or shortages shall be reported to Cashier's Operations with each deposit. Cash overages shall be deposited at the Cashier’s window.

4. Petty cash funds shall be provided only on approval of, and by arrangement of, the department with the Bursar.

Performance Evaluation

Consequences of Policy Violation:

Staff receiving funds on behalf of the University are responsible for:

• Adhering to this policy and all administrative procedures
• Maintaining records for audit purposes

Management of departments receiving funds on behalf of the University are responsible for establishing an effective internal control system which includes:

• Delegating responsibility for cash handling duties
• Maintaining proper segregation of duties
• Ensuring staff handling cash or cash equivalents are properly trained
• Ensuring staff follow all cash handling and depositing policies and procedures
• Reviewing receipts and reconciliation on a regular basis
• Specifying the actions to be taken by management based on the dollar amount and/or frequency
or overages and shortages

• Investigate unusual variations in revenue

Terms & Definitions

Terms and Definitions:

Term:	Definition:
Imprest Fund	a petty cash fund that remains constant, containing cash or satisfactory evidence of disbursement (paid receipts) equal to the amount of the fund. This fund should be used only for purchasing needed items
Change Fund	a petty cash fund that remains constant, containing cash or satisfactory evidence of disbursement (paid receipts) equal to the amount of the fund. This fund should be used only for purchasing needed items
Custodian	a person who has ultimate responsibility for petty cash funds per the Director of Endowments/Student Service's written records.
Cashier	a person who actually works with the fund on a day-to-day basis.
Cash Bank	a sub-unit of the total petty cash fund (i.e., $100.00 of a $500.00 petty cash fund).

Attachments

Petty Cash Reconciliation Form

Cashier Recap Sheet

Cash Transmittal Form

Revision Management

Revision History Log:

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v.20	8/5/2025 10:49 AM	Pamela Mota
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Vice President Approval:

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