



## Handling and Accounting for Cash Policy

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### General Description

**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. Cash handling requires special control measures that must be monitored continually by supervisory personnel to detect any weaknesses. One seemingly insignificant weakness can result in a substantial loss.

**Exceptions:**

None.

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### Policy Content

#### ① Handling and Accounting for Cash

##### Cash Receipts Control

1. Each department accepting cash shall maintain a documentation file. This file shall include:
  - Specific written cash handling procedures for the department. The procedure will be reviewed by the Internal Audit Office in the normal course of its activities.
  - An authorization signed by the Director of Endowments/Student Services for each petty cash fund used by the department.
  - A copy of this policy signed and dated by those employees who have read this policy.
  - 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, pre-numbered tickets, or cash register tapes. Computer-generated invoices shall also be pre-numbered, unless the Office of Internal Audits certifies that other valid means of cash control are in use. 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. The same principle applies to cash register tapes; the original is issued to the payer, and duplicate (transaction) tapes are retained. Department records are to be maintained on all event tickets used. All unsold event tickets (deadwood) must be retained.
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. Coin-operated machine collections must be recorded in a log prior to the preparation of a Cash Transmittal Form. Special control problems arise when sales are made with coin-operated machines. The Office of Internal Audits should be consulted on proper procedures for this type of sale.
5. 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.
6. 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.
7. Daily cash reports shall be prepared by each cashier, reconciling cash to receipts and accounting for overages and shortages. The consolidated cash reports and Cash Transmittal Form shall be prepared by someone other than the cashiers. The Cash Transmittal Form must be prepared in triplicate. One copy remains with the department. The original is locked in the bag, and the second copy is presented to the cashier together with the locked bag. The cashier will return the validated copy.

8. The department head shall assign a person from outside the cash- handling area to reconcile deposits with the cash report and the monthly Budget Reports.
9. Cash shortages and overages must be reported on the Cash Transmittal Form.
10. 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 Campus Security escort is required for a deposit of more than \$500 in cash. An acceptable alternative to a Campus Security 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 Campus Security.
  - The department representative making the deposit must get a receipt from the cashier. It will not always be practical to wait at the Cashier's window for all cash and checks to be counted and a receipt to be issued at the time of deposit. To avoid the wait for a cash count, the cashier will issue a receipt for the locked bag. At the time that the cashier receives the locked bag, the cashier will retain the copy of the cash transmittal form and forward the locked bag to the head cashier. The head cashier will open and count the deposit, validate the original copy of the Cash Transmittal Form, and return it to the cashier. The cashier will compare the two copies, and if there are no discrepancies, the cashier will forward the validated Cash Transmittal Form and cash receipt to the appropriate department. The address to which the receipt is to be mailed should be indicated on the Cash Transmittal Form.

## Security

1. A Campus Security 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 register, 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. Assistance from the Office of Internal Audits should be requested when needed.

## ② Cash Overage / Shortage Procedures

For Cash Register Operations

1. Verify work performed so far
  - Re-add all figures on your reconciliation sheet using an adding machine.
  - Verify beginning and ending sales figures from the register.
  - Check the cash register tape or the cash drawer for any register over/under rings.
  - 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 register, under the register) to see if a check or cash was dropped or misplaced.
3. Check the office area (trash cans, behind the counter, the floor area around the register, under the register) to see if a check or cash was dropped or misplaced.
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 include at least the following:
  - Notify your supervisor immediately upon substantiating the shortage.
  - The supervisor should follow steps a (i- iv), b, c, and d above.
  - 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 Office of Internal Audits immediately at ext. 7388.

- Shortages or overages must be officially documented and recorded in the departmental accounting records.

#### 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.
  - The supervisor should follow steps a (i - iv), b, c, and d above.
  - 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 Office of Internal Audits immediately at ext. 7388.
  - Shortages or overages must be officially documented and recorded in the departmental accounting records.

## ③ Petty Cash Management

### Procedures

1. The custodian should sign for the entire petty cash fund:
  - Whenever there is a change of custodian, the Director of Endowments/Student Services must be notified of the change.
  - The cashier should sign for all or any part of the fund entrusted to him or her.
2. Whenever there is a change of custodian, the Director of Endowments/Student Services must be notified of the change.  
The cashier should sign for all or any part of the fund entrusted to him or her.
3. The custodian's supervisor should verify the petty cash fund balances periodically throughout the year.
4. Only the custodian or cashier should handle the petty cash fund.
5. 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.
6. 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.
7. Petty cash funds are not to be used for financing IOUs, loans or accounts receivable
8. Private funds should not be commingled with the petty cash fund.
9. 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.
10. 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.
11. 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 daily. 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.
12. For added control, when practical, the supervisor should clear the cash register daily and show the beginning and ending register totals on the Cashier Recap Sheet
  13. A Cashier Recap Sheet should be prepared to record receipts for sales and services for each day's business. The preferred method is for each person who takes in receipts for sales and services to prepare a Cashier Recap Sheet each day he or she makes sales.
  14. 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).
  15. 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 (especially when a cash register is not being used).
  16. All receipts should be deposited intact, with any overages or shortages noted.
  17. If a cash register is available, all sales should be recorded on the cash register.
  18. A cash register operation should include supervisory review of over-rings and under-rings.
  19. If additional change is needed in the cash register, the cashier should buy the needed change from the change fund. (Change can only be bought. Currency must be exchanged for the exact amount of change, not more or less.)
  20. If the register contains more than \$500, the excess currency should be removed and placed in the safe. A signed receipt for removed currency should be placed in the register. Money placed in the safe should be marked as cash register receipts, and the receipt should be dated, with the amount noted.
  21. The cash register should be locked when unattended during working hours.
  22. All negotiable items should be placed in a safe during non-working hours whenever possible.

23. The combination to the safe containing a petty cash fund (change or imprest fund) should be limited to three persons.
24. Access to locked areas used to store money should be limited to a minimal number of people.
25. The Office of Internal Audits should be notified immediately whenever any overages or shortages occur in the amount of \$25 or more.
26. When petty cash is counted by an auditor, the person responsible for the money must remain present.

## **④ Receipt, Custody, and Disbursement of Moneys**

### Receipt and Admission Tickets

1. No department, division or individual staff member is authorized to receive money in the name of Trinity University without authorization by the Vice President for Finance & Administration or designee.
2. An official receipt in the form prescribed by the Vice President for Finance & Administration shall be issued to payers for all moneys received unless the Vice President for Finance & Administration has specifically authorized exceptions for certain types of collections.
3. All moneys received shall be recorded and handled under appropriate internal accounting controls.
4. Admission tickets, including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be pre-numbered unless assigned seating is indicated on the ticket.

### 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 Director of Endowments/Student Services and authorized by the Board of Trustees. 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 Director of Endowments/Student Services. Special petty cash fund bank accounts may be established only with the approval of the Vice President for Finance & Administration and authorization by the Board of Trustees.

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## 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](#)

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## Revision Management

### Revision History Log:

Revision #:	Date:	Recorded By:
v1.0	7/25/2019 10:05 AM	Holly Warfel

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### Vice President Approval:

Name:	Title:
Gary Logan	Vice President for Finance & Administration