

OFFICE OF THE BURSAR CASH HANDLING AND DEPOSIT GUIDELINES

Departments should have sufficient internal controls and have duties segregated. The person that accepts the cash should not be the person reconciling. All deposits should be reconciled with monthly AIS reports. Daily receipts should be reconciled by the fiscal officer.

- 1)** University funds must be deposited through the SIU Bursar's Office and then to the official university bank account; under no circumstances should a departmental or personal bank account be used. Only the Treasurer has the authority to establish banking relationships with a financial institution.
- 2)** All funds collected should be deposited the following business day. If minimal (less than \$500), funds may be deposited weekly. Failure to do so is not only against University Policy, but increases your chances for liability. All funds should be sent to the Bursar's office for processing along with a completed I-pay/Collection report. Do not send cash through campus mail. Please review the SIU Cash Handling Policy:
<http://policies.siu.edu/policies/cashhandlinganddeposits.php>
- 3)** The University's preferred method of making deposits is via I-Pay. This is an online financial system that validates against AIS and is pulled in via the Bursar cashiering system. Funds should be delivered to the Bursar's Office along with copy of your balanced pay file. To become a user of this service please visit the Bursar website under Departmental Services for more information. If the user or fiscal officer changes, notify the Bursar's Office for a change in access.
- 4)** Stamp each check on the back with your department's endorsement stamp upon receipt. If you do not have a stamp, you should endorse the back of the check with your Budget Purpose Number. Deposits containing checks without an endorsement will be returned to you. Please note that traveler's checks and money orders are to be listed as checks, not cash. Post-dated checks should not be accepted.
- 5)** Submit an adding machine tape with all checks. Do not add cash on your check tape.
- 6)** Enter the total amount of your checks under the cash reconciliation section of the I-Pay/Collection report. If you choose to do so, you can enter more detail: i.e. individual checks or check bundles in the check detail section of the document.
- 7)** Use paper clips or rubber bands; do not staple items together. When bundling currency, please group your money according to denomination and do not mix denominations within the same wrapper.

- 8)** To ensure receipts are properly deposited and recorded in AIS, someone other than the person(s) accepting customer payments and making the deposit must reconcile to AIS. This should be done on a regular basis, no less than monthly.
- 9)** Adequate physical facilities, such as a safe or locked desk drawer, should be provided to safeguard cash and checks until deposited.
- 10)** Do not prepare an I-pay/Collection report for credit card transactions. The Bursar's Office credits the University's general ledger. An email is sent to the department prior to the transaction. These deposits will show up on your monthly account statement. For details regarding Credit Card Procedures and Payment Card Industry (PCI) Compliance, visit: <http://bursar.siu.edu/office-information/pci.php>
- 11)** Should a discrepancy be found between the financial document and the deposit sent to the Bursar's Office, we will attempt to call. If we are unable to reach a contact person in the office, we will return the deposit to the department.
- 12)** If a department needs to make changes for sales, a change fund must be established with the Bursar's Office. Petty cash funds are not permitted. Department change funds should not be created by withholding receipts from a deposit.
- 13)** Direct all questions regarding deposits to the cashier desk at 453-2172.

Internal Controls Necessary for Protecting Departmental Cash Collections

It is management's responsibility to implement sufficient internal controls throughout its operations. The purpose of this bulletin is to provide guidance regarding sufficient internal controls to SIUC departments which have cash collection responsibility. (For purposes of this discussion, references to "cash" and "receipts" are intended to include currency, coins, checks, and payment cards.) Additionally, the Bursar's Office maintains the Cash Handling and Deposits Policy which serve as the University's cash handling procedures. The *Guidelines* are located at <http://policies.siu.edu/policies/cashhandlinganddeposits.php> and are applicable to all SIUC Departments with cash collection responsibility.

Purpose of Internal Controls over Cash Collections

Internal controls help to minimize the opportunity for misappropriation to occur and remain undetected, and also to provide accountability in the event of discrepancy. The concepts discussed herein are intended to provide protection for personnel involved in the cash receipts process (since accountability for custody and control of cash should be identifiable) and to limit the amount of potential loss to the University if an incident were to occur. Although there must be a level of trust in the cash receipts process, it is also important that internal controls not be disregarded as they are important to prevent and/or detect both fraud and unintentional errors.

Following are recommended controls that should be considered by every department which collects receipts. Departments should also ensure compliance with the Bursar guidelines mentioned above when developing controls and processes.

Segregation of Duties

There are typically four key functions of the cash receipts process: collecting payment from the payer (student, customer, etc.), recording the collection in the department records, preparing the deposit, and reconciling the department records to AIS. Although it would be ideal to have each function completed by a different individual (with appropriate documentation at each phase), this is often not feasible due to limited resources. In these cases, it is important that mitigating controls be effectively utilized.

Reconciliation of monthly AIS fiscal officer reports is a key mitigating control that should be employed by departments which are otherwise unable to maintain sufficient segregation of duties. Revenue reflected on the AIS reports should be timely reconciled to the

department's point-of-sale data by someone ***not*** directly involved in the cash receipts process.

Point-of-sale data differs by department and may consist of cash register tapes, manual collection logs, reports from various electronic records/software programs, or departmental accounts receivable records, etc. It is ***critical*** that such reconciliation be conducted by an individual outside of the cash receipts process in order to maintain independence. The reconciliation, if completed timely, properly and independently, could aid in identifying receipts coded to incorrect accounts, other deposit errors, or stolen/misappropriated receipts.

Deposit Timeliness

Ensure department procedures promote timely deposits. Such timeliness reduces the opportunity for theft and/or misplacement of funds. According to Bursar guidelines, departments that collect revenue must make deposits to the Bursars Office, located in the Student Services Building. All funds collected should be deposited the following business day unless minimal (less than \$500). Credit card payments will be deposited upon receipt by the bank directly to your budget purpose. Conveyance of collections to the Bursar's Office will be the responsibility of the department.

Change Funds

Upon authorization from the Bursar's Office, a department may maintain a definitive sum of cash and/or coin for purposes of making change for customer payments. Change funds are not to be used as petty cash to make purchases and cannot be funded from monies withheld from department collections.

Periodic surprise counts of the change fund should be conducted by a department supervisor, who does not have other responsibilities within the cash receipts process, to ensure that the change fund amount authorized by the Bursar is being properly maintained. Significant over and short situations should be investigated accordingly as either situation could indicate abuse of the fund.

It is also important to track and analyze patterns of over/short noted both during surprise counts and deposit preparation to determine whether additional training is needed or if patterns could be indicative of theft.

Additional Cash Control Tips

- Review of all void transactions, customer balance adjustments, and refunds should be conducted and sufficiently documented by department management.
- Retain collections in a secure location (safe, locked drawer, etc.) only accessible by a limited number of authorized personnel.
- Change passwords, locks and combinations when key employees turnover.
- Issue a receipt to the customer for all payments received.
- Payment card machines should not be left unattended or in unsecured areas. Additionally, the machines should be closed out at least daily and settled.

Questions?

For questions contact The Office of Internal Audit, Compliance and Ethics (618-536-3461) or the Office of the Bursar (618-453-2172).