#### **UC Davis Policy and Procedure Manual**

**Chapter 330, Financial Management and Services Section 55, Departmental Cashiering Operations** 

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**Supersedes:** 330-55 and 330-59, 4/15/11

Responsible Department: Accounting and Financial Services

Source Document: Business and Finance Bulletin (BFB) BUS-49, Policy for Cash and Cash Equivalents

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# I. Purpose

This section describes departmental responsibilities for handling and processing cash and cash equivalents and central campus administrative departments' responsibilities related to cashiering, to ensure that cash and cash equivalents are protected, accurately processed, and properly reported.

#### II. Definitions

Additional definitions are available in BFB BUS-49.

- A. Cash Receipt document (CR)—document in the campus financial information system used to record receipts associated with corresponding cash collections.
- B. Cashiering employee—any employee who receives, reconciles, or in any way handles cash for their department.

# III. Policy

- A. Individual accountability for cash must be maintained throughout all cashiering operations.
- B. Appropriate separation of duties must be maintained at all times (see BUS-49, section II.B).
- C. Departments must take adequate steps to ensure security and prevent theft.

#### IV. Security

- A. Deposits must be prepared, made, and reported in dual custody in a complete, timely, and accurate manner; and must be transported in dual custody, regardless of dollar amount.
- B. Spare keys to cash drawers, and to safe compartments where cash drawers are stored, must be maintained under dual control at all times.
- C. Stations that collect more than \$7,500 in cash and cash equivalents on a daily basis must be protected by doors and windows as follows:
  - 1. Each door from a public or general area used daily for entrance and exit must have an automatic door closer, be a solid core door or be reinforced with sheet metal, and be outfitted with a peephole or other visual monitoring device.
    - a. The door must be equipped with a latchbolt that is retracted by lever from the inside and only by key from the outside.
    - b. The outside lever must always be fixed in a locked position.
    - c. The door lock must also contain a deadbolt that is thrown or retracted by an inside thumbturn. Turning the inside lever must retract both deadbolt and latchbolt simultaneously.
  - 2. A door used only as an emergency exit must have an automatic door closer and be a solid core door or be reinforced by a metal sheet.

- a. The door must be equipped with a deadbolt, retractable by a crash bar.
- b. The door must be wired to a central alarm point if such coverage is available; otherwise, it may have a local alarm only.
- c. The alarm must be triggered whenever the door is opened.
- d. Numbered breakable seals must be affixed to the door to assure that a key cannot be used for undetected entry.
- e. The sealing, recording, and monitoring of numbered seals must be by a person who does not have access to a key.
- 3. Keys to the doors will be manufactured with cylinders whose blank keys are not available to the general consumer and therefore cannot be duplicated.
- 4. Keys to the doors will be numbered, and a written record of key issuance to employees will be maintained in the cashiering station.

# V. Roles and Responsibilities

### A. Cash Handling Department

- 1. Ensures that all departmental cash handling is in compliance with UC Business and Finance Bulletin (BFB) <u>BUS-49</u>.
- 2. Assures that any individual who has, or will have, access to cash resources has been cleared and bonded, in accordance with <u>BUS-49</u>, section IV.1.
- 3. Provides the Main Cashier's Office (<a href="mailto:cashier@ucdavis.edu">cashier@ucdavis.edu</a>) with a list of all employees who have cash handling responsibilities.
- 4. Ensures that all employees involved in handling cash complete the online training upon hire and annually thereafter.
- 5. Documents any change to cash handling accountability on a Cash Accountability Transfer Receipt (available in <u>UCD Buy</u>, item 71461-247).
- 6. Ensures that robbery prevention steps are taken, in accordance with this policy and <u>BUS-49</u>, section IX.

# B. Accounting and Financial Services

- 1. Maintains the integrity of the general ledger, bank reconciliation, and follow-up on reconciling items.
- 2. Reviews and approves journal entries.
- 3. Communicates any significant discrepancies in supporting documentation to the department head.
- 4. Investigates notices from the depository bank of deposit overages or shortages.

#### C. Campus Cashier Coordinator

- 1. Acts as the Campus Cash Handling Coordinator (see BUS-49, section IV.B.3).
- 2. Approves exceptions to the policy or specific procedures when impractical for a department to implement.

- 3. Designates subcashiering stations required to use commercial armored car service to transport recurring large deposits of coin and currency.
- D. Internal Audit Services periodically audits cashiering operations.

### VI. Procedures for Collection of Cash and Cash Equivalents

- A. Immediately upon receipt, checks must be restrictively endorsed for deposit only.
  - 1. An official endorsement stamp or its mechanical equivalent, identifying the cashier and the department, must be provided to each cashier.
  - 2. Checks in payment of accounts receivable or received by a department in error must be endorsed and mailed directly to the Main Cashier's Office or the UCDMC Cashier's Office.
  - 3. Under no circumstances may checks be routed to other departments to obtain recording information. When the proper department(s)/account(s) to which a check should be credited cannot be readily determined, or the check was received at the wrong department, the check must be endorsed and sent to the Main Cashier's Office.
- B. If cash is discovered upon the opening of any mail item, the person opening the mail must ensure that the cash is immediately counted and documented (e.g., memo to file) in dual custody, in compliance with <u>BUS-49</u>, section X.
  - 1. These funds must be sent either directly to the Cashier's Office via armored service or taken in dual custody so a receipt of the cash can be issued.
  - 2. These collections should not be included on a CR document.
- C. An official UC cash receipt must be recorded for each collection, in compliance with <u>BUS-49</u>, sections VIIIB.2 and VIIIB.5.
- D. Reductions of recorded cash accountability (e.g., voids or refunds) must be accounted for in compliance with <u>BUS-49</u>, section VIIIB.4.
- E. International checks must either be drawn in U.S. currency on a U.S. bank or drawn on the same currency as where the check is drawn (e.g., Canadian dollars on a Canadian bank).
  - To deposit a check that does not meet this standard, contact the Main Cashier's Office for instructions.

### F. Check Cashing

- Personal checks up to \$100.00 made payable to The Regents of the University of California or to the UC Regents, and University checks under \$500.00 payable to an individual, may be accepted in exchange for cash.
  - a. Personal check-cashing service is authorized only at the Main Cashier's Office.
  - b. The UCD personal check-cashing service fee must be collected for each personal check cashed.
- 2. Employees of a cashiering station must not cash checks for themselves or for other members of the cashiering station's staff.
- Cashiers must not cash collection checks for each other to make change. Such change making must be handled by the custodian of the reserve change fund.
- 4. Students presenting checks to be cashed must present their current photo identification registration card. Other individuals must present two forms of identification, one of which is a

photo identification such as a driver's license or Department of Motor Vehicles identification card.

# VII. Procedures for Cash Deposits

- A. Bank deposits must be made on a timely basis and supported with appropriate documentation, in compliance with <u>BUS-49</u>, section X.B
- B. Deposits must be prepared with more than one person present or in an area that is equipped with an electronic surveillance system.
- C. Deposits must be adequately safeguarded while in transit, in accordance with <u>BUS-49</u>, sections IX.16 and IX.17.
- D. A CR document must accompany each deposit to the Main Cashier's Office or the UCDMC Cashier's Office from a subcashiering station.
  - 1. Davis campus departments.
    - a. A CR must be prepared for each deposit, and must include the following:
      - 1) A breakdown of coin and currency.
      - 2) The cash receipt number or cash register tape date associated with the deposit must be entered in the Explanation field.
      - 3) An accounting line for over/short amount, if applicable (see VII.D.3, below, for more information).
      - 4) An accounting line for sales tax collected, if applicable (see VII.D.4, below, for more information).
    - b. One copy of each CR must be printed and signed.
      - The remittance stub portion must accompany the deposit to the Main Cashier's Office. If more than one check is deposited, a tape listing the checks must be attached.
      - 2) The top portion of the CR must be signed and supporting detail (e.g., cash register tapes, copies of handwritten receipts, voids) shall be forwarded to Accounting and Financial Services—Internal Control on the day of the deposit.
    - c. For deposits over \$5,000 to an Agency Account (AGENCY) or University Related Event Account (OTHUNIV, SSSOM1), supporting documentation showing the deposit amount, purpose, and intended use of the funds must also be forwarded to Accounting and Financial Services—General Accounting on the day of the deposit.
      - The deposit must be placed in a "cash received undistributed" account until General Accounting validates the supporting documentation submitted with the funds to determine that the funds deposited are appropriate reported in those accounts.
      - 2) Following validation, the funds must be transferred to the designated account listed on the CR .
    - d. Departments must ensure numerical control of official cash receipt documents and should maintain records to explain missing receipts.
    - e. Receipts for CRs must be emailed to the preparer the evening of the deposit. The preparer will receive a written receipt for all deposits that contain currency.

# 2. UCDMC departments

- a. A CR, signed by the preparer to certify the information is correct and true, must accompany each deposit to the UCDMC Cashier's Office.
- A copy of this report and supporting details (e.g., cash register tapes, copies of handwritten receipts, voids) shall be forwarded directly to Accounting and Financial Services—Internal Control on the day of the deposit.
- c. Department must ensure numerical control of official cash receipt documents and maintain records to explain missing receipts.

#### 3. Over/short amounts

- a. If cash on hand does not equal the total of the handwritten cash receipts or cash register tape, the initiator must record any over/short amount by inserting an accounting line on the CR and coding it with the department's chart/account, followed by the <u>appropriate</u> <u>short/over object code</u> for the account type.
- b. If a CR is out of balance when received by the Main Cashier's Office, the adjustment will be documented and forwarded to both the preparer and Internal Control by email.
- c. Significant or recurring cash overages or shortages must be verified promptly.

#### 4. Sales tax

If the department has collected sales tax, the amount must be recorded by inserting an accounting line on the CR, with the appropriate chart/account/object, as follows:

- a. Davis campus (Yolo County): 3/1155100/0510
- b. UCDMC (Sacramento County): 3/1155110/0510
- c. For sales in other counties, contact Accounting and Financial Services—Tax Services (530-754-5936).

### E. Returned checks

- 1. Checks that are deemed uncollectible are to be returned by the bank to Accounting & Financial Services, Student Accounting Division.
- 2. Checks returned to the campus must be controlled during the process of attempting to collect on the returned amount. Accounting & Financial Services, Student Accounting provides oversight over the returned check process.

#### F. Reporting losses

- 1. Known or suspected misappropriations or misuse must be reported to the Locally Designated Official as described in Section 380-17.
- 2. Other losses that do not constitute an improper governmental activity must be reported immediately to the UCD Police Department.

#### **VIII.Further Information**

- A. Additional information is available from the Cashier's Office (<a href="http://cashier.ucdavis.edu">http://cashier.ucdavis.edu</a>).
- B. All paper forms, tamper evident deposit bags, and night deposit bags with built-in locks can be purchased through <u>UCD Buy</u>.

C. Official endorsement stamps are obtained through the Internal Control Department (530-757-8511).

# IX. References and Related Policies

- A. Office of the President:
  - 1. Business and Finance Bulletin BUS-49, Policy for Cash and Cash Equivalents Received.
  - 2. Accounting Manual Section c-173-14, Cash: Campus Cash Collection Deposits.
- B. UCD Policy and Procedure Manual:
  - 1. Section 270-45, Ticket Sales.
  - 2. Section 330-11, Departmental Financial Administrative Controls and Separation of Duties.
  - 3. Section 330-35, Credit and Debit Card Merchants.
  - 4. Section 330-43, Official University Bank Accounts.
  - 5. Section <u>330-46</u>, Cashiering Change Funds.
  - 6. Section <u>330-55</u>, Departmental Cashiering Operations.
  - 7. Section <u>350-85</u>, Loss of or Damage to University Property.
  - 8. Section <u>380-17</u>, Improper Governmental Activities.