

Lamar University

Cash Handling Procedures

A. Purpose

The purpose of this policy is to establish guidelines related to the handling and processing of payments made to Lamar University and to define those areas on campus authorized to collect these payments.

B. Persons Affected

This policy impacts all employees of Lamar University.

C. Definitions

1. *Cash* – U.S. currency and coin
2. *Cash Equivalents* – Money orders, travelers checks, cashiers checks, certified checks, credit cards
3. *Cash handling department* – Campus operating unit authorized to collect University funds; deposits all funds collected to the Cashier's Office
4. *Cashier's Office* – campus operating unit from which collections are deposited directly to the University's bank account
5. *Change fund* – fund exclusively restricted for the use of providing change when processing authorized collections of cash in the department. It shall NOT be used for cash purchases, making loans to employees or students, or cashing checks
6. *Custodian* - individual appointed by the Associate Controller, entrusted with the responsibility of safeguarding the assigned University funds
7. *University Funds* – includes cash, checks, cashier's checks, money orders, travelers' checks and credit cards

D. Policy and Procedures

1. Policy Statement

All payments to Lamar University should be made, ideally, at the Cashier's Office. However, if a department provides a documented reason as to why payments cannot appropriately be made at the Cashier's Office, the Controller's Office may authorize the department to collect these payments.

Each department authorized to accept payments shall maintain a documentation file containing the following:

- Comprehensive written funds handling procedures individualized for the department and approved by the Controller's Office. Internal Audit may review the procedures periodically to ensure that an effective system of internal controls has been developed and implemented.
- A copy of this institutional funds handling policy.
- A record of training provided by the Cashier's Office to those employees designated to accept payments.

Lamar University

Cash Handling Procedures

2. Establishing a Cash Handling Department

a. Cash Handling Locations

Adequate working space should be provided for each cashier in order to maintain control of the cash handling process and allow space for the processing of deposits and cash. Adequate and secure areas should be designated for balancing operations. All cashiering areas should provide for security and separation between cash handlers and customers.

b. Cashiers

Before performing any cash handling functions, the cashier(s) must receive cashiering training which should include at a minimum a discussion of:

- (i) types of negotiable instruments that can be accepted;
- (ii) proper receipting;
- (iii) proper handling of checks;
- (iv) proper handling of coin/currency;
- (v) reporting loss/theft of funds.

c. Change Fund

The change fund is to be established by university check only when authorized by the Controller's Office.

The use of the change fund is exclusively restricted for the provision of change in the normal course of carrying out the authorized business activity of the department. It is NOT to be utilized for making cash purchases, making loans to employees or students or cashing checks. Cash receipts may not be used to increase the change fund.

No petty cash funds are to be established from cash receipts collected by any department.

3. Cash handling procedures

- a. Every cashier shall be assigned an individual cash drawer. No cash drawers are to be shared. Only the assigned cashier and custodian of the fund should be allowed access to the drawer.
- b. Cashier's Office Only - All checks are to be endorsed with the institution name and a cashier identifier upon receipt. If immediate endorsing is not operationally possible, all checks must be endorsed before the cash drawer is closed and balanced.
- c. Photo identification is required for receipt on all over-the-counter checks taken.

Lamar University

Cash Handling Procedures

- d. Each cashier drawer is to be established for an amount of funds dependent upon the use of the drawer. An annual review shall be made of each cash drawer's assigned cash balance.
 - e. Sequentially numbered receipts must be used for all transactions and daily audits and balancing of the receipts (or system reports) to the drawer is required in the closing process.
 - f. Cash drawers are to be balanced and closed out at the close of each cash handler's work period.
 - g. All overages/shortages are to be reported to the custodian of the fund at daily closing and must be documented as an overage/shortage in the balance process.
 - h. All deposits shall be verified twice, preferably by two individuals.
 - i. All computer and credit card terminals are to be closed out at the end of a cashier's shift or at the end of the day.
 - j. Documentation in the form of a summary sheet for each deposit shall be prepared before deposit to Cashier's Office or the bank (in the case of the Cashier's Office), indicating the amount of funds, the breakdown of funds, the accounts to be credited, and identification of the depositor.
 - k. All deposits must be made or prepared for next day deposit, within one business day. Exception: those departments or locations whose deposit is not cost effective for daily deposits must make deposits at least twice weekly (this exception must be requested by the department on the original cash handling request form and approved by the Controller's Office).
 - l. Police escorts must be utilized when transporting deposits to the Cashier's Office.
 - m. Cashier's Office Only - All deposits of physical checks and cash are to be made to the bank in secure bags with identifying deposit slips indicating the amount and location of collection and tracking. All cash, physical checks and receipts should be transported in tamper proof bags.
 - n. All deposits must be balanced to receipts, or electronic downloads from the bank, daily.
4. Physical Security

Cash and assets shall never be left unsecured or unattended. All assets shall be physically protected in safes, locked cash drawers, locking cash registers, cashiers cages, locked metal boxes or locked drawers at all times. Safes and drop safes should be bolted in place and small receptacles secured in locked areas. Combinations or keys for cash receptacles shall be maintained only by designated custodians and supervisors.

5. Theft or Loss

Any incidence of Cash Theft or Suspected Theft must be reported to the Lamar University Police Department immediately upon discovery, and to the Associate

Lamar University

Cash Handling Procedures

Controller in writing within 24 hours of discovery. A copy of the police department report should be turned in to the Associate Controller as soon as available. Penalties for any loss (including deliberate theft and negligence contributing to a loss or a theft) may result in legal action, dismissal, the requirement to reimburse the University or any combination of these or other actions. Repeated losses through negligence (even if reimbursed) may also subject the person responsible to dismissal (as well as the requirement to reimburse the University). The Finance Office will report all incidences to Internal Audit.

E. Audit

All change funds, and other cash on hand, are subject to periodic, unannounced cash counts by management and/or Internal Audit.

F. Review

This policy shall be reviewed by the Controller's Office every five years or as legislation changes.