



Adrian College

CASH HANDLING POLICY – (Summer camps/Spirit packs/Equipment Purchases)

Strong internal controls for cash collection are necessary to prevent mishandling of funds. They are designed to safeguard and protect employees from inappropriate charges of mishandling funds by defining their responsibilities in the cash handling process.

The Adrian College cash handling policy requires that areas receiving cash be approved by the Business Office as a cash collection point unless they are established by statute. A cash collection point is defined as a department that handles cash on a regular basis. Although departments with casual cash collections are not recognized as cash collection points, they must follow the same cash handling policies and procedures that apply to the cash collection points and must be approved by the Business Office.

"Cash" is defined as coin, currency, checks, money orders, and credit card transactions.

Required procedures for cash collection points include the following:

- Accounting for cash as is it received
- Adequate separation of duties and checks and balances, which includes cash collecting, depositing, reconciling and reporting
- Proper pre-numbered receipts given for all cash received
- Approval of any voided cash receipts by area supervisor
- Deposit of cash promptly at the Cashier's Office
- Reconciliation of validated deposit forms to supporting documentation and to the account statement
- Approval by the Business Office of any changes in cash handling procedures
- Proper safeguarding of cash

The use of checking or other bank accounts by College personnel for depositing College cash is prohibited unless the checking or other bank account has been set up by the Business Office. The Business Office will conduct periodic reviews of cash handling procedures.

Please see the **Admission and Gate Receipt Policy** (in process) for procedures related to the collection and proper handling of cash where "cash" will be collected for entrance into sporting events, etc.

PROCEDURE

Establishing Cash Collection Points

The Business Office must authorize all cash collection points. Before collection begins, departments requesting status as a cash collection point must submit a request, via email, to the Business Office that includes:

- Reason(s) why cash collection point is needed
- A list of those positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained
- A description of the reconciliation process, including frequency of reconciliation
- A description of the process for safeguarding cash until it is deposited
- A schedule of how often cash deposits will be made

The request will be reviewed by the Business Office and approved by the Vice President of Business Affairs.

Procedures for Cash Collection Points

The following list of procedures is required for the operation of cash collection points:

- All cash must be protected immediately by using a cash drawer, safe or other secure place until they are deposited. A secure area for processing and safeguarding funds received is to be provided and restricted to authorized personnel.
- Checks must be made payable to Adrian College.
- Funds collected must be deposited to the Cashier's Office within 24 hours. Cash collected over a weekend or holiday period during which the Cashier's Office is closed must be adequately safeguarded until the next business day the Cashier's Office is open.
- Refunds or expenditures must be approved by the department supervisor and processed through the Business Office.

Cash received in person

- A receipt must be issued for each payment received. At a minimum, manual pre-numbered receipts must include the date, mode of payment (cash, check or credit card), and the identification of the department and the person issuing the receipt.
- All voided transactions are to be approved and initialed by the department supervisor.
- Cash must be kept in a safe or a secure place if a safe is not available until it is deposited. Alternatives to a safe must have prior approval of the Business Office.

Cash received Through the Mail

- The mail must be opened with two people present.
- If the cash is not credited directly into the appropriate account or receipted through a computerized accounting system, a list of the checks, credit card transactions and or cash should be prepared in duplicate. The list should include the customer's name, amount received, check number and any other information available that may assist in proper allocation of the funds. A pre-numbered receipt should be prepared, the original going to the customer, one copy should be kept in the area, one should accompany any deposit

processed thru the Cashier's Office, and a copy left intact in the receipt book and returned to the Business Office.

- Cash must be stored in a safe or other secure place approved by the Business Office until it is deposited.

Preparation of Deposits

- Checks must be made payable to Adrian College. A double calculator tape of the checks should be initialed and included with the checks bundled together.
- Cash must be recorded on the deposit slip in the appropriate space. (Deposit slips may be obtained from the Cashier's Office.)
- Someone not involved with collecting the cash, opening the mail or reconciling the deposit must prepare the deposit.
- The deposit must be delivered to the Cashier's Office and must not be sent through campus mail.

Pre-numbered Receipts

Pre-numbered receipt books are issued by the Business Office and a log is maintained that includes the number series of the receipts, the date issued, name of the person receiving the receipts and date returned. The issuing unit should include all copies of all voided receipts and return each receipt book to the Business Office upon the use of all receipts and completion of the cash reconciliation of all the receipts within that book.

Exceptions

The Business Office must approve any exception to these procedures. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard College funds must be established and approved by the Business Office.

Requests for exceptions to these procedures must be submitted to the Business Office in writing.

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