**DEPARTMENT:** Put department name here

**DATE ADOPTED\AMENDED:** Put original adoption date here and add another date each time updated

**SUBJECT**: Cash Handling Process – Cash and Checks Documented Procedures

**APPLIES** **TO**: Receiving, depositing and reconciling cash and checks

**Cash Handling (cash and checks) Overview**

The objective of the Cash Handling process is to ensure that all funds are received, deposited and reconciled in a timely, accurate and well controlled manner.

**Cash Handling Process**

| **Activity** | **Responsibility** | **Reference/Comments** |
| --- | --- | --- |
| **RECEIVING FUNDS** |  |  |
| The following positions are authorized to receive cash/checks for the [insert name of department] as determined by [insert appropriate person/position] (insert title). | [insert appropriate person(s)/position(s)] Admin. Accountant, A/R Clerk, etc. | Positions responsible for receiving funds should not be responsible for depositing funds and should not have any responsibilities related to billing or reconciliation. |
| All authorized cash handlers should receive proper cash handling training and certification prior to receiving cash/checks.  Add training link here | [insert appropriate person(s)/position(s)] Admin. Accountant, A/R Clerk, etc. | The training for the cash and check handling procedures and controls was completed on:  (insert date completed for each employee, a separate list of employees with dates of training is acceptable)  ***NOTE:*** *This course only needs to be completed once per employee.* |
| The [insert name of department] may receive funds for a variety of purposes including (but not limited to):   * [insert examples that may apply to your school/college/unit/dept.] * Goods/services provided * Employee reimbursements (i.e. P-Card, telephone, etc.) * Conference fees * Donor gifts |  |  |
| Count all funds received for each transaction. For transactions where amount is known, ensure the amount received equals the anticipated amount by comparing funds received to the invoice, conference fee, etc. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | When using a cash register or cash drawer, ensure only one person has access to it during a shift/business cycle.  To ensure single accountability, reconcile/balance the register/drawer between shifts and have an independent person confirm it by initialing and dating it. |
| Obtain approval by a higher level of authority for all refunds. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. |  |
| Review and approve refunds, write-offs and/or adjustments. | [insert appropriate person(s)/position(s)] Supervisor, Senior Manager, etc. | Write-offs and adjustments must also be approved by a higher-level authority.  Additionally, write offs must be approved by SASUB/FAS. |
| For all checks received by the department: | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | For all checks received that do not belong to your department hand-deliver immediately to the correct department or if department determination can’t be made take to OneCentral.  Interoffice mail is not to be used to send checks received between departments |
| Review to ensure they are made out in U.S. dollars only – no foreign currency or checks drawn on foreign banks not in US dollars | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. |  |
| Review checks to ensure they are payable to Central Michigan University and not to individual faculty or staff members. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | If check is not correctly written, contact the check issuer; make arrangements to return check, and ask them to issue new check payable to Central Michigan University. |
| Review checks to ensure date is written, is not future dated, or is not dated older than six months. Ensure check is not missing payer signature. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | If date is not correctly written, contact the check issuer; make arrangements to return check, and ask them to issue new check payable to Central Michigan University with the correct date and signature. |
| Restrictively endorse all checks. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | Stamp or write “Central Michigan University for deposit only” on back of check, immediately upon receipt |
| If necessary, issue a pre-numbered receipt (or other form of receipt) for funds received and retain a copy of the receipt for balancing purposes. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | Receipts are encouraged for all transactions.  All receipts should be traceable to the individual who issued the receipt. |
| Record funds received into a daily log detailing each transaction if a pre-numbered receipt is not given. | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | Entry must include: date, amount, payer, purpose for payment, type of payment (cash, check, or credit card), individual who received the funds, and any additionally notes necessary for reconciliation. |
| Secure cash and checks by placing them in a locked [insert appropriate secure place (i.e. cash register, safe, cash box)].  The [safe, cash box, drawer etc.] is continually visible to authorized department employees.  *(where applicable)* The combination is changed [insert frequency (i.e. monthly, semi-annually, etc.) at a minimum when employees transfer or are terminated].  *(where applicable)* Keys to the [safe, cash box, drawer etc.] are kept in a secure, secret place. Only the following individuals have access to the keys: [insert appropriate person(s)/position(s)] | [insert appropriate person(s)/position(s)] A/R Clerk, Cashier, etc. | Only department supervisors and authorized personnel have access to the secure place (i.e. safe or cash box).  Funds received should not be used to make purchases, cash personal checks, issue “IOU’s”, or retained for making change.  Retain a documented chain of custody log when funds are transferred from the person receiving the funds to the person securing and depositing the funds. |
| **DEPOSITING** |  |  |
| The following positions are authorized to deposit cash and checks for the [insert name of department] as determined by [insert appropriate person/position] (Lead Budget Administrator, Director of Administration, department head or senior leader). | [insert appropriate person(s)/position(s)] Admin. Accountant, A/R Clerk etc. | Positions responsible for depositing funds should not be responsible for receiving funds or performing reconciliation. |
| All authorized depositors should receive proper depository training and certification prior to depositing cash/checks. | |  | | --- | | [insert appropriate  person(s)/position(s)]  Admin. Accountant,  A/R Clerk etc | | The training for the cash and check handling procedures and controls was completed on:  (insert date completed for each employee)  ***NOTE:*** *This course only needs to be completed once per employee.* |
| |  |  | | --- | --- | | Obtain funds and pre-numbered receipts  and/or daily receipt log from A/R Clerk,  Cashier, etc. | Depositor | | Depositor |  |
| Verify that funds received balance to the pre-numbered receipts issued and/or the daily transaction log (as well as goods/services provided, A/R updates, cash register tapes, etc. where possible)  Initial log as confirmation this step has been completed and receipts match funds. | Depositor | Balancing of funds received should not be performed by the individual(s) receiving funds unless supervised by a higher-level authority.  When discrepancies are noted/identified, each transaction should be checked by date, payer/payee, payment/refund amount, and receipt number. |
| Verify that all pre-numbered receipts are accounted for. | Depositor |  |
| Record balances by retaining copies of deposits so they can later be reconciled with deposit amounts. | Depositor |  |
| Prepare the cash/checks for deposit.  Fillout the departmental deposit form. | Depositor | A copy of the deposit form submitted with the deposit at OneCentral should be maintained by the department for their records. |
| Place the total funds (consistent with the departmental deposit amount) into the deposit bag | Depositor | Deposit bag is whatever instrument the department uses to transport the deposit |
| Ensure all funds are being deposited into the proper cost center and general ledger account. | Depositor | For assistance w/determining the appropriate cost center and G/L account, contact Accounting Services |
| Deliver deposit to the CMU centralized cashiering office, OneCentral in room 119 of the Bovee University Center.  Deposits must be made the same day or secured per the Cash Handling Policy if not feasible until the following day. | Depositor | Can drop off at OneCentral location (Bovee University Center 119) or one of two drop boxes located either outside of Warriner Hall or just outside the OneCentral location in the UC  Note: If cashiering finds a discrepancy in the deposit information, the depositor will be contacted as soon as that discrepancy is discovered so a reconciliation adjustment can take place. |
| **RECONCILIATION** |  |  |
| No later than three days after dropping deposit off to OneCentral, review accounts in SAP to ensure each deposit is posted in the correct cost center and general ledger account and reconcile amounts to receipts\receipt log for the deposit in question. | Approver, Supervisor, etc. | Review and approval should be performed by someone who is not doing the deposit or reconciliation, and who would be in the position of authority to confirm that SAP allocations are accurate and appropriate. It should also not be performed by a direct report of the person preparing the deposit. |
| Maintain a record of all deposits and deposit information for reconciliation purposes including proper evidence that reconciliation process above has occurred.  Employee reconciling and approver/supervisor need to initial and date when reviews have taken place. | Depositor | Record details such as “who” gave the deposit to “whom”, date, time, bag serial number (if applicable), amount, delivery method, etc.  ***NOTE:*** *Making copies of checks is strongly discouraged. If there is a valid business purpose, all numbers on the bottom of the check (micr line) must be covered (i.e. placing paper over the numbers) before copying.* |
| Investigate, communicate and resolve all discrepancies found in reconciliation process as soon as possible to ensure reporting is accurate and timely | Depositor/Supervisor | Note: If cashiering finds a discrepancy in the deposit information, the depositor will be contacted as soon as that discrepancy is discovered so a reconciliation adjustment can take place. |