



POLICY MANUAL

GENERAL

Number 530

Subject: Cash Handling Policy

Effective Date: April 22, 2015

530.1 PREFACE

Cash handling requires standardized training and knowledge of cash handling practices that foster accountability, control, protection of employee integrity, and safeguarding of University funds. For purposes of this policy, cash includes all cash, checks, gift cards, coupons, and credit card transactions.

Cash handling needs vary according to departmental responsibilities. This policy and the procedures referenced herein create a framework for Departments, Financial Officers, and the Controller's Office to work together to create adequate and reasonable cash controls that protect individual employees and institutional funds.

530.2 POLICY

Each Department with cash handling needs shall, in conjunction with the unit's Financial Officer, document and submit to the Controller's Office for review and approval, proposed procedures for appropriately handling cash within the department that align with this policy.

Procedures should include, but are not limited to:

- Responsibility & Accountability (see 3.1)
- Separation of Duties (see 3.2)
- Security of Funds (see 3.3)
- Proper Receipting (see 3.4)
- Credit/Debit Cards (see 3.5)
- Balancing & Reconciliation (see 3.6)
- Timely & Accurate Reporting (see 3.7)
- Reviews (see 3.8)

Procedures approved by the Controller's Office become the expectation for the department to follow to maintain adequate and reasonable cash controls for that specific cash handling operation. Changes to approved procedures should be submitted for review and re-approval prior to being implemented.

Approved procedures will be reviewed on a periodic basis to address new risks or opportunities that may arise and to update processes to remain current with the Controller's Office recommendations.

The Controller's Office is the primary source of information, education, and assistance on the topics noted within this policy. To assist Departments in writing procedures and remaining current on best practices, the Controller's Office web site contains Cash Handling Procedures (http://controllers.usu.edu/files/Cash_Handling_Procedures.pdf) which is a collection of best practices for many University cash handling functions.

Employees responsible for cash handling who do not follow this Policy and/or approved Department procedures may be subject to disciplinary action including but not limited to being placed on administrative leave during an investigation, and/or termination.

530.3 PROCEDURES

Leaders establish attributes and controls that reflect the University's values and commitment to ethical conduct.

3.1 Responsibility & Accountability

Personnel responsible for cash control processes should understand procedures in sufficient detail to monitor the effectiveness of the cash control process. All employees who handle cash should receive relevant training to ensure adequate knowledge, skills, and abilities to function within, and contribute to, an effective cash control environment.

Procedure and training topics shall include those listed in this policy and may also include cashier training, custody transfer, commingling of funds, closing out registers, credits and return processing, recognizing counterfeit money, processes in the event of theft, loss, or robbery and, other topics, as appropriate, that promote the security and/or protection of funds and employees.

A Department desiring POS (point-of-sale) operations, a temporary petty cash fund, or a cash advance for "Human Research Studies" must make the request to the Controller's Office by completing the appropriate fund request form (http://controllers.usu.edu/files/Cash_Handling_Procedures.pdf) prior to the start of operations.

3.2 Separation of Duties

Personnel responsible for cash handling must take steps to assure that duties are appropriately segregated such that no one person has control over all aspects of a particular transaction.

If a Department has questions about scaling department procedures to meet smaller operations, contact the Controller's Office for guidance regarding compensating controls prior to establishing processes or compromising the separation of duties.

3.3 Security of Funds

Personnel responsible for cash handling are accountable for safeguarding funds and assigning a fund custodian. Funds must be secured at all times in cash registers, safes, lock boxes, etc. and access to the cash handling areas of operation must be controlled. Gift cards and coupons also require secure storage locations. Cash should not be stored overnight in cash registers.

If safes or drop boxes are used, they should be securely anchored in place. Smaller cash receptacles should be secured in a locked area, file cabinet, or desk within a locked environment. A log should

be maintained of individuals who know safe combinations and combinations should be changed whenever an individual terminates, leaves the department, or no longer needs access to the safe.

A background check should be requested through the Office of Human Resources for all new supervisors, managers, and/or custodians who handle cash or have access to change funds, safes, etc. Departments may request background checks on existing employees where reasonable cause exists. The State defines reasonable cause as, "the known facts and circumstances are sufficient to warrant a person of reasonable prudence in the belief that the employee poses an unreasonable risk to persons or property and/or a history or report of a crime will be found."

3.4 Proper Receipting

3.4.1 Receiving Cash - Personnel responsible for cash handling are expected to follow Utah Code Title 51, Chapter 4, which requires that money "should be deposited daily, if practicable, but no later than once every three banking days."

Paper checks should be endorsed immediately. Endorsement of a check must be in ink and contain:

PAY TO THE ORDER OF
WELLS FARGO BANK, N.A.
FOR DEPOSIT ONLY
Utah State University
_____Department
0340802412

3.4.2 Disbursing Cash - Personnel responsible for cash handling should provide, where possible, sequentially numbered receipts to all customers. Unclaimed customer receipts should be destroyed.

3.5 Credit/Debit Cards

The Controller's Office shall maintain and publish Payment Card Industry Data Security Standards (PCI) rules and procedures for the proper handling of credit/debit card transactions and cardholder information, and system requirements for processing credit/debit cards.

Procedures relating to the timely handling of transactions, safeguarding and proper disposal of card information, compliance requirements, and credit/debit card association rules will be maintained on the Controller's Office web site (https://controllers.usu.edu/credit_card_acceptance) with an active link on the Controller's web site (<http://controllers.usu.edu>).

Departments interested in using third-party vendor software or systems to process credit/debit card transactions must contact the University PCI Compliance Officer *in the Controller's Office* before entering into a contract with a third-party vendor. After the University PCI Compliance Officer verifies that the proposed vendor is compliant with Payment Card Industry Data Security Standards, the Manager of Treasury Services will establish a new merchant account.

3.6 Balancing & Reconciliation

Reconciliations, including daily cash register balances, detailed sales records, daily transactions posted to sales, and bank deposits should be verified by two (2) University employees. Change funds, advances, petty cash funds, and gift card/coupons should be balanced and reconciled monthly at a minimum.

3.7 Timely & Accurate Reporting

Personnel responsible for cash handling should establish procedures for making all reports available to the appropriate Department and/or Controllers' Office personnel on a timely basis. Departments will report irreconcilable variances greater than \$100.00 to Internal Audit Services.

3.8 Reviews

Internal auditors, external auditors, Controller's Office personnel, and/or the PCI Compliance Officer have authority to review and measure the effectiveness of cash controls. Although departmental operations may influence when reviews occur, surprise reviews may be initiated on a cash handling area with minimal or no notice. Departments are responsible for responding to findings and implementing changes, as appropriate.

530.4 PROHIBITED TRANSACTIONS AND ACTIVITIES

The following transactions, activities, events, and/or processes using a cash register, change funds, research cash advances, petty cash, etc. are prohibited:

- Cashing of personal, payroll, or expense checks
- Reimbursement of any travel or travel related expense
- Reimbursement of expense that should be processed through EZ-Buy
 - Personal expenses for reasonable University expenditures
 - Payments to independent contractors, consultants, University auxiliaries
- Payment to employees for services, awards, bonuses, etc.
- Personal borrowing (IOU's)
- Personally refunding or exchanging your own purchase
- Balancing shortages with personal funds
- Balancing overages into personal funds
- Any other similar expense or activity

The following cash handling duties in the presence of customers or other employees not involved in cash handling are prohibited:

- Register balancing
- Safe reconciliation
- Creating deposits
- Destruction of credit/debit card documents
- Any other sensitive activities