

## CASH HANDLING POLICY AND PROCEDURES

### POLICY

All Mississippi State University units that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Managers in University units are responsible for establishing and maintaining the proper environment of internal controls. This environment is established by the unit's organization with written procedures which are to be reviewed periodically by Internal Audit.

All units requiring cash handling must have prior approval from their Vice President by documenting the necessity and specific purpose for such cash handling activity.

Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

"Cash" includes coin, currency, checks, money orders, and credit card transactions. A departmental depositor is a University unit that has been authorized by the Controller and Treasurer's Office to deposit directly to a University bank account rather than sending receipts to Account Services.

All University units collecting cash must address the following cash receipt controls by developing and implementing procedures in support of these controls. Campus units with occasional cash receipts must, whenever possible, follow the same minimum operating procedures that apply to units handling cash on a regular basis.

### PROCEDURES

#### I. Department Responsibilities

##### A. Accounting for Cash as it is Received

1. **If received in person**, ring up on a cash register or record on a pre-numbered multiple-copy receipt form. Give a copy of the receipt to the customer. (Other acceptable methods as approved in advance by the Controller & Treasurer's Office.)
2. **If received by mail or phone (i.e., credit card payments)**, enter the payment immediately into a registration or order system, or cash receipt journal (e.g., a computer application or a payment log).
3. Indicate the type of payment (currency, check, credit card, etc.)
4. Restrictively endorse checks immediately as "*Deposit only-Payable to Mississippi State University, Dept of \_\_\_\_\_*" on the back of the check.

## B. Separating Individual Cash Handling Duties

Separate the components of cash handling - collecting, depositing, and reconciling - so that one individual does not have responsibility for more than one component. In small departments separate the handling of the actual cash from the reconciliation.

## C. Safeguarding the Handling and Storing of Cash

1. During hours of operation, secure coins, currency and checks to restrict access.
2. At other times, store all coins, currency and checks in a safe or other locked secure place until they are deposited.
3. Each cashier should be assigned their own cash drawer.

## D. Reviewing/Approving Voided Cash Receipts

The supervisor of the cash collections area has the responsibility for reviewing and approving voided cash receipts and documenting all actions performed.

## E. Depositing Cash Promptly

1. Deposit cash receipts at least weekly or when the total on hand reaches \$200, whichever comes first. Certain locations may require more restrictive policy based on security, cash/check composition, and the average dollar amount of checks (e.g. Account Services office, Mafes Sales Store, Athletic Ticket office, Recreational Sports, Vet Med Animal Health Center, Student Health Center, Meridian Campus Business office).
2. If credit cards are accepted, settle authorized transactions daily. (Daily deposits)
3. Deposit all funds received. Do not make refunds, pay expenditures, or create a change fund from cash receipts. Do not hold checks for future processing. Do not use cash receipts to cash checks from employees and customers.
4. **If a departmental depositor**, deliver the deposit to the designated University depository bank, using your sequentially numbered deposit slips. Deposits may be made in-person at the bank or delivered to Account Services in locked bank bags for transport to the bank. Send the cash receipt voucher prepared with the deposit to Account Services office in a timely manner. (If in locked bank bag, include the form in the bag. Account Service office will retrieve bag from bank and use this copy to record the transaction, document

the receipt number and send a copy back to the depositing department in the bank bag).

5. **If a depositor at Account Services (i.e., General Receipts depositor),** deliver the deposit and the cash receipt voucher to Account Services in Garner Hall. Deposits should not be delivered through campus mail. Deposits should only be delivered by U.S. mail by off campus units without local bank depository access. The mailing address is P.O. Box 5328, MS State, MS 39762. Deposits that include currency must be delivered in-person. These deposits delivered to the Account Services office will be given a deposit receipt. If you do not receive a receipt, please inform the manager or assistant manager, immediately. In order to avoid long lines, it is sometimes necessary to have the depositor come into the locked facility for verification and receipt of the deposit.

#### F. Reconciling Daily and Monthly Activity

1. Daily balancing: balance each deposit by comparing:
  - the **cash receipt records** (cash register tape, pre-numbered receipts, or receipt log totals)
  - the completed **cash transmittal/deposit**
  - the **validated deposit document** (sequential deposit slip if a departmental depositor, cash transmittal/deposit if a depositor at Account Services)
2. Monthly balancing: monthly reconcile the MSU Budgetary Status Report (BSR) with the validated deposit documents.
3. Document and identify differences or discrepancies

#### G. Monitoring the Cash Receipts Process

Administrators or Managers not directly involved with the cash receipt process have the responsibility to periodically:

1. Review the nature and extent of overages and shortages.
2. Compare actual deposits recorded with expected receipts.
3. Review daily and monthly cash activity reconciliation.

4. Compare the mode of payment (coin/currency or checks) recorded at the time the cash was received with the coin/currency and check totals on the validated deposit document.
5. Evaluate overall internal controls to ensure that reasonable controls exist to safeguard cash, and that employees understand and follow them.
6. Notify the head of the department or an administrator of the Controller and Treasurer's Office of any deposit or recording of deposits discrepancy that cannot be readily explained and/or corrected.
7. In the event of a loss or theft of funds, immediately notify University Police and Internal Audit.

### **REVIEW**

The VP for Budget and Planning is responsible for the review of this operating policy every four years or as needed.

### **RECOMMENDED BY:**

/s/ Kevin Edelblute

Kevin Edelblute  
Controller and Treasurer

04/05/2012

Date

/s/ Wayne Bland

Wayne Bland  
Associate Vice President for Budget & Planning

04/05/2012

Date

/s/ Don Zant

Don Zant  
Vice President for Budget and Planning

04/11/2012

Date

/s/ Lesia Bryant

Lesia Bryant  
Director of Internal Audit

04/19/2012

Date

/s/ Joan Lucas

Joan Lucas  
General Counsel

04/27/2012

Date

**THIS POLICY HAS BEEN SUPERSEDED**

**APPROVED BY:**

/s/ Mark Keenum  
Mark E. Keenum  
President

04/30/2012  
Date

02/07  
01/31/012

**THIS POLICY HAS BEEN SUPERSEDED**