

Texas A&M University-Texarkana
Cash Handling Procedures-Collection Points
University Advancement, TAMUT Testing Center, Student Life,
University Athletics, and Extended Education & Community Development
Effective Date 08/19/2019

Purpose:

The purpose of this procedure is to assure that collection points at Texas A&M University-Texarkana are safeguarding University assets with measures that ensure proper internal controls and safekeeping of receipts of cash. 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. These procedures are intended as a supplement to the cash handling policies and procedures of the Texas A&M University System and adhere to the following applicable Regulations:

21.01.02 Receipt, Custody and Deposit of Revenues
Texas Education Code, Section 51.003

Cash - cash is defined as coin, currency, checks, wire transfers, ACH (direct deposits), debit & credit card transactions and other electronic funds transfers.

Cashiers – a cashier is any departmental employee who has been assigned cash handling responsibilities by the department director, manager or vice president and approved by the Controller. Cashiers must have their name, UIN and their assigned department submitted to the Business Office and Accounting Department. The Controller and Business Office Manager must be notified when departmental employees are to be dropped from the department’s approved cashier list.

Training - Cashiers are required to complete the Cash Handling – System Version training and, if credit card payments are received, the Payment Card Industry Data Security Standard course offered thru TrainTraQ on an annual basis.

Cash drawer – generic term for a device/place where cash receipts will be secured. The term includes a cash bag, cash register, box, drawer, safe, closet or other room that can be locked or secured where only the cashier has access.

Procedure:

1. Departments in the University that collect fees, other charges, proceeds of cash sales, and proceeds from all other sources in significant amounts will be considered as collection points. Each of these departments is responsible for the funds it receives.
 - a. The following departments are recognized as collection points and must perform cash handling according to these procedures:
 - i. TAMUT Testing Center
 - ii. University Advancement
 - iii. Student Life/Services
 - iv. University Athletics
 - v. Extended Education & Community Development

2. Segregation of Duties: Segregation of duties is essential to prevent one individual from having responsibility and control over all components of the cash handling process. Components of cash handling are collecting, depositing and reconciling. The following duties will be segregated and should not be performed by the same individual:
 - a. *Cashiering* - handling of cash transactions with customers
 - b. *Reconciliation* - an accounting process used to compare two sets of records to ensure the figures are in agreement and are accurate. Reconciliation is the key process used to determine whether the balance in the cash drawer agrees with the department's copy of receipts retained during the recording period. Reconciliation will be performed on at least a daily basis. Reconciliation of the receipts of cash for the preparation of the deposit at the Business Office should be performed by an employee that does not have cashiering duties.
 - c. *Cash deposit* – preparation and transport of cash to the University's Business Office for deposit.
 - d. In the event that there are inadequate personnel available to segregate these duties, it is permissible for the department to request assistance from the Business Office or Accounting Department personnel to reconcile the departmental deposit.
3. Safeguards and accountability for handling, transporting, and storing cash:
 - a. The departmental cash drawer will be assigned to and under the control and custody of one approved cashier at a time. The assigned cashier is not permitted to share custody and control with others. The assigned custodian of the cashier's drawer is personally responsible and accountable for the integrity and safety of the departmental cash drawer.
 - b. A cashier custodian log form will be utilized by departments that have more than one cashier that will be working from the same departmental cash drawer. This form is used to transfer custody, control and responsibility of the contents of departmental cash drawer from one cashier to the other. The contents of the cash drawer will be inspected and counted in the presence of both cashiers and the log will be completed and signed by the cashier accepting custody.
 - c. Collection points are not permitted to submit deposits to the University's local bank. All departmental deposits will be made at the Business Office.
 - d. Departmental deposits cannot be "dropped off" at the Business Office. The Business Office's procedures for accepting departmental deposits include comparing the deposit worksheet to the deposit slip for accuracy and the inspection of the deposit for exceptions of System Regulations. Exceptions to proper cash handling procedures will be reported to the Accounting Department for follow-up audit. A change of custodian log will be utilized to document transfers of custody and control from the collection point to the Business Office for making deposits at the local bank.
 - e. Cash will never be unattended. This applies to cash registers, desk tops, and cash drawers/boxes. All cash and supporting documentation must be stored in the cashier's drawer immediately after the transaction is complete.

- f. If the cashier leaves his or her work station for any reason, regardless of length of time, the cashier's drawer must be appropriately secured in a locked place.
- g. For overnight storage and during other periods when cash is not being used, the cashier's drawer must be kept in a safekeeping device, either a safe or locked container.
- h. If the cashier's drawer is secured by keyed lock, the key must be kept on the cashier's person.
- i. Large sums of cash must be counted and handled out of sight of the general public.
- j. Under no circumstance will an individual keep University cash with their own personal funds, deposit University funds in a personal bank account or take University funds to one's home for safekeeping.
- k. Checks must be restrictively endorsed *immediately* upon receipt with the "For Deposit Only Texas A&M University-Texarkana" stamp. All checks, money orders and cashier checks must be made payable to Texas A&M University-Texarkana.
- l. Voids initiated by cashiers – If it is necessary to void a receipt, the term "**VOID**" must be clearly written on all three copies of the receipt. Since receipts supporting deposits must be in sequential order, the white and yellow/canary copies of the voided receipt must be provided to the Business Office with the series of receipts included with the deposit. Voided receipts require an approval signature of the department manager and must be visible on all three copies in the receipt book. The pink copy must remain in the receipt book and will be subject to auditor inspection. The department director/supervisor must approve voided receipts by signing the voided receipt and their signature must be visible on all copies. If the supervisor/manager is the individual issuing the receipt, then another departmental employee must sign the voided receipt.
- m. Credit card cardholder data is any personally identifiable data associated with a cardholder. This could be an account number, expiration date, name, address, social security number, etc. All personally identifiable information associated with the cardholder that is stored, processed, or transmitted is also considered cardholder data. Cardholder data is sensitive information and must be secured according to the PCI Security Standards applicable to the department receiving the credit card payments.
- n. Cash funds and supporting documentation is subject to surprise audits and will be made accessible to authorized persons at any time during regular business hours. When the cash fund is examined by an auditor or other authorized person, the custodian of the fund must remain present. Procedures and documents examined during an audit include, but are not limited, to the following:
 - i. Cash count
 - ii. Examination of receipt book

- iii. Postdating of checks
 - iv. Payer name on check is the same name as cashier
 - v. Proper endorsement of checks
 - vi. Full accounting of receipts; reconciliation
 - vii. Sequential numbering of receipts; voided receipts
 - viii. Checks dated over three business days
- o. **Self-cashiering** – Under no circumstances are cashiers permitted to receipt payments from themselves.
4. Procedure for Issuing Manual Receipts (See University Advancement special procedures; paragraph 5)
- a. Collection points will be issued pre-numbered receipt books by the Business Office. The Business Office will maintain a log that will include the number series of the receipts in the book and the date and name of the person receiving the receipt book. Redi-form receipts books purchased from office supply stores are not permitted. Receipt books are the property of the Business Office and collection points must surrender their receipt book upon request of the Business Office or Accounting Department. After the initial issue of a receipt book to a collection point, a replacement book will not be issued until the department returns previously issued receipt books that have had receipts issued to payers.
 - b. An official receipt must be written or a cash register receipt issued, if applicable, for each remittance received by a department for collections, deposits and unpaid balances made in person. Each pre-numbered receipt must have sufficient copies to provide a copy to the payer (white copy), a copy to accompany funds remitted to the Business Office cashier (yellow/canary copy) and a copy to be filed in numerical sequence by the issuing department (pink copy) that must remain in the receipt book.
 - c. Each receipt for cash sales must be itemized to show the name of the purchaser, product or service, quantity, unit price (if applicable) and sales tax (if applicable), total and signature of person receiving payment. The name indicated on a receipt must be the name of a person or organization making the payment. Purchasers/payers cannot be comingled on a single receipt. Individual receipts must be issued to individual payers. A student fee receipt, rental receipt or other specialized receipt form must also be fully itemized. Cash sales entered in cash registers and admission tickets sales are exempt from this requirement.
 - d. If a payment is received in the mail, a receipt must be written with the required information. The payer white copy must be included with the yellow/canary copy when the deposit is made in the Business Office. If the white copy is to be mailed to the payer, the payer's mailing address must be included with the other required information on the yellow/canary copy and submitted to the Business Office with the deposit.
 - e. Deposits made from sales of cash registers must include a cash register z-tape accounting for those sales made from the cash register. The tape must be the original and have the date and time from the cash register included on the tape.

- f. Deposits made from sales where event/admission tickets are issued must have tickets that are pre-numbered on each end and be perforated so they can be separated into two parts. One half of the ticket (the ticket stub) is to be issued to the customer; the other half of the ticket must be retained by the cashier. The half of the ticket retained by the ticket controller must be included with the deposit in the Business Office and the tickets submitted with the deposit must serial numbers in sequential order.

5. Special Procedure for Issuing Receipts - University Advancement

- a. Special procedures will apply to the University Advancement Department for issuing and accounting for cash receipts in certain instances.
- b. The University Advancement Department has been authorized to use the Raiser's Edge software as an alternative method for gifts, donations and sales made in the University Advancement Department; however, the manual receipt method used by all other collection points (found in paragraph 4) will be utilized for event's that are held off campus and require manual receipting.
- c. U/A will use a preapproved Excel spreadsheet log with pre-numbered receipt serial numbers that will be used as the basis of assigning numbers to receipts generated in Raiser's Edge. This log will have the date, name, amount and individual issuing receipt for each receipt issued in Raiser's Edge and will be provided to the Business Office and Accounting Department on a weekly basis for the purposes of auditing and assuring internal control. This list will be kept updated at all times and provided upon request of auditor's or the Bursar.
- d. The Bursar, U/A Director and Controller will delegate those individuals allowed access to receive this Excel spreadsheet log.
- e. A beginning sequence number will be established and will be the number one (1) (this due to Raiser's Edge numbering capability and numbering conventions); sequential numbering beginning with this initial receipt number will be observed as long as this method is utilized.
- f. All receipt numbers will be sequentially entered into and be accounted for in the Raiser's Edge software and will appear on the acknowledgment (receipt) letters for donors/customers.
- g. One sequential receipt number will be used for each donor.
- h. Receipts will be issued to donors and customers using the Raiser's Edge acknowledgement and receipt form.
- i. Receipt numbers on the 'Gift Batch Validation Report' will be in sequential order and all numbers will be accounted for.

- j. The 'Gift Batch Validation Report' will be attached to the 'Cash Receipts Submittal Form' used by the Business Office for departmental deposits in addition to all other supporting documentation normally attached, i.e. check copies, credit card batch reports and manual receipt copies (yellow/canary copy) for receipts issued manually.
 - k. The Business Office will monitor these procedures as departmental deposits are presented for processing.
6. Reconciliation when using working funds:
- a. A reconciliation of the cashier drawer will be performed at the end of the event.
 - b. Due to the necessity to segregate duties; another employee must review the reconciliation and count the cash and receipts in the cash drawer in the presence of the cashier to ensure the integrity of the funds. Both the cashier and reconciler will sign the reconciliation form.
 - c. The reconciliation process includes two basic duties: counting of the cash and receipts in the cashier's drawer and completing a cash reconciliation spreadsheet.
 - d. The reconciliation will be performed away from the general public and in a secure area.
 - e. The reconciliation will be performed on an approved Excel spreadsheet designed to allow simple data entry to reconcile the funds. Substitution of this spreadsheet with another form is strictly prohibited and hand written adjustments on the form will void the reconciliation. The reconciliation form is also void if the same individual signs as both the cashier and reconciler.
7. Preparation of and Deposit of funds: Collection points are not permitted to submit deposit to the University's local bank. All departmental deposits will be made at the Business Office.
- a. The following procedure will apply for the receipt of departmental deposits by the Business Office:
 - i. Departmental deposits presented to Business Office cashiers will be delivered in sealed deposit bags for submission to the University's local bank. The departmental depositor must be designated and approved to handle cash funds.
 - ii. The following supporting documentation must be provided with the deposit:
 - 1. Receipt copies (yellow/canary copy and the customer's white copy if the receipt is not mailed to the customer), cash register tapes and/or admission tickets; receipt copies and admission tickets must be in sequential order and all pre-numbered receipts must be accounted for. Any missing receipts numbers or admission tickets must be explained by the collection point department.
 - 2. Yellow bank deposit slip
 - 3. Copies of checks deposited
 - 4. Completed and signed reconciliation when using working funds

5. Deposit bag receipt tag
 6. Departmental Deposit Worksheet
- b. Departments are responsible for timely depositing of revenues in accordance with System Regulation 21.01.02 Receipt, Custody and Deposit of Revenues paragraph 4.2.

“A department or unit, which collects nominal amounts of local income, is exempt from the daily deposit requirement, but must make deposits whenever the amount on hand reaches \$200 and at least once every three business days regardless of the amount so that the fiscal office may make deposits in the depository bank within seven (7) calendar days of the original date of collection as required by Section 51.003, Texas Education Code”.

- c. On occasion, the department receiving the payment may not have determined the proper account or object code that is applicable to the cash receipt. This does not absolve the department from following System Regulations for the Receipt, Custody and Deposit of Revenues. The payment must be provided to the Business Office for deposit in accordance with Regulation 21.01.02 and the Business Office cashier will temporarily receipt the deposit to a suspense account and the funds will be included in that days deposit to the local bank. The information necessary to permit the proper receipting must be provided to the Business Office within five business days of the date of the original deposit.

8. Management oversight and review:

It is the ultimate responsibility of the department manager to oversee and manage the department’s cash handling procedures. This responsibility includes authorization to appoint/designate departmental cashiers, to adequately account for and safeguard cash funds, assure that duties are appropriately segregated and properly maintain documentation of the chain of custody. In order to assure the funds are secure, the following duties should be performed on a frequent, if not daily basis:

- a. Ensure that only one person has access to the departmental cashier drawer
- b. Monitor receipts for completeness and accuracy
- c. Monitor cash receipt levels and trends and investigate and review records if levels drop below expected norms for a period of time
- d. Ensure that voided receipts are being handled properly
- e. Assure deposits are made in accordance with System Regulation 21.01.02 Receipt, Custody and Deposit of Revenues
- f. Perform surprise cash counts

9. Limitation of funds:

- a. Collection points are not authorized to use collected funds for any purpose whatsoever other than for deposit.
- b. The personal use of cash from the fund is prohibited in all circumstances.
- c. Expenditures or refunds cannot be made from cash receipts.
- d. Cash must not be used for making change, petty cash purposes, for financing IOUs, loans, accounts receivable, or cashing personal checks.

- e. Payment for fees and revenues from all other sources cannot be made in foreign currency.
- f. Checks (or credit card) transactions will not be written for more than the amount of purchase.

Check Payments:

Checks of all types received in-person should be restrictively endorsed immediately. Walk-in customers should receive a pre-numbered written receipt. All checks must be payable to Texas A&M University-Texarkana.

Every check or money order must be reviewed for completeness as follows:

- Verify that Account holder's name, address, and phone number is included on the check. A daytime phone number is preferred.
- Verify that the check has a bank name listed, and that the routing number, customer's bank account number, and check number are encoded on the bottom edge of the check.
- If check is received in person, request driver's license number and state and record this information on the check.
- Note the date. Do not accept a postdated check (a check with a date in the future), or agree to hold the check for future deposit.
- Verify that amount written in numbers matches amount written in words. If different, make special note on the cash receipt so that the Business Office can handle appropriately. In general, banks will honor the written amount over the numerical amount.
- Make sure the check or money order is signed by the payer.