

Augusta State University
Cash Receipting - Quick Reference Guide
FAQ's

Summary
Find It Quick!

No time to read the whole book?
Jump to the sections you are most likely to need

- How to Prepare a Bank Deposit
Section VI

- How to Keep Credit Card Information Secure
Section VII

- How to Avoid Losing University Funds
Section X

- How to Write Cash Receipting Procedures for Your Department
Section XII

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SECTION II

An Introduction to Cash Receipting

Recent changes in auditing standards have significantly increased the degree of oversight that is required on all significant business processes that have an impact on the University's financial statements. With more stringent audit requirements and a broader audit scope, state auditors are now required to examine more than just the general ledger.

- **With its obvious impact on the financial statements, it can be expected that state auditors will be reviewing the internal controls that guide the cash receipting processes across campus, as well as the documentation that is in place for these internal controls.**

This reference guide is intended for Cashiers, Cashier Supervisors and Department Heads who share jointly in the responsibility for cash receipting activities at the department level.

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Section III

Cash Receipts – Defined

- **What is a cash receipt? Why do we care?**

A cash receipt is a written acknowledgement that a specified article or sum of money has been received. Issued at the time of completion of a transaction, a cash receipt provides a simple documentation of a purchase or similar exchange. In general, the cash receipt serves two purposes:

- First, the document serves as a permanent record for the University.
- Secondly, and equally important, the cash receipt provides the “customer” (i.e. student, faculty or staff member) with a permanent record of the transaction.

The cash receipt is an important internal control designed to safeguard the University’s cash or cash equivalents. Cash is one of the University’s largest assets and ASU takes seriously its responsibility to safeguard it against theft, fraud or malfeasance. ASU’s cash receipting systems are designed to protect ASU, its employees, and the University System at large. As a “cashier”, you serve as a steward of the University’s cash and must act accordingly in performing your job duties. By following established controls you help to preserve the University’s reputation within the community for responsibly managing public assets.

The University cares about its reputation. We all must.

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SECTION IV

Cash Equivalents

- **What are “Cash Equivalents”?**

“Cash Equivalents” are items that are ready substitutes for coin and currency. The following are examples of cash equivalents:

- Checks
- Credit Cards
- Debit Cards
- Accounts Receivable Charges
- Electronic Fund Transfers
- Money Orders
- Stamps
- Parking Tickets

Because of their inherent value, “Cash Equivalents” should be handled with the same degree of security that one would handle cash.

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Section V

Receipting Cash/Cash Equivalents

- **Is there more than one way to receipt cash/cash equivalents?**

There are several ways in which departments across campus receipt funds. Some departments use multiple methods. The type of process utilized is determined by a combination of factors, including dollar volume and the type of activity for which you are receipting funds. If you feel your receipting process needs to be further evaluated, contact Kathy Boyd, Internal Auditor. Telephone: 706-729-2483 E-Mail: kboyd50@aug.edu.

- **Point of Sale (POS) Systems**
A point of sale system is ideal in situations where there is a large volume of cash/cash equivalents transacted. POS systems are superior in that they have the capability of providing a clear audit trail when there are multiple cashiers. For example, both the Bookstore and the Performing Arts Center utilize POS systems. There are a variety of POS systems that are specifically designed to address common business activities.
- **Banner Cashiering**
Banner Cashiering is a component of the AR Module in the Banner student information system used at ASU by nearly every department on campus, including Admissions, Financial Aid, the Jag Card Office, the Registrar's Office, Administrators and Departmental Staff and the Business Office. Banner is ideal in situations where the activity needs to be tracked in the student's account. It also provides the Business Office with a permanent receipt record of departmental deposits.
- **Cash Registers**
Cash Registers are often part of larger cash receipting system, but can also stand alone. A cash register provides greater security and a better audit trail than a cash box or cash drawer.
- **Three Part Receipt Book – Issued from the ASU Business Office**
For departments that do not have the volume to support any of the above cash receipting methods, the use of a Three Part Receipt Book provides a good audit control.

Balancing Cash/Cash Equivalents

- **How often do cashiers need to balance their cash?**

No matter which method of cash receipting is utilized, cash must be balanced by the cashier at the end of the employee's shift and before they go home. Cash must also be balanced at the end of each Banner session. The same is true for tickets and other cash equivalents.

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SECTION VI

Receipt Books

Departments that do not have a Point of Sale System, Cash Register, or access to Banner Cashiering must rely upon the control of numbered receipts. The Business Office issues receipt books to all departments that require them. The receipts are numbered sequentially and issued in triplicate. All transactions should be recorded with a receipt.

- **How are the three parts of the receipt to be distributed?**
 - The white copy of the receipt (the original) is to be given to the student/customer.
 - The yellow copy of the receipt is to go to the Business Office as part of the deposit documentation.
 - The pink copy of the receipt is to remain in the receipt book.

Make a photocopy of the receipt and file this fourth copy with the department's copy of the bank deposit. Don't skip this step. Having a copy of that receipt will save you additional effort down the road.

- **What should I do if I make a mistake on a receipt or otherwise make it unusable?**

It is very important to account for all of the receipt numbers. If you must void a receipt, mark the face of the receipt "VOID" in bold letters *on all three copies*. Include the white and yellow copies as part of the deposit documentation that goes to the Business Office.
- **Do I need to keep the receipt book after all the receipts have been used?**

Once a book has been fully utilized it must be returned to the Business Office, where it is retained for control purposes.

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Section VII

Preparation/Delivery of Bank Deposits

• **How can I increase the accuracy of my deposit?**

Here are a few hints...

- Prepare a daily deposit. Small frequent deposits are easier to balance than one large one. It is also easier to recall the details of an unusual transaction while it is still “fresh in your memory.” Do not let checks and cash accumulate.
- Prepare the deposit at a time when you can work without interruption.
- Use an adding machine that has a tape. If you don't have one, ask to purchase one.
- Make all tapes twice, and check carefully to be sure you have the same total both times.
- When making a tape of checks, one of the tapes should be of the *numerical* amount, the other should be of the *written* amount. If there is a difference in the two amounts, the bank will use the written amount.
- If you are depositing cash, make sure all the currency is carefully separated and faced the same direction.
- Visually check to see if all the bills are the same size. A quick visual inspection will help you detect a counterfeit bill.

• **What is an endorsement stamp and why is it important to use one?**

The endorsement stamp is issued by the Business Office and is used to safeguard checks against fraud. Checks received on the University's behalf should be immediately “stamped” (endorsed) - *do not wait until you prepare the bank deposit to do this.*

Endorsing the check helps prevent someone else from cashing the check, should it be misplaced or stolen.

• **What documentation needs to be included with the bank deposit?**

Include the documentation that supports the cash/or cash equivalents that you received. This will vary by department, however, as a rule, more information is better than less.

The Deposit Transmittal Slip should be completed in duplicate and attached as the cover

page to the deposit. Be sure to record the beginning and ending receipt numbers, if you use a receipt book or cash register. The Deposit Transmittal Slip is available on the Business Office website. Click on the Cashier section. www.aug.edu/business_office%20info.htm. A sample copy of this form is included in this section. Once the Business Office has received the deposit, a Business Office receipt will be issued. This receipt should be then be attached to front of the department's copy of the deposit and retained with the deposit records. A sample copy of this receipt is included in this section.

- **Does my supervisor need to approve the deposit?**

Yes. A review of the bank deposit should be documented with the supervisor's initials and the date. Ideally the review is done before the deposit goes to the Business Office (so that an error can be picked up at the department level). However, in the absence of the Supervisor, the review can be conducted after the fact. In all cases, bank deposits need to have the initials of a second party before they are considered "complete". In cases where the supervisor is stepping in to make the deposit in a cashier's absence, a third party should conduct the review.

- **Do I need a Public Safety escort when taking my deposit to the Business Office?**

A Public Safety escort is recommended. That said, please be sure to follow the parameters that have been established for this service. Common sense and common courtesy prevail here.

- **How often should we make Bank Deposits?**

The frequency of deposits is guided by the volume of cash receipting activity that you have. Do not hold deposits or let funds build up...by doing so you increase the likelihood of loss. For more information on securing cash, reference Section VIII.

Deposits for Banner cashiering sessions should be brought to the Business Office no later than the following working day after the session is closed.

- **Is there a form to summarize the monthly deposits for the department?**

Yes. Use the Bank Deposit Log. *Reference the template included in this section.* This form should be used on an ongoing basis throughout the month. A copy should be given to the department manager at month end close. This form will help your manager to grasp the cash receipting activity for the month in one glance, and help you account for every day that there should be a deposit. Review this form monthly and ask yourself the question...does the pattern of deposit activity make sense for my department?

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Credit Cards

Credit Cards are a cash equivalent that requires extraordinary care in processing. Because of the high risk of identity theft that is associated with credit cards, departments should closely adhere to the following:

- Whenever possible, departments should avoid processing credit cards directly and thereby avoid the associated risk of storing credit card data. For example, students making credit card payments on their accounts go through Elroy. Elroy allows them to make a credit card payment via the web through a third party processor. Banner account balances are updated without storing any credit card information on the University's student information systems.
- Where possible student/constituents should be directed to a website where they can make credit card payments through a third party, such as Touchnet Marketplace.
- When credit card information must be collected, it should be stored with the utmost security considerations (*i.e. in a locked file in a manager's office*).
- When credit card information must be collected, strictly limit access to the information to senior employees. Do not allow student employees to process or access credit card information.
- Credit card records should not be retained for long periods of time – *shred the records once the deposit has been delivered to the Business Office.*

For more information about Touchnet Marketplace contact Bill English in ITS.
Phone: 706-737-1484- E-Mail: benglish@aug.edu

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Section IX

Securing Cash/Cash Equivalents

• **What is the best way to secure our cash and cash equivalents?**

In securing cash and cash equivalents there are several things to think about:

- Your own safety
- Loss prevention
- Internal controls

Safety:

- Physical Barriers

At ASU employee safety is a primary concern. It is important to keep this in mind when you are handling cash. Keep cash out of public view, for your safety and that of your co-workers. If you have frequent cash transactions with the public, a physical barrier between you and your customer is an optimal form of protection. It prevents easy access to you and the cash.

Loss Prevention:

- Locked Drawers/Cash Tills

With cash receipting responsibilities, minimizing loss must stay at the forefront of your mind. A locked drawer or cash till is essential to prevent theft. Every cashier should work from a locked drawer or cash till that is balanced daily. Under no circumstances should a locked drawer or cash till be shared among multiple cashiers. This is a key internal control. The responsibility and accountability must be kept with one individual.

- Safes

At the end of the day, all cash should be secured in a safe if the department has one. (See more on safes in Section X).

- Internal Controls

The establishment of internal controls is a key element of good business practices and plays a large part in safeguarding cash and cash equivalents. No one person should have control of the spectrum of cash receipting activity from start to finish. This creates opportunity.

By dividing responsibilities between two or more “sets of eyes” the control factor is established. Periodic random checks by department managers can help to minimize the risk of fraud or malfeasance. Cross training and the periodic shifting of responsibilities among employees is especially encouraged in small departments where there are not layers of management built in. *Remember, trust is never a substitute for the establishment of good business practices.*

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Section X

Safes

- **Our department doesn't have a safe. Should we invest in one?**
A safe provides a secure place to keep deposits until they are brought to the Business Office. If you handle significant amounts of cash, a safe is a good idea. A heavy, combination, fireproof safe is preferred. Some safes can be bolted to the floor (this provides another layer of security).
- **Where should the safe be located?**
The safe should be located in a low traffic area that is out of view of the public, preferably in an area that can be locked. A manager's office is often times a good choice for locating a safe.
- **Who should have access to the safe?**
Access to the safe should be very restricted for best control (two employees is ideal). For example, you might want the cashier supervisor and the department manager to have access.
- **What types of things should be stored in the safe?**
Bank deposits, bank bags, petty cash funds, change funds, tickets, stamps, and other cash equivalents should be stored in the safe.
- **How often should the safe be cleaned out?**
Neatness counts. Be prepared in the event of a state audit. A safe that is overflowing with unnecessary documents and outdated records will not create a good impression should a state auditor ask to examine your safe. The safe should be kept orderly at all times so that important records are not inadvertently "buried" in the safe. Have your safe "audit ready."

- **How frequently should the safe combination be changed?**

Change the combination to your safe when you have a termination of employment of an employee who had access to the combination, or if an employee who had access to the combination changes job responsibilities within your department.

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Lost Funds

- **What if funds are lost? What is my responsibility?**

You are responsible for funds within your care and control. Lost funds should immediately be reported to your supervisor. A Public Safety Officer should be summoned to write a report of the incident. You will be held liable and disciplinary action will be taken.

- **Can I take funds home to count after a special event?**

Never! Under no circumstances are University funds to be taken off campus. Aside from the obvious risk that you place yourself in by carrying large sums of cash, there is the added risk that the funds could be lost or stolen. Additionally, as a person entrusted with cash receipting responsibilities you have the obligation to avoid the appearance of impropriety.

If you collect funds at an activity held during non-business hours, please contact Public Safety and request to have the funds stored in their safe until the next business day.

Do not take funds home. Do not put funds in your car. Do not put funds in your purse or briefcase. Simply do not do it - *regardless of your intention*. Disciplinary action will result.

Student Workers

- **We would like to hire two student workers to process cash receipts in our department. Is this allowed?**

Student workers may be trained for cash receipting, *however* the ultimate responsibility remains with the supervisor. A solid training program, close supervision and up-to-date procedures will help ensure the success of your student workers. It is also important to lead by example in the presence of students.

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Counterfeit Currency

With stepped up efforts by the US Treasury to curtail counterfeit activity, currency has taken on a new look that sometimes itself looks “phony.” Do you know how to recognize a genuine bill and spot a fake? Jasper Cooke, Director of Public Safety at ASU, provided some information courtesy of the United States Secret Service to help ASU cashiers:

- Examine the number in the lower right on the front of the bill - *tilt it back and forth.*
- Genuine bills have color shifting properties – fakes do not.
 - Genuine color shifting ink is green when viewed straight on.
 - Genuine color shifting ink turns black when tilted and viewed at an angle.

When looking at a bill, the number in the lower right should be green when viewed straight on and black when tilted.
- Look for a visible color change from green to black, not just for shininess.
- Many counterfeits are shiny, but don't change color like real currency.
- There is no color shifting ink on the \$5.00 denomination.
- Always tilt suspect currency next to genuine to more readily see the differences.

To report suspect counterfeit currency, contact Public Safety at 706/737-1401

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Section XIII

Developing Cash Receipting Procedures

- **What is the importance of having departmental cash receipting procedures?**
While the Business Office can provide general guidelines on cash receipting procedures, the particular unique business activities of each individual department cannot be addressed in generic guidelines.

Each department is required to have detailed cash receipting procedures that address the particular circumstances of the transactions they handle. This is a requirement of the state auditors. Department procedures help to ascertain that there is a consistent method implemented in handling routine transactions that address safety, security and adherence to internal controls at a level that is appropriate to the size of the department, the volume of activity and the total funds which flow through a department.

- **How often should these procedures be updated?**
Cash Receipting Procedures should be updated whenever there is a material change in a process. At a minimum, department procedures should be reviewed by the department manager on an annual basis. This review should be documented with the department manager's signature and dated.
- **What is the importance of up to date procedures?**
Up to date procedures can be a valuable training tool for new employees and student workers. They can prove important as a point of reference should there be a need for disciplinary action with an employee. They also provide a basis for compliance testing during a state audit; that is, "Are you doing things the way you said that you do things?" If your procedures are inconsistent with your cash receipting practices, you set your department up for increased scrutiny during an audit.

- **Our department hasn't developed cash receipting procedures. Where do we start?**
A template has been developed as a guide. *The template is included in this section for your reference.*

Kathy Boyd, Internal Auditor is available to consult with you in developing these procedures. Telephone: 706-729-2483 E-Mail: kboyd50@aug.edu.V

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Section XIV

Additional Information

- **Who can I contact for Help...I don't get this!!!**

Help is on the way:

Susie Adcox, Business Office, Payroll and Accounts Receivable Manager

Phone: 706-667-4144 E-Mail: sadcox@aug.edu

- For general information about cash receipting

Kathy Boyd, Business Operations, Internal Auditor

Phone: 706-729-2483 E-Mail: kboyd50@aug.edu

- For help with writing cash receipting procedures
- For help in developing internal controls and separation of duties

Bill English, ITS, Assistant Director Systems & Programming Services

Phone: 706-737-1484 E-Mail: benglish@aug.edu

- To inquire about Touchnet Marketplace

Public Safety

Phone: 706-737-1401

- To set up or cancel a bank run
- To report counterfeit funds
- For a security issue

**Remember to periodically visit the Cashiering section of the
Business Office Website for additional information and helpful updates on cash
receipting procedures:**

www.aug.edu/business_office%20info.htm

