CASH CONTROL POLICY STATEMENT

October 6, 2008
1110.010

POLICY STATEMENT (R*)
All collections of cash or checks must be made through the University designated Cashiering locations or an alternate location specifically approved by the University Controller’s Office.

As set forth in the procedure outlined below, collections outside of the University designated Cashiering locations may be approved by the University Controller's Office upon the written request of a University department or unit where, due to the location or the nature of the activity, the use of the University’s designated Cashiering locations would not be practical.

This policy pertains to the University Community, including the FIU Foundation.

REASON FOR POLICY (O*)
To ensure uniformity university wide in cash collection and handling policy. To safeguard cash and to mitigate the inherent risk of loss.

PROCEDURES (O*)
Specific approval to accept cash by a department must be requested in advance and approved by the University Controller. The employee(s) within the department designated to accept cash must undergo a background check. It is the responsibility of the department to notify Recruitment Services in the Division of Human Resources. Recruitment Services will conduct the appropriate background check for the position. Each chair or head of a department, office, or laboratory that accepts cash or checks for any purpose is responsible for assuring that documented procedures for handling and accounting for cash are followed. These documented procedures must accompany the request previously noted. The Controller’s Office shall review on a yearly basis each individual department procedure to ensure that the design of the cash collection and handling policy and procedures are in compliance with University cash control policy and have been updated for changes in personnel, locations, process, etc.

Cash handling requires special control measures. These control measures must be monitored continually by supervisory personnel to detect any weakness. This means supervisors, department heads or cashiers should ensure appropriate procedures are in place and to correct any control weaknesses with the design of the cash collection/handling process.

It is the responsibility of supervisory personnel to review cash handling documents that are prepared by personnel reporting to them. Anything that appears questionable should be investigated carefully. Comparisons of cash receipts levels should be monitored. If, without an apparent reason, the level of cash receipts reported drops below the “normal” expected level for a period of time, the records should be carefully reviewed. Comparisons of budget to actual (both in transactions and dollars) should be used as a type of reconciliation process to validate the accuracy of billing and collections. Assistance from the Controller’s Office or the Office of Internal Audit should be requested, if needed.

The cash handling and record keeping functions shall be separated. Thus, two separate individuals must be able to perform these two functions. If the office is small, and separation of duties is impracticable, the supervisory personnel who do not handle cash shall perform specific verification that provides for reasonable and sound internal controls (or checks and balances that cash is adequately monitored and safeguarded).
The following are suggested Security/Physical safeguards of Cash to consider when developing the cash collection procedures to be submitted for approval and followed by personnel:

1. Deposits brought to the Cashier’s office in excess of $5,000 cash should have an FIU Police escort. For cash amounts under $5,000, a department/center supervisor or other employee may accompany the courier if the department or office chooses.
2. Cash should be deposited daily at the Cashier’s office or delivered to the Cashier’s office night drop box.
3. Cash processing areas should be secure from entry by unauthorized people. Cash shall be stored in a safe when not in use or in a register, locked drawer, or lockbox. Cash in unlocked drawers or boxes should never be left unattended.
4. All safe combinations should be changed and keys retrieved when authorized individuals end employment or are no longer authorized to have access to funds.
5. Employees should be familiar with existing alarm systems, including how and when to use it, and be aware that opening and closing times are the most dangerous.
6. An exception to the suggestions listed above is the use of pre-numbered receipts or records which is required and should be adequately safeguarded. This requirement serves as an internal control in order to ensure accountability for cash collections.

Documentation File/Recordkeeping considerations: Each Department accepting cash shall maintain documentation file for the following:

1. An operating procedural manual or policy and procedures on cash collection must be documented. The procedure will be reviewed by the Controller’s Office and Office of Internal Audit in the normal course of its activities.
2. Check logs, sales receipts, cash transfer logs, coin operated machine logs and discount/complimentary sales forms must be kept by the individual department, office, laboratory or center.
   a. Pre-numbered receipts should be used to account for collections, unless check logs are substituted for the pre-numbered receipts.
3. Reconciliation tools to consider are as follows:
   a. **Receipts to Deposits recorded:** An accurate and complete reconciliation document should be maintained by the department that illustrates the comparison of cash receipts to actual cash collected (recorded in the general ledger and on departmental deposit form) to validate the accuracy of collections. A record of the reconciliation shall be maintained on file.
   b. **Bank deposit/Cashier’s office receipt verification:** Bank Deposit/Cashier’s office receipts should be reconciled to the daily cash receipts, check logs and/or money order. The verification and reconciliation is performed by someone separate from the courier or individual cash custodian. A record of the reconciliation shall be maintained on file. This should be performed by the respective operating units, office and laboratory handling cash.
   c. **Bank Account Reconciliation:** Bank Reconciliation will be performed by the Controller’s Office.
   d. **Inventory reconciliation:** When there is merchandise being sold (i.e. Computer software), an inventory system that indicates how many items were brought, sold and in inventory should utilized. The number of items sold per the inventory system should agree with the number of items that have been invoiced, recognized in the point of sale system, or for which cash has been collected. This reconciliation should be performed daily for areas that have high inventory turnover and should be performed at least monthly for all other areas.
   e. **Inventory reconciliation for other items:** Other items sold such as, but not limited to, parking permits, postage stamps or event tickets should be tracked as inventory. Such items often have unique numbers which can be used for tracking. In other cases, a total quantity of items may be tracked. A count of the items sold should be performed, as well as those that are remaining to ensure accountability for all of the items.
   f. For services performed or rental activity (Not tangible property) for which revenue is received, the basis of cash received should be matched to revenue activity report. Example of “Revenue activity report include the following where applicable:
      - **CPE Attendance Sheet/Participant list of or class roll for non-credit or seminars** – Sign-in sheet (listing name of attendee and fees collected or pre-paid).
      - **Room usage log** can be used to determine if all rent has been collected and/or invoiced.
      - **Equipment or Lab usage documentation indicating that services or usage was performed.**
      - **Order form or contract** to provide services.

The documentation above should be compared to the invoicing system (whether system generated or manual) to ensure all transactions are accounted for. If an invoice has not been issued based on the transaction(s), the amount of collections specifically related to the activity should be compared to the number of transactions (for example, tickets used multiplied by the ticket price should equal to total collections). This information should be provided to a staff member (normally a supervisor) for their review and approval.
**Receipt of Checks:**
All checks for university activities must be made out to *Florida International University (or FIU)* and brought to the Cashier’s office within 48 hours of receipt for deposit to the bank.

**RESPONSIBILITIES (O*)**
University Community for adherence to policy.

**HISTORY (R*)**

**RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT (R*)**
Office of Finance and Administration
Florida International University

**RESPONSIBLE ADMINISTRATIVE OVERSIGHT (R*)**
Controller's Office
11555 S.W. 17th Street - CSC 310
Miami, Florida 33199
Telephone: (305) 348-2131

The University Policies and Procedures Library is updated regularly. In order to ensure a printed copy of this document is current, please access it online at http://policies.fiu.edu/.

For any questions or comments, the “Document Details” view for this policy online provides complete contact information.

*R = Required  *O = Optional