

## **The University of West Florida**

### **Controller's Office**

**Area** - Cashier

**Title** – Collection of Cash

**Purpose** – The cashiering function within the Controller's Office has a well-defined set of internal controls in place which conform to accounting and statutory guidelines, and therefore is the preferable collection point for university funds. In recognition of the fact that the establishment of alternative collection points is sometimes in the best interest of the university and its customers, this procedure has been established to provide a framework for guidance and coordination and for establishing minimum control standards relative to cash handling.

Department heads and managers of units that collect University funds are primarily responsible for ensuring that adequate control procedures have been put in place and maintained to secure University collections and change funds. Only those departments or units that have *applied for and have received approval* from the Controller's Office will be authorized to function as a University Cash Collection Point.

It is the responsibility of the Cashier's Office to ensure decentralized cash collection points comply with University, state and federal rules and regulations as well as to ensure the security and confidentiality of customer credit card information by complying with the Payment Card Industry Data Security Standards (PCIDSS).

#### **DEFINITIONS:**

##### **CASH**

For purposes of this procedure, cash is defined to include currency, checks, money orders, and credit/debit card collections.

##### **CASH COLLECTION POINT**

A cash collection point is defined as a department, event, club or other entity which has been authorized by the Controller's Office to collect funds on behalf of the university.

##### **INTERNAL CONTROLS**

Internal controls generally comprises the plan of organization and all of the coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. For purposes of this procedure the emphasis on controls will generally be related to the methods and practices necessary to ensure the safeguarding of University cash collections and change funds.

##### **CASH COLLECTION POINT**

- Any department or University related entity that wishes to function as a cash collection point must contact the Controller's Office for authorization *before* collection begins. The amount of lead time required is dependent upon the nature of the collections. A minimum of two (2) weeks is requested for the collection of cash and checks. Collection by credit card is heavily regulated by the Payment Card Industry and requires a four (4) week advance notice.

- Only those departments or University related entities that can demonstrate the ability to establish appropriate control procedures and comply with prescribed cash handling guidelines will be approved as Cash Collection Points. All employees involved in cash handling including those who supervise cash handlers, those who reconcile cash, those with access to where cash is held, and the Cashier's Office must complete the cash handling training offered by the Controller's Office.
- The Controller's Office may make periodic reviews of the cash collection points and/or request that managers of the areas submit completed internal control questionnaires relative to their cash handling procedures. Additionally, the University's Internal Auditing Department and the staff of the Florida Auditor General's Office routinely conduct audits of cash collection points. Failure to follow appropriate procedures may result in audit criticism and the loss of authority to serve as an authorized cash collection point.
- Any significant changes within a cash collection point relating to personnel duties or procedures should be brought to the attention of the Controller's Office.
- Any department functioning as a cash collection point without receiving the required approval by the Controller's Office incurs the risk of losing budgetary spending authority for the funds collected, in addition to the possibility of incurring other appropriate disciplinary action.

#### **GENERAL INTERNAL CONTROL REQUIREMENTS**

Cash collection duties can be divided into three stages: receiving, depositing, and reconciling. Ideally, these would be performed by different individuals. It is recognized that no one control model effectively or efficiently fits the needs of all cash collection areas. However, there are certain standard control procedures that are expected to be in place, unless there is a demonstrated and justifiable reason for not doing so. In such cases, there is an expectation that alternative or compensating control procedures are in place. The standard control procedures generally expected to be at each cash collection point are as follows:

- For collections in person, proper receipting devices, such as two (2) part sequentially numbered receipt forms (books) must be used to receipt funds at the initial point of collection, and all customers provided with a receipt. Unused receipt forms should be adequately secured and accounted for. The individual receipting the cash and issuing the individual receipt forms should sign for the prenumbered receipt forms that he or she had been assigned to use. If unused prenumbered receipt forms are no longer needed they should be kept in a secured, locked location.
- Voided receipts or transactions should generally be reviewed and approved by supervisory personnel. All copies of the voided receipt form should be retained, accounted for and kept with the duplicate receipt copies for audit purposes.
- An employee with no cash handling responsibilities (who does not collect or deposit funds) should ensure that all funds receipted have been properly deposited and recorded. This generally takes the form of a reconciliation of the funds collected and deposited to alternate accounting data, such as the number of books sold, number of tickets sold, or the number of conference attendees. This separation of duties is key to an effective control process and minimizes the opportunity for the misappropriation of funds. Generally, the reconciler providing this check and balance is someone with accounting responsibility.
- Persons with the responsibility for maintaining and billing accounts receivable should not be given responsibility for collecting payments.

- Different employees should not work simultaneously out of the same cash drawer. Whenever funds are transferred among employees, responsibility should be fixed through some receipting mechanism.
- “Cash” should be adequately secured at all times. Cash drawers should be locked when a cashier must be away from his or her workstation. Safe combinations should be changed whenever staffing changes occur and whenever security may have been compromised.
- In the event full segregation of duties is not possible, the department shall work with the Controller's Office to establish alternative compensating controls.
- Payments by mail should be directed to the Cashier's Office. In the event a customer sends a check payment to an alternate location, the check should be logged on a Cash Transmittal and taken to the Cashier's Office as soon as practicable but at least daily. These transmittals should subsequently be compared with the deposit and collections recorded. Collections and Cash Transmittal Forms should NOT be sent through campus mail but should be delivered in person to the Cashier's Office. Checks should not be held pending determination of the proper accounting. Checks will be deposited to a Cashier's Clearing Fund until such determination is made. This fund is reviewed monthly for follow up.
- Checks should ideally be restrictively endorsed at the earliest point in the collection process. If a cash collection point expects to collect a significant number of checks during a limited event, the Controller's Office will supply a restrictive endorsement stamp for temporary use.
- Florida Statute 1011.42 requires that all funds received by a university from whatever source and for whatever purpose be promptly deposited. In accordance with this statute, deposits should generally be made daily and debit or credit card payments should be settled daily. Exceptions require prior approval by the Controller's Office.

Persons with assigned cash handling responsibilities should be given clear written procedures regarding their responsibilities for the handling and control of cash collections or change funds. It should be made absolutely clear to such individuals that personal loans or the cashing of personal checks from cash collections or change funds is prohibited. At a minimum, persons handling cash should be required to read these cash handling procedures and sign a copy acknowledging that they have read and understand them.

#### **ACCEPTANCE OF CHECKS FOR PAYMENT**

- Checks received should be made payable to the University of West Florida (UWF), have a current date (not post dated), the dollar amount, the person or organization's name and address and a signature. The numeric amount of the check must agree to the written amount.
- The following information should be recorded on checks received from students, faculty or staff:
  1. First and Last Name
  2. Current address and phone number (if not on check)
  3. The UWF ID number or last four (4) digits of the Social Security number
- For checks received from individuals other than students, faculty, or staff, the following information should be written on the check (This does not apply to checks received through the mail):

1. First and Last Name
  2. Current address and phone number (if not on check) **AND**
  3. Driver's license number or state identification number, specifying the state of issuance of the person presenting the check (Ref. 832.07(2)(b), F.S.) or other identification such as a passport number.
- The individual receiving the check and obtaining the information above, should also review appropriate photo ID and initial the check in the upper right-hand corner.
  - Returned checks will be handled by the Controller's Office. Return Check lists are updated weekly on Report Navigator. Access is provided by the Controller's Office. This list should be used as appropriate to determine if individuals have previously tendered a dishonored check. Checks should not be accepted from individuals on this list. Contact Information: Audrey Liss x3036 or aliss@uwf.edu.

### **ACCEPTANCE OF CREDIT CARDS FOR PAYMENT**

Arrangements to accept credit card payments should be made through the Controller's Office.

### **PREPARING AND TRANSMITTING DEPOSITS**

- As noted earlier, daily sales reports should generally be prepared and overages and shortages appropriately noted. Deposits should be made intact and agree with the totals of the daily sales reports. Cash Transmittal Forms should be properly completed and contain the Department and Object Code or the Banner Index and Account Code for the deposit. The Cashier's Office will not accept a deposit without a Cash Transmittal Form. The Cash Transmittal Form is available online. The Controller's Office grants access to the form. Contact Information: Jan Bass x3031 or jboss@uwf.edu.
- The deposit, including the Cash Transmittal Form, should be delivered to the Cashier's Office on a daily basis. Once the Cashier's Office has reconciled the deposit to the Cash Transmittal form, the deposit will be recorded and a receipt generated to be given to the department prior to leaving the cashier's office. Deposits should **not** be transmitted to the Controller's Office or Cashier through campus mail.
- Departments should ensure that appropriate security is provided when deposits are transported across campus or from off-campus sites.
- Credit and debit card deposits are to be settled daily. A copy of the summary total report along with a Cash Transmittal Form should be forwarded to the Cashier's Office.

### **AUTHORIZATION TO ESTABLISH A CHANGE FUND**

If a department has a need for a change fund, appropriate arrangements should be made through the Controller's Office.

### **SALES AND UNRELATED BUSINESS INCOME TAXES**

University departments or related entities should be aware that the sale of certain goods or services may be subject to State sales tax and/or Federal Unrelated Business Income Taxes (UBIT). Concerns or

questions regarding tax issues should be addressed to the Tax Administrator within the Controller's Office.

#### **AUTHORIZATION TO ESTABLISH BANK ACCOUNT**

All University funds are required to be deposited through appropriate University accounts. Per F.S. 1011.42, the University's Board of Trustees shall designate depositories in which University funds may be deposited. No student, faculty, staff member or affiliated organization shall establish any University bank account for the purpose of collecting revenue and/or processing expenditures under the University of West Florida's name, address or Federal ID number. University departments should **never** open an account with a private bank or credit union without expressed written authorization from the University Controller.

**CASH COLLECTION POLICY ACKNOWLEDGEMENT STATEMENT**

I acknowledge that I have reviewed the Cash Collection and Deposit Training, read and understand the Cash Collection Policy, and agree to adhere to all of the policies and procedures set forth in this policy.

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Department Name

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Printed Name and UWF ID number

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Signature

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Date

Return completed acknowledgment statement to the Controller's Office, Building 20E,  
Attention: Jan Bass.