

## SECTION 6.0 - CASH MANAGEMENT

### 6.1 Introduction

This chapter explains the authorization to collect receipts and the procedures for collecting and depositing monies.

### 6.2 Authorization

The College is authorized by the State to collect tuition, fees, and miscellaneous revenues. These funds are to be used to supplement the State appropriation. Other campus-based revenues are authorized by the Board of Directors, who have delegated to collection of such revenues to the Dean or his/her designee. All fee/revenue increases are approved by the Board.

Any increase in the activity fee collected from the students must be approved by the student body.

### 6.3 Collection Sites

Most receipts are collected directly by the Cashier's Office. Other collection sites are approved by the Chief Financial Officer when security of the site is assured, and the reason for having another collection site is justified

### 6.4 Processing of Collected Monies

The following procedures have been instituted to safeguard the process of collection funds.

#### 6.4.1 Cashier's Office

All monies received directly in Fiscal Services, usually via the U.S. Post Office or over the front service counter, are deposited daily into the drop safe by the Cashier with a deposit voucher form (Exhibit S). These deposits are generally recorded in the financial accounting system and prepared for transport to the bank on the following business day. There are times however, when payments received by the Cashier will be posted on the same day (e.g., the last day of pay tuition and fees of any given semester and the last day to pay McAllister tower rent of any given month).

#### 6.4.2 Lockbox for Remittance to the College

In an effort to maximize the availability of funds and strengthen internal controls, the College maintains a lockbox services with its banking service provider. Any changes to the lockbox service agreement must be authorized by the Chief Financial Officer. The Director of Fiscal Services is responsible for the management of the lockbox service. Images of payments and documentation received and processed by the bank are to be delivered daily by courier to Fiscal Services. The College Cashier is responsible for recording lockbox payments in the financial accounting system.

### 6.4.3 Other On-Campus Collection Sites

All monies collected at the other collection sites, except the Bookstore, must be remitted to the Cashier's Office at least weekly or whenever collections exceed \$500.00. Bookstore monies must be transmitted to the Fiscal Office daily. The Cashier's office in turn makes daily deposits to the bank.

The collection sites must provide a Cash Receipt Deposit Voucher (Exhibit S) listing the checks and cash collected, and indicate the account number(s) and object code(s) to be credited. The cash collected is counted and placed in a drop safe by the cashier in the presence of the "collection site" person. The Cashier's office will notify the collection site department if their verification does not equal that provided on the deposit voucher. All checks submitted to the Cashier's office must be endorsed "For Deposit Only". Endorsement stamps are available in Fiscal Services.

The Cashier's office will credit the account number(s) and object code(s) listed. The Budget Manager/Department Head is responsible for verifying the monthly budget report that the monies deposited were recorded correctly. If the Budget Manager/Department Heads believes an error exists in the recording of revenues, he/she must contact the Fiscal Office for further investigation.

## 6.5 Bank Deposits and Reconciliations

The Cashier's Office makes deposits daily to the bank and records these deposits through the use of deposit slips. A copy of these deposit slips is provided to the accounting clerk responsible for reconciling the bank statement. The Fiscal Office receives a duplicate deposit slip back from the bank and verifies that all deposits submitted to the bank are recorded in the College's bank account. Any discrepancy must be pursued immediately by the Fiscal Office.

Bank reconciliations are performed monthly by persons having no access to the cash, and are reviewed and approved by the Director of Fiscal Services. All reconciling items are researched and appropriate action taken, where necessary.

## 6.6 Petty Cash

### 6.6.1 Introduction

The Office of Fiscal Services and the Bookstore are authorized to maintain a petty cash fund. In Fiscal Services, petty cash transactions are restricted to disbursements of a minor nature and for which payments by check is not practical. Petty cash is also used to provide change to customers. In the Bookstore, the petty cash fund is to be used for the purpose of conducting the Bookstore's retail business. Additionally, petty cash funds can be used to make disbursement of a minor nature.

The Chief Financial Officer has the authority to establish and adjust the amount of the petty cash fund and the dollar limit for disbursements.

### 6.6.2 Custodian

A petty cash custodian shall be appointed. The custodian(s) is directly responsible for the safekeeping and disbursement of the fund(s). Written instructions detailing the petty cash procedures that must be followed in using petty cash funds will be provided to the custodian(s). The custodian(s) is responsible for following these procedures when using petty cash funds.

Upon request from the Chief Financial Officer and/or his/her designee, or upon the custodian's separation/termination from the College, the petty cash fund shall be surrendered.

### 6.6.3 Operating Procedures

a. Disbursements – Refer to Section 9.0, Disbursements, on how non-Bookstore petty cash disbursements are made. The Bookstore Manager may authorize the Bookstore's petty cash disbursements.

Reimbursements must be supported by receipts, which should contain the following information:

- X date of purchase or payment;
- X name of vendor or other payee;
- X evidence that a payment was made (i.e., cash register receipt or a handwritten receipt on which the word "paid" appears);
- X amount paid;
- X description of the goods/services purchased

b. Reimbursement of Funds - Reimbursements to the petty cash fund must be submitted to the Director of Fiscal Services by the custodian as needed but at least once per month.

c. Physical Security - Petty cash funds are to maintained in a secure and locked area at all times. In the event of theft, the loss must be reported to Safety and Security Services.

### 6.6.4 Internal Control Procedures

a. In Fiscal Services, the custodian(s) will have sole access to the petty cash funds. In the Bookstore, the Bookstore Manager, and the Assistant Bookstore Manager have access to the petty cash fund while cashiers have access to the change funds used in the cash registers.

b. Monthly, a Fiscal employee, will conduct a surprise count of the funds. The count should include a verification that the petty cash forms, combined with the currency and coins total to the designated amount of the petty cash fund.

Verification of the count shall be agreed upon by the custodian and the Fiscal employee conducting the count. The contents of the count shall be documented and signed by both parties. A copy of the count shall be provided to the Director of Fiscal Services.

#### 6.6.5 Petty Cash Limits

- X In Fiscal Services, reimbursements up to \$20.00 per event may be made.
- X In the Bookstore, reimbursements up to \$75.00 per event may be made.