

# UNT Cash Control and Departmental Deposit Handbook



**University of North Texas**

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STUDENT ACCOUNTING & UNIVERSITY CASHIERING SERVICES

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## General Overview

Cash (currency/coins, personal checks, bank drafts, money orders, traveler's checks, cashier checks, credit/debit cards) transactions involving the university are subject to all applicable state laws and university policies.

University employees who receive cash transactions should properly safeguard, account for, and document every transaction.

In addition, cash should be deposited in accordance with University Policy 2.2.1. Under no circumstances should disbursements be made from cash receipts (i.e., for purchases or to cash personal checks for employees or associates).

Wherever possible, duties such as collecting cash, maintaining documentation, preparing deposits, and reconciling records should be separated among different individuals.

The following guidelines are provided as a reference for establishing an appropriate control environment. All account holders are responsible for using these guidelines to assist in fulfilling their responsibilities over the collection, custody and deposit of cash receipts.

If assistance in establishing departmental controls and or compensating controls is needed, Student Accounting and University Cashiering Services is available for guidance. It is the responsibility of accountholders to receive adequate training on cash handling procedures and controls.

In the event of any significant cash overage or shortage, reference University Policy 2.1.3 and the Fraud Policy ([University Policy 9.12](#)). The department should maintain a record of all reported discrepancies for possible review.

**See UNT Cash Handling Controls 2.1.10.1 @ <http://policy.unt.edu/policy/2-1-10-1>**

## Proper Handling of University Funds

**Only those employees who have been specifically authorized by department id (deptid) or project id (projid) holders should accept cash for university business.**

Petty cash, demand deposits, working funds, bank accounts and new department ids or project ids must be established in accordance with University guidelines. Return of petty cash funds, working funds or closing out of a demand deposit account must be done through Purchasing and Payment Services.

Establish petty cash, demand deposit, and working funds in accordance with [University Policy 2.1.3](#).

All university departments collecting currency/coin, personal checks, bank drafts, money orders, traveler's checks, cashier's checks, or credit/debit card transactions should establish a procedure to document all such transactions. Examples include a pre-numbered receipt book or a computer generated receipt. Student Accounting and University Cashiering Services must approve all receipts issued as to form (Policy 2.2.1).

It is highly recommended that separate cash receipt logs be maintained for walk-in transactions and mail transactions.

Documentation should minimally include the following information:

- A. Payer's name.
- B. Form of payment (if check, check # should be included).
- C. Amount paid.
- D. Date of payment.
- E. Service/product rendered.
- F. Initials of person(s) processing the transaction.

Departments receiving checks as payments should require the maker of the check to make it payable to "UNT/Department Name." Under no circumstances should a check for the university be made payable to an individual or left blank.

All checks should be restrictively endorsed (stamped) immediately upon receipt. The recommended endorsement is:

Pay to the order of Wells Fargo Bank  
For Deposit Only UNIVERSITY OF NORTH TEXAS  
Dept. XXXXXX

Student Accounting and University Cashiering Services can provide information regarding the ordering of the endorsement stamp.

The Dept ID/ProjID holder will be responsible for insuring their location (department) is following the University cash handling controls.



## Internal Cash Control Procedures

Written procedures must be developed and followed by each college, school, department, center, and/or institute associated with the University that manages cash. Written procedures should minimally include the following:

- A. Authorization of person(s) to collect cash
- B. Off-site cash collection procedures
- C. Maintenance of cash receipt logs
- D. Security and reconciliation of cash
- E. Delivery of approved cash deposit to the Student Accounting and University Cashiering Services
- F. Office over/short procedures
- G. Procedure to notify the appropriate campus authority in event of loss.

## Five Principles of Internal Controls

1. Cash handlers should have their own cash drawer.

Cash handlers (Employees) are responsible for all transactions processed by them, therefore no one should share the same cash drawer.

2. Every transaction MUST be receipted with at least two copies of the receipt.

One copy to the customer and one copy retained by the cash handler.

3. At the end of each shift/day, cash handlers should reconcile their receipts with the cash on hand.



4. Someone other than the cash handler must verify the deposit.

***It is the responsibility of the Dept ID holder to ensure cash on hand and cash deposited equals actual receipts at all times.***

5. After verifying the deposit, submit it to Student Accounting and University Cashiering Service for processing.

A Departmental Deposit Slip must accompany deposits turned in for processing.

# Accepting Payments

The following are acceptable forms of payment:

- **Cash**- Only U.S. currency should be accepted as a form of payment. There are three common ways of counting currency. Whichever method you use, recount the money as many times as necessary to come up with the same total count twice. ***This means you will always count a stack of currency at least two times.*** Employees should establish a set, comfortable routine for counting currency.

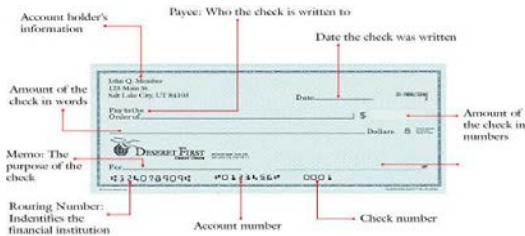
**Remember 1-2-3: 3 ways to count, always count 2 time, and count until you get 1 total!**

## The three common ways of counting currency

1. **Hand to Hand Method:** When counting, separate bill into denomination with all the bills facing up.
  - ✓ Count from the largest denomination first.
  - ✓ Place the currency in one hand.
  - ✓ Transfer one bill at a time from one hand to your other hand as you count.
  - ✓ Look at each bill to check for the identifying elements on each bill.
  - ✓ Make the hand-to-hand count your second count.
  - ✓ If your totals do not agree, repeat the count until they do.
2. **Hand to Table Method**
  - ✓ Sort the currency by denomination with the largest denomination first.
  - ✓ Place the currency in one hand.
  - ✓ Transfer one bill at a time from hand to table as you count.
  - ✓ Look at each bill to check for the identifying elements on each bill.
  - ✓ Make the hand-to-table count your second count
  - ✓ If your totals do not agree, repeat the count until they do.
3. **Walk- Through Method**
  - ✓ Separate the currency into stacks by denomination.
  - ✓ Use the thumb and forefinger of one hand to lift back the corner of each bill. Then use the thumb and forefinger of your other hand to hold back the counted bill.
  - ✓ Look at each bill to check for identifying elements and ensure correct denomination.
  - ✓ Count the stack twice.
  - ✓ If your totals do not agree, repeat the count until they do.
  - ✓ Stack the pile in order with the highest denomination on the bottom and the smallest denomination on top.

Note: The walk-through method is more often in balancing and deposit preparation/verification **not** for customer transactions.

- **Coins-** Only accept U.S. coins as payment. Establishing a set routine for counting coins can maximize your accuracy. Rolled coins accepted from customers should be 'broken' to verify the contents. The following list the steps for receiving currency and coins:
  - ✓ Always keep money received in view of the customer until the transaction is complete.
  - ✓ Separate the currency from the coins.
  - ✓ Count the currency before the coins.
  - ✓ Separate coins into stacks by denomination separately.
  - ✓ Count each denomination of coins separately.
  - ✓ If your totals do not agree, repeat count until they do.
- **Checks-** Only accept checks drawn from a U.S. bank account. The following information should be closely inspected:



**Date the check was written:** check must have current date. It cannot be 'stale' dated nor 'post' dated. A stale dated check is dated 180 or more days in the past and a post-dated check is a check dated in the future.

**Payee (Who the check is written to):** check should be payable to "UNT/Department Name". Under no circumstances should a check for the university be made payable to an individual or left blank.

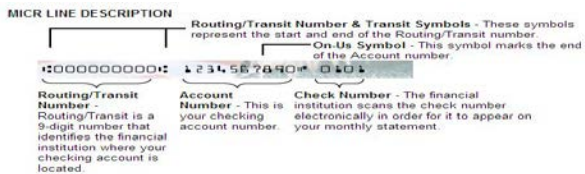
**Payer (Account holder's information):** the company or individual paying for the services or goods.

**Amount (in numbers and words):** the dollar amount must appear twice. Both the written and numerically line should match.

**Bank:** the check must be drawn on a U.S. bank.

**Signature:** the check must be signed by the payer/drawer or authorized authority.

**MICR numbers:** Magnetic Ink Character Recognition (MICR) numbers are pre-printed at the bottom left-hand corner. If the MICR line is not in the bottom left-hand corner, the check will require special manual bank handling.





All checks should be restrictively endorsed (stamped) immediately upon receipt. The recommended endorsement is:

Pay to the order of Wells Fargo Bank  
For Deposit Only UNIVERSITY OF NORTH TEXAS  
Dept. XXXXXX

Student Accounting and University Cashiering Services can provide information regarding the ordering of the endorsement stamp. Obtain picture identification and write identification number on check when feasible.

## Counterfeit Items

When accepting cash, the following should be reviewed:

**Paper:** genuine US currency is printed on special paper that is part cotton and part linen. Randomly placed hair-like red and blue chopped silk fibers are impressed in the paper. Pay attention to the feel of 'real' mint paper, it has a softness compared to other (copy) paper.

**Portrait:** Genuine portrait looks lifelike and stand out from the fine screen-like background

**Watermarks:** A watermark of the portrait is visible when the bill is held up to the light. The watermark portrait should match the portrait on the bill itself.

**Security Thread:** A polymer thread embedded vertically in the paper indicates the denomination. This thread glows under ultraviolet light with different colors for different denominations.

**Color Shifting Ink:** The color shifting ink on denominations greater than \$5, the numeral on the lower right on the front looks green when viewed straight on but black from an angle.

Information on currency features is available from the U.S. Bureau of Engraving at <http://www.moneyfactory.com> .

If your department receives large amounts of currency and/or large bills on a regular basis, a counterfeit pen is highly encouraged. Counterfeit pens can be purchased at any office supply store.

*Note: If counterfeit item(s) are turned in with your deposit, the discrepancy will be recorded to your Dept. ID.*

A common method of 'counterfeiting' money is the practice of creating 'raised notes'. Genuine paper currency is altered in an attempt to increase its face value. One method is to glue or tape numbers from higher-denomination bills to the corners of a note of lower denomination. Employees can protect against accepting 'raised notes' by always looking at the portrait on the bills they accept, instead of only looking at the numeral.

## Track All Transactions

All university departments collecting cash (currency/coins, personal checks, bank drafts, money orders, traveler's checks, cashier checks, credit/debit cards) should establish a procedure to document all receipts. Examples include a pre-numbered receipt book and/or computer generated receipt. Student Accounting and University Cashiering Services must approve all receipts issued as to form ([Policy 2.2.1](#)).

It is highly recommended that separate cash receipt logs be maintained for walk-in transactions and mail transactions.

Receipts should minimally include the following information:

- ✓ Payer's Name
- ✓ Form of payment (if check, check# should be included)
- ✓ Amount paid
- ✓ Date of payment
- ✓ Service/product rendered
- ✓ Initials of person(s) processing the transaction

## Record and Monitor Discrepancies

It is the responsibility of the Dept ID holder to ensure cash on hand and cash deposits equals actual receipts at all times.

Shortages and overages should be reported immediately according to University [Policy 2.1.3](#)

Cash overages and shortages, as well as any known circumstances surrounding the overage/shortage should be recorded and kept on file.

Refer to the University Fraud [Policy 9.12](#) if evidence of fraud, theft or a serious breach of fiduciary duty is suspected.

## Separation of Duties

To the extent staffing levels permit, the duties of collecting, recording, depositing, and reconciling cash receipts should be separated among different individuals.

Where staffing levels do not permit separation of duties, compensating controls such as strict individual accountability and thorough management review and supervision exist.

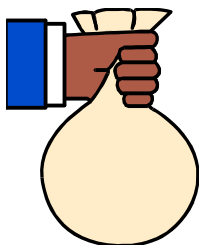
The Dept ID/ProjID holder will be responsible for insuring their location (department) is following the University cash handling controls.

## Preparing Departmental Deposits

Funds received by a department should be turned into the Student Accounting and University Cashiering Services Office for processing daily.

Funds brought to Student Accounting and University Cashiering Services for processing must be accompanied by a Departmental Deposit Slip.

- Deposits are processed at the windows Monday-Friday from 8:15- 4:00pm. Departments can drop off deposits from 4:00- 5:00pm.
- Deposits dropped off will normally be processed the next working day. Delays should be expected during peak periods such as fee payment, registration, etc.



**Student Accounting offers an “express” window for departments to drop off deposits during peak periods.**

*Note: Deposits are not processed at the ‘express’ window.*

# Departmental Deposit Slips

Departmental Deposit Slips can be purchased through Printing Services. The following are the instructions for completing the Departmental Deposit Slip:

**Department:** Your department's name (For example. Student Accounting).

**Dept ID:** Dept ID is your departmental ID number.

**Account:** Account number on the Departmental Deposit Slip should identify the revenue/expense code.

If you do not know the account (revenue/expense) code, provide an explanation as to what the funds are for (i.e.... registration, T-Shirt sales, conference). If you are unsure what account to use, contact the Head Cashier at ext. 3220.

If multiple accounts are involved in a deposit, this information should be included on the Departmental Deposit Slip with the corresponding dollar amount you wish each account number to receive credit. This total should equal the deposit.

**Reference:** Departments can reference an event/resource of the deposit, enter the name on the Reference line. There is a maximum of 30 characters and the information is reflected in your budget summary.

**Currency/Coin:** Funds must be accurately accounted for in the appropriate area(s) by denominations.

**Checks:** If depositing more than one check, the batch of checks must be accompanied with an adding machine tape with the total recorded. Each check should be endorsed. The recommended endorsement is:

Pay to the order of Wells Fargo Bank

For Deposit Only UNIVERSITY OF NORTH TEXAS

Dept. XXXXXX

**Receipt Number:** The department should record their internal receipt numbers reflecting the deposit in the Receipt Number area.

**Sales Amount Total:** The total should equal the total amount of cash/coins/checks listed on the Departmental Deposit slip.

**Sales Tax:** Departments that sell taxable items must charge the appropriate sales tax. For products sold in Denton, the Denton sales tax rate must be charged. If products sold at a location outside of Denton, that city's sales tax rate must be charged. To determine the sales tax rate information for a city, please visit the State of Texas website at <http://www.window.state.tx.us/taxinfo/local/index.html> .

If products are shipped outside of the State of Texas, sales tax is not charged. However, proper documentation that indicates where the items sold out-of-state were shipped must be maintained in accordance with sales tax regulations.

When the funds are deposited, the sales tax rate that was charged should be indicated on the Departmental Deposit Slip.

**Cash Over/Short:** Any overages/shortage according to the department's receipts must be recorded accurately. Continuous overages/shortages or unusual amounts will be reported to a supervisor and/or department head by Student Accounting and University Cashiering Services.

**Name of Preparer:** The department employee preparing the deposit should sign the departmental deposit slip and provide a telephone number for contact purposes. If a deposit is turned in to our office unsigned, we will request the person dropping off the deposit to sign the slip.

- The **white** copy of the departmental deposit slip will be retained by Student Accounting.
- The **yellow** copy of the departmental deposit slip will be returned to the department after Student Accounting has processed the deposit. An EIS receipt will accompany the yellow copy.

When yellow copy of the Departmental Deposit Slip and the receipt are returned to the department, the receipt should be matched to the pink copy, and then attached for record retention.

**Note: Departments are responsible for ensuring the deposit amount turned in for processing is the amount that was booked in the Student Accounting Office.**

- The **pink** copy of the departmental deposit slip will be retained by the department. If the department is dropping off the deposit for processing later, a Student Accounting Employee can sign the departmental deposit slip and return the pink copy to the department as acknowledgment of receiving the deposit.

Immediately report any discrepancies found in your deposit to the Student Accounting Office. Contact the Head Cashier if you have questions about your deposit.

Deposits with errors will not be returned to the department for correction.

The department contact person will be required to come to Student Accounting to make the correction or verbally instruct the cashier area employee.

Deposits that will be credited to a grant/project ID number must go to the Research Services Office. Research Services is located in the Administration Building, Room 160

Deposits recorded as gifts/donations must go to the Advancement Office. The office of Advancement is located in the Gateway Center, Tower Section, 2<sup>nd</sup> floor.

## Verification of Deposit

Departmental employees should prepare the deposit. A supervisor should verify the deposit before it is submitted to Student Accounting and University Cashiering Services for processing.

Provide adequate and proper storage for the securing of deposits.

Avoid storing funds in the office overnight. Where feasible, deposits should be made daily.

Lock combinations and custody of keys should be restricted to a minimum number of employees. Combinations and keys should never be stored in an unlocked desk drawer or unsupervised area.

For emergencies or in the absence of the fund custodian, copies of combinations and/or keys should be secured by the department head or his/her designee. Access to combinations and keys should be limited to a minimum number of people. Safe combinations and keys should be changed periodically and always when permanent custody changes (employee turnover or reassignment of duties, etc.).

Maintain and safeguard cash receipt, deposit, and reconciliation documents.

Such documents should be readily available for audit.

Records should provide clear documentation of cash receipts from the time of collection to the time of deposit.

## Petty Cash

Petty Cash should be:

- Locked in a secure area, (example...drawer)
- Limited to the number of people who have access
- Accounted for and verified daily.

\*See Petty Cash, Demand Deposits, Working Funds 2.1.3 @ <http://policy.unt.edu/policy/2-1-3>

## Refunds

All refunds are processed in accordance with University guidelines. Additionally, under no circumstances should refunds be issued directly from cash receipts or petty cash.

Student refunds should be processed through Student Accounting and University Cashiering Services in accordance with University Policy 2.2.22.

Non-student refunds, such as fees paid for mini-courses, fees paid by clients at various centers and clinics, game guarantee type refunds from athletic events, facility use deposits, etc., should be processed through Purchasing and Payment Services.

## Reconciliation

The manager/ department id or project id holder should review the daily detail transaction reports produced from EIS to ensure actual deposits agree with departmental cash receipt records.

The manager/ department id or project id holder should review or assign a second employee to review the daily detail transaction reports to match actual deposits with departmental cash receipt records.

## Reference Websites

- Student Accounting and University Cashiering Services Departmental Information
  - <http://essc.unt.edu/saucs/department-info.html>
- U.S. Bureau of Engraving
  - <http://www.moneyfactory.com>
- Association of Public Treasurers
  - [www.PublicTresuryInstitute.com](http://www.PublicTresuryInstitute.com)