

BUSINESS PROCEDURE MEMORANDUM NO. 26

February 15, 1986

February 26, 1996

Revised:

February 17, 2000

SUBJECT: UTD Cash Handling Procedures

In the future, cash handling procedures to be followed are:

1. Each department accepting cash and/or checks must develop and maintain comprehensive written cash handling procedures for the department. These procedures should be individualized for the department and include all of the following which are applicable. The departmental procedures will be reviewed by the Office of Internal Audits in the normal course of its activities to determine that an effective system of internal controls has been developed and implemented.
2. A departmental "check log" should be used for the purpose of maintaining a permanent record of incoming checks. (Checks received by the department for sales and services for which a receipt was written need not necessarily be recorded in the log.)
3. All checks accepted must be payable to The University of Texas at Dallas. A restrictive endorsement must be placed on each check at the time of receipt.
4. When funds are transferred from one person to another (even for a short period of time), they should be counted in the presence of both parties. The amount should be recorded on a receipt and the receipt should be signed by the person accepting custody.
5. Cash processing areas should be secured from entry to unauthorized individuals.
6. Cash should be stored in a safe, a locked drawer or a locked box when not in use. Cash in unlocked drawers or boxes should never be left unattended.
7. Cash receipts must be deposited daily if receipts are \$200 or more, and weekly even if accumulation is less than \$200.
8. Daily cash reports shall be prepared by each cashier, reconciling the cash to receipts and accounting for overages and shortages. A consolidated cash report and the departmental deposit should be prepared by someone other than the cashier. The department head should assign a person outside the cash handling area to reconcile departmental deposits to the cash reports and to the Monthly Financial Reports produced by FINS (FBM 092).

9. Cash overages and shortages must be reported on the departmental deposit. Cash overages must be deposited. In addition, shortages and overages of \$25 or more must be reported to the Office of Internal Audits. Losses involving possible theft or burglary should be reported to the University Police and Senior Vice President for Business Affairs immediately upon discovery.
10. The cash handling and record keeping functions should be separated. If the department is small and separation of duties is impracticable, supervisory personnel who do not handle cash should perform specific verification which provides for reasonable and sound internal controls.
11. It is the specific responsibility of supervisory level personnel to review cash handling documents which are prepared by personnel reporting to them. Anything that appears questionable should be investigated promptly. Normal departmental trends in cash receipt levels should be monitored. If, without an apparent reason, the amount of cash receipts reported drops below the normal expected level for a period of time, the records should be carefully reviewed. Assistance from the Office of Internal Audits should be requested if needed.