



## Guidelines

These are Ohio University-wide guidelines and shall apply to all staff members of the University. The cash handling guidelines focus on preventing the mishandling or loss of cash and situations where charges of cash mishandling can be raised against University staff. It is intended that the guidelines will ensure consistency of cash handling practices amongst colleges and departments.

The Office of the Bursar is the University's primary cash handling agent. Ideally, from a control perspective, the collection and controlling of cash should be centralized in one location. It is strongly recommended that departments contact the Office of the Bursar to discuss the centralization of collections ([bursar@ohio.edu](mailto:bursar@ohio.edu) or 740-593-4129). Departments collecting cash must strictly follow the guidelines described in this document.

## Overview of Cash Handling

All units accepting cash, checks, or credit cards should ensure proper controls are in place to safeguard collections until deposit. All departments collecting funds may be subject to periodic, unannounced audits by Internal Audit.

In addition to collections, cash may be present in departments for use as either a change fund or petty cash fund. A change fund earmarks an amount of cash to provide change for customers who make purchases from the department. A petty cash fund earmarks an amount of cash to be used by the department to handle small, miscellaneous emergency purchases. Change funds and petty cash funds must be pre-approved by the University Controller. Please see [Ohio University Policy# 41.122 Petty Cash and Change Funds](#).

## Documentation

All cash collection locations should document their specific cash handling procedures to ensure consistency in the execution of those procedures. All individuals involved in the cash handling process should be provided a copy of the location's procedures. The location procedures should ensure proper internal controls, segregation of duties, and adequate safeguards of University assets with clear definitions of responsibilities for each individual involved in the process.

## Collecting Payments

### Cash Payments

- Acceptable methods of maintaining cash receipts records include:
  1. Cash register or point-of-sale system
  2. Multiple-copy pre-numbered receipt book
  3. Manual cash receipts journal (only acceptable in limited locations with very low volumes of transactions or locations that receive checks only)
- When receiving cash, refer to [Accepting Cash and Reporting Counterfeit Currency Activity](#) in this document.
- If using a cash register or point-of-sale system, transactions need to be properly entered as "cash" in order to properly reconcile the daily transactions at the end of the shift or end of the day.

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## Check Payments

- Upon accepting a check payment, immediately stamp the back of the check with the University's restrictive endorsement. (**NOTE:** The stamp prevents the check from being cashed.) Contact the Office of the Bursar for stamp specifications.
- Maintain a manual daily listing of checks received (if a cash register or point-of-sale is not utilized).
- If using a cash register or point-of-sale system, transactions need to be properly entered as "check" in order to properly reconcile the daily transactions at the end of the shift or end of the day.
- Departments are not permitted to cash personal checks or allow employees to cash checks from un-deposited funds.

## Credit Card Payments

- Personal identification should be presented at the time of the transaction and compared to the credit card as a fraud prevention measure. Additionally, confirm that the card has been signed. Unsigned cards are not valid and should not be accepted, even with personal identification.
- Credit card transactions should not be conducted via email, telephone, text message, or unsecured fax as these are not secure communication methods.
- Credit card data (card number, expiration date, etc.) must not be stored in any manner (electronically or on paper).
- If using a cash register or point-of-sale system, transactions need to be properly entered as "credit card" in order to properly reconcile the daily transactions at the end of the shift or end of the day.
- Credit card processing systems must be balanced and settled on a daily basis.

## Deposits and Reconciliations

### Cash Drawer Reconciliation

- Cash drawers and cash registers, which have a designated amount of cash on-hand to start the day, must be approved as change funds by the University Controller in accordance with [Ohio University Policy# 41.122 Petty Cash and Change Funds](#).
- Cash drawers and cash registers should be counted down before and after each shift and a worksheet should be completed. The worksheet should include:

**1. Determination of deposit amount:**

Beginning of day (or shift) balance (if applicable)

+ Cash received during the day (or shift)

+ Checks received during the day (or shift)

+ Credit cards received during the day (or shift)

- Standard amount kept on-hand (if applicable)

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= Deposit amount

- 2. Physical count of the cash** - The worksheet should show the breakdown of the cash by denomination.

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3. **Reconciliation of activity** - The physical count of cash, checks, and credit card should be reconciled to the cash register or point-of-sale system report, multiple-copy receipt book or manual cash receipts journal, whichever is applicable. Any overages or shortages should be indicated on the worksheet and investigated.
  4. **Signatures** - The worksheet should be signed and dated by the preparer.
- A supervisor should review the worksheet and investigate overages and shortages on an immediate basis. The reason for any significant or repetitive overages/shortages should be documented and retained with the reconciliation. The supervisor should sign and date the worksheet upon completion of the review process.

## Credit Card Receipts Reconciliation

- Credit card processing systems (terminal, point-of-sale system) must be balanced and settled on a daily basis.
- Credit Card receipts should be reconciled to the cash register or point-of-sale system report, multiple-copy receipt book or manual cash receipts journal, whichever is applicable, to ensure all credit card receipts are accounted for and included in the deposit.

## Deposit Procedures

In accordance with [Ohio University Policy #51.001 Deposits of Funds](#), all funds must be deposited with the appropriate office on the business day following the day of receipt, unless, at the end of a business day, the amount to deposit is less than \$1,000 and the funds can be safeguarded. In that case, the deposit may be delayed until the third business day, or when the amount on-hand reaches an amount equal to or greater than \$1,000, whichever comes first.

- If staffing levels permit, an individual independent of the payment collection process should complete the deposit form. For those departments with limited staff, the individual collecting the cash should complete the deposit and the supervisor should review and approve the deposit.
- The preparer of the deposit form should complete the deposit reconciliation for review. The deposit reconciliation should include the fund (cash check, credit card report), deposit form, daily cash worksheet, cash register or point-of-sale system reports (if applicable), check listings (if applicable), manual listings (if applicable) and any other applicable reports that support the deposit amount.
- The deposit reconciliation should be sent to the preparer's supervisor for review before being submitted to the Office of the Bursar (or Regional Campus Business Office) to ensure the deposit is accurate. Reviewer should initial the deposit form to document the review.
- Reviewer should submit the deposit form and cash/checks/credit card summary report to the Office of the Bursar (or Regional Campus Business Office) for deposit.

## Safeguarding University Assets

- Cash, checks, and credit card receipts held on site should be safeguarded in a locked drawer or safe maintained by the supervisor or someone independent of the cash collection process. Cash, checks, and credit card receipts not secured in a cash register drawer during business hours should be kept in the secure location.
- Combinations to safes should be changed periodically (at least annually) and when personnel who have combination access leave the department.

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- Access to areas where cash is stored should be limited to only those employees who need access, and have been designated to have access.

## Segregation of Duties

Segregation of duties is an important component of the internal control environment and helps prevent errors and fraud. Cash handling duties can be divided into three stages: receiving, depositing, and reconciling. In a smaller department, it may not be feasible to fully separate all of the cash-related duties. In these circumstances, the department may rely on compensating controls (increased monitoring) to mitigate the risk that cash is misappropriated. The ideal department would separate the following functions of the cash handling process:

1. Receiving Cash and Other Payments
  - Handling payments and entering transactions into the cash register or point-of-sale system
  - Preparing manual check listing, manual cash receipts ledger, or preparing multiple-copy receipts
  - Preparing daily cash balancing of cash register or cash drawer
  - Performing reconciliation of credit card receipts
2. Depositing
  - Preparing Bursar deposit and deposit form
3. Reconciling
  - Reviewing daily balancing reports.
  - Comparing daily balancing reports to deposit amount.
  - Comparing deposit amount to general ledger report(s).

Departments with limited personnel should have at a minimum a supervisory review and oversight function in the cash handling process. The supervisor should review the cash register or drawer reconciliation, review the Bursar deposit form, and trace amounts to monthly general ledger reports.

## Accepting Cash and Reporting Counterfeit Currency Activity

When accepting cash, the individual should verify all denominations of currency that are \$5.00 and above when possible. This is accomplished by using a counterfeit bill detector (pen or machine) or by confirming the security features on the note.

Steps to take if a bill is considered counterfeit:

- Test the bill again, but in the presence of another employee and preferably out of sight of the customer.
- If the bill tests as counterfeit again, write down as much information as possible about the person that gave you the bill (ask for photo identification to complete the transaction - a driver's license is preferable – name, address, height, weight, hair color, eye color, etc.). **NOTE:** Try to avoid informing the customer prior to police arrival.
- Handle the bill as little as possible and put it in an envelope.
- Contact the Ohio University Police Department at extension 3-1911. While speaking with the police dispatcher, inform them that you have a customer who just presented you with counterfeit money. Then provide police with the photo identification information (name, driver's license number, etc.). They will send an officer to take a report and confiscate the bill(s) accordingly. The ID may be returned to the customer, but DO NOT return the counterfeit bill(s).
- If the customer becomes inpatient by the delay in completing the transaction, you may inform them of the reason for the delay (the bill(s) they presented tested positive for being counterfeit).

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- Inform the customer that a supervisor has been notified and they will be with the customer shortly.  
**NOTE:** Try to avoid informing the customer that police have also been alerted.
- If the customer becomes upset and/or disruptive, inform them that police have been alerted and will be arriving shortly to further investigate that matter. Advise them that their cooperation is appreciated assisting police in determining the origin of where they may have acquired the counterfeit bill(s).
- If the customer does not wish to wait for police, DO NOT attempt to detain the customer. Notify campus police that the customer is leaving and a possible direction the customer left in.
- Once police arrive to take a report, provide them with the copy of the identification obtained and all counterfeit bill(s) presented by the customer. The officer will complete a report and refer the matter to the U.S. Secret Service for further investigation.

## Foreign Checks

Any check not drawn on a U.S. bank or which does not have a U.S. clearing bank listed on it is considered a foreign check even if the check is payable in U.S. funds. Any departments accepting checks should have a statement in all publications (paper and electronic) to the effect: **“We only accept checks drawn on a U.S. bank and payable in U.S. funds.”**

Procedures to record and collect:

- Separate foreign checks from other deposit documents and complete a separate Ohio University deposit form for each check. Deliver to the Office of the Bursar for transmittal to the bank.
- The Office of the Bursar will submit the check(s) to the bank for collection and will post the amount received to the department’s account when the proceeds (U.S. dollars) are remitted back to the University. The collection process for foreign checks may take several weeks to complete.
- The actual proceeds (U.S. dollars) will be based on any bank collection charge(s) and the exchange rate at the time the check is presented for collection.

## Wire Transfers

Contact the Office of the Bursar when expecting an incoming wire transfer ([bursar@ohio.edu](mailto:bursar@ohio.edu) or 740-593-4217) to ensure identification of the transaction. The Office of the Bursar can supply bank wire instructions when needed.

Email a completed Ohio University deposit form to the Office of the Bursar ([bursar@ohio.edu](mailto:bursar@ohio.edu)) along with the following information:

- Source of the wire (sender or bank)
- Date wire is expected
- Amount expected
- Any other relevant identifying information

## Refunds

Same-day refunds are permitted provided a process is in place that accounts for refunds within the daily activity reconciliation. All refunds, particularly cash refunds, must be approved by a higher level, not by the individual collecting the cash. All refunds should involve the individual signing for the receipt of the payment back and, as previously mentioned, the higher level approval signature. Credit card refunds must be credited back to the original card used. Check payment refunds should result in the return of the check with “Void” written on the check.

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If the refund (cash or check) is not the same day, the department must submit a Payment Request through BobcatBUY to have a refund mailed. Credit card refunds must be credited back to the original card used.