CASH HANDLING

This Administrative Regulation establishes cash handling procedures to ensure proper internal controls, segregation of duties, and adequate safeguards of district assets in accordance with Board Policy 3007. Strong internal controls for cash collection are necessary to prevent mishandling of funds and are designed to safeguard and protect employees from inappropriate charges of mishandling funds by defining their responsibilities in the cash handling process.

All areas that receive cash must be approved by the District Director of Fiscal Services, or designee, to be designated as cash collection points. A cash collection point is defined as a department or other entity that handles cash on a regular basis. Although departments and other entities with casual cash collections are not recognized as cash collection points, they must follow the same cash handling policies and procedures that apply to the cash collection points. “Cash” is defined as coin, currency, check, money order and credit/debit card transactions.

Required procedures for cash collection points include the following:

- Accounting for cash as it is received using the guidelines in section II.
- Adequate separation of duties which includes cash invoicing, collecting, depositing and reconciling. The same individual cannot invoice, collect money, prepare deposit and reconcile activity. If staffing is inadequate to accomplish this goal, contact the College Cashier’s office for alternate recommendations.
- ‘Proper’ district-issued, pre-numbered receipts given for any cash received.
- Approval of any voided cash receipts by area supervisor.
- Deposit of cash promptly into an authorized District/College account.
- Reconciliation of validated deposit forms to supporting documentation and to the account statement.
- Review by District Accounting of any recommended changes in cash handling procedures, with approval by either the Executive Director of Fiscal Services or the Vice Chancellor of Business Services.
- Proper safeguarding of cash.

I. ESTABLISHING CASH COLLECTION POINTS

Before cash collection begins, departments requesting status as a cash collection point must submit a request to District Accounting that includes:
• Approval of College Director of Fiscal Services or Vice President of Administrative Services, or Designee.
• Reason(s) why cash collection point is needed.
• A list of those positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained.
• Whether there is a need for a change advance.
• A description of the reconciliation process, including frequency of reconciliation.
• A description of the process for safeguarding cash until it is deposited.
• A schedule of how often cash deposits will be made.

The request will be reviewed, and if appropriate, approved by District Accounting. A list of all authorized cash collection points will be maintained by District Accounting.

II. GUIDELINES FOR CASH COLLECTION POINTS

The following guidelines are required for the operation of cash collection points.

• All cash received must be recorded through a cash collection software program, cash register, or the customer must be presented a pre-numbered receipt form with a duplicate record being retained by the receiving department. All numbered receipts must be accounted for, including voided receipts. Approved pre-numbered receipts are available at the District Fiscal Office if needed.
• Receipts must include the date, mode of payment (cash, check or credit card), and the identification of the department and the person issuing the receipt. Machine generated receipts must contain similar information.
• The cash collection point must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: invoicing, collecting, depositing and reconciling.
• Only one cashier is allowed access to a cash program, register or cash drawer during a single shift. The cash register must be locked or inactivated when the cashier has to leave the office (e.g. taking a break)
• The funds received must be reconciled by type to the cash register tape, reconciliation report or to the pre-numbered receipts at the end of the day or at the end of each shift.
• All checks, cash and credit card receipts must be protected by using a cash register, safe or other secure place until they are deposited. A secure area for processing and safeguarding funds received is to be provided and restricted to authorized personnel.
• Checks must be made payable to the college or district name and must be endorsed promptly with a bank endorsement stamp payable to SOCCCD.
• Collections of more than $500 must be deposited to the appropriate location or cashier’s office within 24 hours, and amounts less than $500 must be deposited in no less than 3
business days. Deposits received/made after the business office or cashier’s office hours must be secured or can be put in the Cashier’s Office Night Drop safe for safekeeping.

- All funds must be deposited intact, and not intermingled or substituted with other funds.
- Refunds or expenditures must be paid through the appropriate budget with a District generated check or credit card refund.
- When cash is received through the mail, it must be opened with two people present and all checks must be endorsed with a bank endorsement stamp. All receipts of cash through the mail must be listed in a log.

III. SAFEGUARDS

The level of cash handling safeguards required is dependent on the level of risk at that location. Central cash collection points generally have a higher level of risk than units that occasionally receive cash. To evaluate the level of risk, the following factors are to be considered:

1. The amount of money involved.
2. The physical-geographic location.
3. The hours of operation.
4. The past loss experience.
5. The number of employees involved.

- All cash must be kept in a fire-resistant storage container (safe, chest, cabinet or desk) that is equipped with at least one locking device and that cannot be easily removed from the premises. Safe doors must be kept closed during working hours and must be locked at all other times. Large sums of cash must be counted and handled out of sight of the general public.
- Any employee who handles cash is responsible for that cash. A supervisor of any employee who handles cash is responsible for ensuring that proper and reasonable safeguards are followed.
- Cash must never be left unattended – this applies to cash registers and workstations. If an employee leaves their workstation for any reason, regardless of how brief, all cash must be appropriately secured in a locked place.
- Cash collected may not be utilized as petty cash for expenses, nor used to cash checks, but must be deposited in tact per these procedures in a timely manner.

Departments receiving cash on behalf of the college are responsible for maintaining security over that cash. Proper handling, adequate records, and physical security must be emphasized to each employee having access to, or responsibility for, any college assets.

Departments must follow the cash handling BP and AR 3007. Failure to do so may result in losing authorization to be a cash collection point.