

## 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 shall be approved by the District Executive 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 shall follow the same cash handling policies and procedures that apply to the designated cash collection points. "Cash" is defined as coin, currency, check, money order and credit/debit card transactions.

Required procedures for all cash handling include the following:

- A. Accounting for cash as it is received using the guidelines in Section II.
- B. Adequate segregation 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 Fiscal Office for alternate arrangements.
- C. 'Proper' district-issued, pre-numbered receipts or software generated receipts shall be issued for any cash received.
- D. Approval of any voided cash receipts by area supervisor.
- E. Deposit of cash promptly into an authorized district/college account.
- F. Reconciliation of validated deposit forms to supporting documentation and to the account statement.
- G. Any changes in cash handling procedures shall be recommended by the respective college Fiscal Office and approved by either the Executive Director of Fiscal Services or the Vice Chancellor of Business Services.
- H. Proper safeguarding of cash.

### I. ESTABLISHING CASH COLLECTION POINTS

Before cash collection begins, departments shall submit a request to District Accounting that includes:

- A. Approval from the College Director of Fiscal Services, Vice President for College Administrative Services, or designee.

- B. Reason(s) why cash collection point is needed.
- C. A list of those positions involved with the cash collection point, a description of their duties and how segregation of duties will be maintained.
- D. Whether there is a need for a change advance.
- E. A description of the reconciliation process, including frequency of reconciliation.
- F. A description of the process for safeguarding cash until it is deposited.
- G. A schedule of how often cash deposits will be made.

The request will be reviewed, and if appropriate, approved by the District Executive Director of Fiscal Services. District Accounting shall maintain a list of all authorized cash collection points.

## II. GUIDELINES FOR CASH COLLECTION POINTS

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

- A. All cash received shall be recorded through a cash collection software program, cash register, or the customer shall be presented a pre-numbered receipt form with a duplicate record being retained by the receiving department. All numbered receipts shall be accounted for, including voided receipts. Approved pre-numbered receipts are available at the District Fiscal Office Accounting if needed.
- B. Receipts shall 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 shall contain similar information. Credit/debit card information shall not be retained. (See BP-3530 *Compliance with Payment Card Industry Data Security Standards* and AR-3725 *Information Security Program Overview*.)
- C. Only one cashier is allowed access to their login to the cash collection software program, register or cash drawer during a single shift. The cash register shall be locked or inactivated when the cashier has to leave the office (e.g. taking a break).
- D. The funds received shall 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.
- E. All checks, cash and credit card receipts shall 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 shall be provided and restricted to authorized personnel.
- F. Checks shall be made payable to the college or district name and shall be endorsed promptly with a bank endorsement stamp payable to SOCCCD.
- G. Collections of more than \$500 shall be deposited to the appropriate location or cashier's office within 24 hours, and amounts less than \$500 shall be deposited in no less than three business days. Deposits received/made after the business office or cashier's office hours shall be secured or can be put in the Cashier's Office Night Drop safe for safekeeping.
- H. All funds shall be deposited intact, and not intermingled or substituted with other funds.

- I. Refunds shall be paid through the appropriate budget with a district-generated check or credit card refund.
- J. When cash is received through the mail, it shall be opened in the presence of two employees with no responsibility for invoicing, collecting, depositing or reconciling. If such an arrangement is not feasible, then two people shall be present when mail is opened. All checks shall be endorsed with a bank endorsement stamp. All receipts of cash through the mail shall 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:

- A. The amount of money involved.
- B. The physical-geographic location.
- C. The hours of operation.
- D. The past loss experience.
- E. The number of employees involved.

The following cash handling safeguards are required:

1. All cash shall 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 shall be kept closed during working hours and shall be locked at all other times. Large sums of cash shall be counted and handled out of sight of the general public.
2. 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.
3. Cash shall 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 shall be appropriately secured in a locked place.
4. Cash collected may not be utilized as petty cash for expenses, nor used to cash checks, but shall be deposited intact 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 shall be emphasized to each employee having access to, or responsibility for, any college assets.

Departments shall follow the cash handling BP and AR 3007. Failure to do so may result in losing authorization to handle cash in addition to any other administrative or disciplinary action that may be required.