

3364-40-22 Receipt of cash.**(A) Policy statement**

All funds received by the university, including but not limited to tuition related fees, room and meal plan fees, parking fines, telephone charges, departmental income and reimbursement of expenses are deposited with the university of Toledo. Each university department is responsible to maintain supporting documentation for reconciliation and to justify rationale for all deposits into university related accounts. Only funds received for a reimbursement of expenses can be deposited into an expense account without prior approval from the controller's office; otherwise, all deposits into expense accounts must be accompanied with approval from the controller's office—(deposits made to expense accounts will be a priority review from internal audit). Income from instructional fees, tuition surcharges, student general fees, other student fees, room and board charges, parking fees, class or laboratory fees and other similar revenue sources, are deposited with the university of Toledo.

All bank accounts in the name of the university of Toledo are established through the office of the executive vice president for finance and administration/chief financial officer ("CFO") (or equivalent position), and all university funds are deposited in such bank accounts through oversight by the treasurer's office. Included in the definition of "funds" are cash, coin, checks, money orders, credit/debit card receipts, and electronic transfers. All funds received should be in the currency invoiced/billed and any deviation should be coordinated with the treasurer's office to ensure adequate and/or proper extinguishment of debt.

All cash equivalents must be deposited by the appropriate office no later than the business day following the day of receipt (within twenty-four hours), unless, at the end of a business day, the amount to deposit is less than one thousand dollars and the funds are appropriately secured. In that case, the deposit may be delayed until the third business day. Cash equivalents are defined as cash, coins, checks and money orders.

Individual departments or employees of the university are prohibited from depositing university funds in any petty cash fund or change fund.

(B) Purpose of policy

To ensure funds received by the university are deposited in a timely manner and appropriately credited to the proper university account, and to safeguard university assets, promote operational efficiency, and encourage adherence to prescribed policies.

(C) Roles and responsibilities

(1) Internal controls and procedures

Establishing strong internal control for cash collection locations is necessary to prevent mishandling of funds in addition to safeguarding against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining the employee's responsibilities in the cash handling process.

Segregation of duties is essential to prevent an individual from being responsible for more than one cash handling component. Components of cash handling are collecting, depositing, approving and reconciling.

All cash collection locations must develop their unit's documented specific cash handling procedures, with guidance and assistance from the controller's office and the treasurer's office, to ensure consistency in the execution of cash handling. All individuals involved in the cash handling process should be provided a copy of the location's procedures. The location's procedures should ensure proper internal controls which include adequate safeguards of university assets, segregation of duties and reconciliations with clear definitions of responsibilities for each individual involved in the process.

Treasury and/or internal audit may make periodic reviews of cash collection points in addition to requesting managers to attend periodic training, relative to receipt of cash procedures.

(2) Safeguarding university assets

Cash equivalents held on site until deposited should be safeguarded in a locked drawer or safe maintained by the supervisor and an employee independent of the cash collection process. Cash equivalents not secured in a cash register drawer during business hours should be kept in the secure location.

Combinations to safes should be changed periodically and when personnel changes have occurred within a department. Access to safes or locked drawers should, where practicable, be restricted to supervisors in the department. Upon the termination and/or departure of a department by an employee, all keys held by said employee to safes and drawers, for the purpose of holding funds, should be immediately returned to the supervisor.

All checks must be restrictively endorsed on the back left end of the check designated for endorsement. Endorsement must be typed, rubber stamped or hand-printed in ink with “for deposit only-the university of Toledo.” Unless specifically authorized by the treasurer’s office, all deposits must be entered via the university’s online platform which can be accessed through the university’s treasury website.

After successfully submitting a deposit online, departments are responsible for retaining supporting documentation for no less than sixty days or the retention policy of the respective department (whichever is greater). When available, “supporting documents” should include but are not limited to, copies of checks, invoices, cash receipts, debit and credit memos, point of sale (“P.O.S.”) cash draw reconciliations, deposit bag numbers, online depository platform receipt of submission and any other documents necessary to substantiate the source of funds.

(3) Segregation of duties

Departments that routinely make deposits should separate functions of the cash handling process to ensure strong internal controls and help prevent errors and fraud. In addition to periodic supervisory audits of employee cash handling, departments should separate the following functions of the cash handling process:

- (a) Collecting cash and other funds.
- (b) Recording, depositing and approving.
- (c) Reconciling.

If a department feels it is too small and/or has extenuating circumstances which do not allow for the above detailed segregation of duties, the department head should provide a letter to the treasurer's office detailing the extenuating circumstances, a copy of their recommended cash handling procedures and describe any other mitigating factors. The treasurer's office, with assistance of the controller's office, will review for approval. If approved, treasury will provide written documentation to the requesting department which should be retained as supporting evidence of the permitted procedures.

(4) Reconciliations

It is recommended that departments review their deposits to the general ledger daily to ensure the deposit was made in accordance to their directive. At a minimum, deposits should be reconciled to the general ledger monthly. Reconciliation should be done by someone other than the person performing the collecting and/or depositing activity (if this is not feasible within a department, someone outside the collection process should review and sign the reconciliation).

(5) Checks received for unknown reasons

Should a department receive a check and the reason for the check is unknown, rather than creating a deposit, the department should restrictively endorse the check and deliver it, along with any accompanying documentation, to the treasurer's office at mailstop four hundred fifty-four.

(6) Deposit deadlines

The treasurer's office will monitor cash collection locations for compliance with the deposit deadlines. Non-compliance with deposit deadlines will result in a notice of violation that will be copied to the appropriate dean or vice president, the controller, and or internal audit. Departments not complying with approved procedures may lose the privilege of handling cash and incur the risk of losing budgetary spending authority for the funds collected.

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Certification

10/12/2018

Date

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