

## **Cash Receipting and Check Handling Policy**

*California State University, Dominguez Hills Foundation*

### **PURPOSE**

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The Chief Financial Officer (“CFO”) of the California State University, Dominguez Hills Foundation (“Foundation”) has the responsibility for establishing the procedures for proper accountability of cash receipts. Any variation from established procedures requires the prior approval of the CFO.

The purpose of this policy is to establish internal controls for processing cash receipts and to ensure that payments are deposited into Foundation accounts in a timely manner and recorded into the appropriate project accounts. The term cash includes coin, currency, checks, money orders and cashier’s checks.

### **UNITS DEPOSITING PROCEDURE**

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All units must document the deposit of cash receipts by obtaining a receipt or copy of the Deposit Transmittal that indicates the date, amount and signature of the person depositing the cash. All deposits or transfers of funds are to be documented in the cashier’s log by both the depositor or recipient and the cashier. It is the responsibility of the unit giving up possession of the deposit to insure that a receipt has been obtained. Units are also responsible for the proper security of cash on hand.

#### **A. Background**

Both University and Auxiliary staff are involved in depositing the various types of monies from a variety of operations. Checks should be endorsed immediately upon receipt. In order for the Foundation to provide accounting services, the following procedures are necessary as basic guidelines for each situation.

#### **B. Procedures for Depositing Counted Monies**

Counted deposits are those that have been counted by the depositing unit prior to being turned in to the Foundation. These are normally receipts from cash register sales and consist of cash, checks, and credit card sales slips. Included with the receipts is an amount known as the register’s “bank” (opening draw balance) and is the change fund amount used to make change but does not represent income from sales. These deposits will be made in the following manner:

1. The income is determined by subtracting the opening drawer balance from the deposit.
  - i. The cash is sorted by denomination.
  - ii. The currency, coin and checks are counted and listed on the Deposit Transmittal by denomination.
  - iii. When there is enough loose coin to make a full roll, it should be wrapped. Checks should be added on a calculator twice; once by reading the written amount.

- iv. The deposit is totaled, the register's opening drawer balance is subtracted, and the total income is entered on the Deposit Transmittal.
2. The sales are determined as follows:
  - i. The register tape or point of sales report should be initialed by the unit manager or their designee.
  - ii. Any sales adjustments are entered: over-rings, under-rings, refunds, etc. The over-ring slip should be signed by the cashier and supervisor and then attached to the Deposit Transmittal as back-up, unless void entries can be rung on the register tape. Voids are made on the register by access code performed by the supervisor only.
3. The over or short amounts are determined as follows:
  - i. Total Sales are compared to Total Income on the Deposit Transmittal and the amount of Over or Short is entered to balance.
  - ii. In cases where the Foundation discovers the discrepancy and if the Over or Short is significant (\$25.00 or more) the discrepancy should be researched and the Accounting Manager notified by the appropriate staff. The appropriate staff will also notify the department's unit manager of the discrepancy.
4. The deposit is compiled as follows:
  - i. It should be verified that all remaining items on the Deposit Transmittal have been entered with two signatures, date, name of unit, and register number.
  - ii. The cash bag must be locked/sealed when received from the units by the vault cashier.
5. The money is deposited as follows:
  - i. The deposit should be transported to the Foundation or Dining Services Office, without establishing a pattern by two people (if possible).
  - ii. Deposit will be entered into the logbook and signed by and depositor.
  - iii. Deposit count.
  - iv. Foundation will provide a copy of the cash receipt to the depositing unit.

## **TIMELY DEPOSITS**

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The Foundation may receive deposits in several different ways depending on the type of unit operation. In each case, however, accountability and documentation must be maintained. The appropriate method in which deposits are received and the corresponding Cashier procedures are as follows:

- A. Cashier receives directly from commercial unit.
  - a. A completed Deposit Transmittal form must be with the deposit.
  - b. The two persons presenting the deposit must sign the deposit log.
- B. Cashier receives from a non-commercial unit:
  - a. The depositor presents the deposit slip and funds to the Foundation.
  - b. The cashier verifies the funds and gives the depositor a cash receipt.
- C. All departments collecting monies on behalf of the Foundation must deposit the funds timely defined as follows:
  - a. Projects receiving more than \$250.00 per day are required to make deposits with the Foundation the next business day.
  - b. Projects receiving less than \$250.00 per day are required to make deposits when they accumulate \$250.00, or weekly, whichever comes first, with the Foundation.
  - c. Projects are required to deposit all cash and checks at least weekly, regardless of the amount collected.
  - d. If the staff fails to meet any of the above criteria, the Foundation will notify the Project Director via email with a CC: to the Financial Services Supervisor. If the late deposit pattern continues, the Project Director will be notified, with a CC: to the Chief Financial Officer and Dean of the department. If the pattern of late deposits still continues a meeting will be held with the Project Director(s), Chief Financial Officer, and Dean to resolve the issue.
  - e. A representative making a deposit should always receive a cash receipt from the Foundation to verify that funds were deposited.
  - f. Under no circumstances are deposits to be forwarded to the Foundation through campus mail. Never place deposits in the Foundation mailbox or front desk in-box.

## **CHECK ACCEPTANCE PROCEDURES**

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This section relates to checks presented in payment for goods or services.

### **ACCEPTING CHECKS:**

Subject to limitations or exceptions stated below, checks are accepted by the Foundation in exchange for goods or services provided.

#### A. Conditions for acceptance:

To be accepted, each check presented must:

1. Be payable to the California State University, Dominguez Hills Foundation, except for a check payable to project with a DBA name.
2. Be recently dated - not postdated or stale dated. Such checks will be brought to the attention of the project manager/director via email by the Foundation
3. Be properly signed or endorsed by the presenter.
4. Be in agreement as to numeric and written amounts.
5. Be legibly written in ink or typed.
6. Have Federal Reserve routing codes printed as part of the MICR encoding at the bottom of the check.
7. Not be altered or grossly mutilated.
8. Not have any unreasonable restrictions placed on the face which excessively limit its application.
9. Contain sufficient information to permit tracing the presenter (e.g. address, telephone number, etc.). Some units may have a more restricted policy.

#### B. Verifying presenter information:

Some form of identification, preferably one having a picture, must be checked to verify the identification of each presenter of a check.

#### C. Restrictive endorsement and information required:

All checks accepted by the Foundation must be restrictively endorsed immediately upon request before deposited with the Foundation. The Foundation will provide all projects with an endorsement stamp.

D. Discrepancy between numeric and written amounts:

When the numeric and written amounts on a check do not agree, a new check should be requested. If a corrected check cannot be obtained, the check should clear based on the written amount. The written amount is entered above the numeric amount and circled.