



TITLE: Cash Handling Policy

EFFECTIVE DATE: October 11, 2013

LAST REVISION:

Policy No.
5.011.1

Policy Statement

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. The College cash handling policy requires that areas receiving cash be approved by the Controller's Office and 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. The College has two cash collection points, The Business Office at Sowela and the Administrative Office at the Morgan Smith Campus. At this time the only other department collecting any cash is the Culinary Arts Program. They collect a small amount of cash one day per week during the semester which is turned in the same day to the Business Office. Most cash collections are done through an online registration and payment process. A cash custodian is defined as the individual(s) designated by a department head or supervisor as responsible for the handling and safeguarding of cash, either as part of their ongoing job responsibilities or on a temporary basis. "Cash" is defined as coin, currency, checks, and credit card transactions.

Cash Receipts Procedures

The Louisiana Constitution Article VII, Section 9 (A), requires that "all monies received by the State or by any state board, agency, or commission shall be deposited immediately upon receipt in the State Treasury, except for certain exceptions listed herein." NOTE: "Immediately" is defined as "within 24 hours of receipt." The State Treasury cash management practices requires state depositing entities to deposit receipts in the State's central depository account or designated regional depository accounts. The depositing agency is responsible for revenue classification in the accounting system.

- All college departments collecting cash (currency/coin, personal checks, bank drafts, money orders, traveler's checks, cashier's checks, and credit/debit card transactions) should establish a procedure to document all such receipts. Examples include a pre-numbered receipt book (available in the Business Office) or a computer generated receipt (ex. Banner). All receipts issued must be approved by the Business Office.
- In the event an employee receives cash, it should be properly safeguarded, accounted for, and documented.
- Documentation should minimally include the following information:
 - Payer's Name
 - Form of payment (if check, check # should be included).

- Amount paid
- Date of payment
- Service/product rendered.
- Initials of person(s) collecting cash receipts.

Business Office Cash Receipt Procedure

- All cash received in the Business Office must be directly applied to a student's account in Banner or entered directly into banner as a miscellaneous receipt where a system generated numbered receipt is created and given to the payer.
- Funds are placed in a secure money bag and then secured in a fireproof safe until deposited.
- Daily collections are reconciled by someone other than the person receiving funds or writing checks and are reconciled using a system-generated Cashier Detail Report.
- Deposits are made daily and should include copies of all checks received, a copy of any voided transaction, and any additional documentation provided upon receipt of payment.

Missing Funds Notification Process

It is the responsibility of the cash custodian to ensure cash on hand and cash deposited equals actual receipts at all times. If a significant shortage/overage is found:

- A report must be filed first with the immediate supervisor, followed by the division head and the Director of Facilities Planning and Management (FPM). The Director of FPM reports to the Controller, with a copy to the Vice Chancellor of Finance and the Chancellor. The Chancellor, or his designee, then notifies the LCTCS Internal Audit Department and local law enforcement.
- The LCTCS Internal Audit Department investigates as appropriate and provides written notice of the misappropriation to the Legislative Auditor and the local District Attorney.

All cash overages and shortages, as well as any known circumstances surrounding the overage/shortage should be reported, recorded and kept on file.

Cash Handling Procedures

Cash - Any cash received in the Business Office should be immediately entered into the Banner system where a receipt is systematically generated.

Checks - Departments receiving checks as payments should require the maker of the check to make it payable to "SOWELA Technical Community College". Under no circumstances should a check for the college be made payable to an individual or left blank.

- All checks should be restrictively endorsed (stamped) immediately upon receipt. The recommended endorsement is:
 - Pay to the order of Capital One Bank New Orleans, LA
 - For Deposit Only SOWELA TECHNICAL COMMUNITY COLLEGE
 - Operating Account XXXXXXXXX
- Each Check should be inspected to ensure the following:
 - A current date
 - Proper Signature
 - No alterations
 - Bank name and routing numbers are printed on check

- If temporary check, payer's name and address should be written on check
- Written amount matches numeric amount
- Student's ID number is written on check, if applicable

Cash Receipts Received Through the Mail

The employee receiving the incoming mail records any checks received into a check receipt log. The checks are then signed for and entered into Banner by an authorized cashier.

Checking Account

SOWELA Technical Community College maintains three (3) bank accounts at Capital One, N.A. All bank reconciliations are prepared monthly and timely for accuracy. Differences are reported to the bank and interest and bank charges are recorded into Banner Finance.

Petty Cash

A petty cash fund is maintained for small purchases. A petty cash custodian is assigned the responsibility of maintaining adequate documentation of all disbursements from this fund and for performing regular reconciliations of the fund. Generally only purchases that are less than \$100.00 are put through petty cash, unless advance approval has been obtained from the Purchasing Department. The purchaser provides a receipt for the goods. The petty cash fund is reimbursed as needed by processing a voucher in the Banner Finance system. The check is made payable to the petty cash custodian and is then cashed to reimburse the fund.

Exceptions

The Business Office must approve exceptions to these procedures. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard College funds must be established and approved by the Business Office. Requests for exceptions to these procedures must be submitted to the Business Office in writing.

Source of Policy: Business Office
Related Policy: n/a

Responsible Administrator: Vice Chancellor of Finance
LCTCS Policy Reference: n/a
LCTCS Guideline Reference: n/a

Approved by Chancellor:



Date: October 11, 2013