University of Hartford  
Cash Control Guidelines

Introduction

Department heads and managers within the University of Hartford whose department collects cash receipts are primarily responsible for ensuring that adequate control procedures have been put in place and are maintained in order to safeguard the University cash collections and change of funds. As a tool and reference guide, “Cash Control Guidelines” has been established.

General

- The term “cash” includes currency, coin, checks, money orders and credit card receipts;
- Individual accountability for all cash, including cash receipts, change funds and petty cash funds should be maintained at all times;
- An accounting record for cash should be established immediately upon receipt;
- Access to cash should be restricted at all times to the person accountable for the funds. The person should be provided a locked, secure storage facility to which only he/she has access. This could be a lockable cash drawer, safe, safe compartment or filing cabinet. The degree of security provided by the storage facility should be commensurate with the amounts being stored;
- All transfers of cash accountability should be documented. Documentation should include amount transferred, date, and signatures of both persons involved in the transfer. The documentation should be kept in a location separate from the cash funds;
- The University of Hartford accepts online credit card and ACH payments through our newly established E-Market program. Accepting online payments at the University of Hartford will minimize risk and provide the greatest value, security, and service to each university unit within the rules, regulations and guidelines established by the Payment Card Industry (PCI) and the National Automated Clearing House Association (NACHA). Procedures regarding accepting online payments and implementing an E-Market for your department can be found on the Bursar and Student Administrative Services Center (SASC) websites.
  - http://www.hartford.edu/bursar
  - http://www.hartford.edu/sasc

Training

Departments should ensure that employees assigned cash handling responsibilities receive appropriate training, and are familiar with campus policy guidelines and departmental procedures.

Departments should contact the SASC Manager if additional cash handling training is needed.
Documentation of Procedures

Written procedures for receiving, recording, reconciling, safeguarding and depositing cash should be prepared and provided to employees with cash handling responsibilities. Also, responsibilities for handling cash should be documented in employee job descriptions.

Cash Receipts

All cash should be recorded immediately upon receipt. The recordings may be made through CASHNet, a computer system data entry terminal, by means of pre-numbered receipt forms, or on a handwritten log. Each individual cash receipt should be identified and controlled by a unique, sequential transaction number, such as a CASHNet system generated receipt number.

Check, Money Order and Travelers Check payments should be made payable to the University of Hartford. For student payments, please include the student’s University I.D. number on all forms of payment. The University requires that all remittances be in the form of U.S. Currency and that checks be payable in U.S. Dollars through a financial institution with an office in the United States. Checks returned for insufficient funds or stop payment will result in a $25 fee payable either by the student or the department. All check payments need to be restrictively endorsed immediately upon receipt. An endorsement stamp should be obtained from the Bursar’s Office for this purpose.

A cash receipt records log should provide the following:
- University of Hartford and name of department receiving cash;
- Name of person or organization the cash was received from;
- Amount received and type of payment indicated;
- Date payment was received;
- Receipt number, if applicable;
- Printed name and signature of person receiving payment

Cash Deposits

Cash receipts should be deposited with SASC on a daily basis. University policy requires a deposit at least weekly, or whenever accumulated receipts on hand exceed $50.00.

Cash receipts should be deposited intact. The funds deposited should reflect amounts on hand, less the amount of any assigned change funds. The deposit and supporting records should reflect any cash overages or shortages.

Cash receipts should not be used for petty cash disbursements, check cashing, or other purposes.

Refunds and Voids

When a good or service is purchased using a credit card, and a refund is necessary, the refund must be credited back to the account that was originally charged. The University of Hartford
prohibits refunds in excess of the original sale amount. All credit card refunds need to be processed through SASC.

Refund requests for student cash and check overpayments need to be processed through SASC. Refunds of miscellaneous payment transactions need to be processed as an order for check request through the Financial Accounting office.

When payment is processed by using the University of Hartford’s CASHNet payment system, the cashier can void any transaction before the session is closed. Voided transactions should be supported by documentation stating the reason for the void. When a transaction needs to be voided after a session is closed, the SASC Manager, Asst. Bursar, or Bursar need to be contacted to make a correction to the cashier session.

**Safeguarding Cash**

Funds held overnight should be minimized. Cash should be kept in a locked safe or other secure area. The degree of security provided should be commensurate with the amounts stored.

Combinations or keys to safes and other storage facilities should be restricted to the custodian of the cash and a designated backup. Combinations or locks should be changed as necessary, and whenever a person with the combination or key is separated. Persons responsible for cash should be instructed to maintain confidentiality of safe combinations.

Appropriate precautions should be taken when transporting cash from the department to the Bursar’s Office. Cash should not be sent through Campus Mail or left unattended. Cash should be handed directly to an employee in SASC or the Bursar’s Office.

**Reconciliation**

The following reconciliation procedures should be performed or reviewed by a supervisor not directly involved in receiving and recording cash:

- Cash receipts should be counted and balanced to the cash recordings at the end of the business day;
- A receipt for each cash deposit should be obtained from SASC and compared with the department’s record of the deposit amount;
- The cash deposits listed in monthly general ledger reports should be reconciled to the department’s records of cash receipts. Any differences should be investigated and explained;
- A dated and signed record of the reconciliations should be prepared and retained.

**Segregation of Duties**

Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. The basic idea underlying segregation of duties is that no one employee or group of employees should be in a
position both to perpetrate and conceal errors or irregularities in the normal course of their duties.

In general, the principal incompatible duties to be segregated are authorization, custody of assets, and recording or reporting of transactions. In addition, a control over the processing of a transaction generally should not be performed by the same individual responsible for recording or reporting the transaction.

Potential problem areas are only an indication of where segregation of duty controls are breaking down or are lacking. If overlaps in the performance of these duties are identified, it may be an indication to management that structural changes would enhance the protection of assets. In smaller departments, it may not be possible or reasonable to have complete segregation of controls. In these cases, additional supervision and management review is necessary to ensure that proper internal controls are maintained.

The following chart can be used to help you determine the levels of internal controls available in your department. For each of the functions listed, enter the name of the individual responsible for maintaining that function. Review the charge for individuals whose names are listed in more than one column and then make a determination whether that represents a potential lack of segregation of duties.

**Responsibility for Cash, Check, and Credit Card Remittances**

<table>
<thead>
<tr>
<th>Description of Duties</th>
<th>Person(s) performing the function</th>
<th>Custody of Assets</th>
<th>Recording Transactions</th>
<th>Reconciliation</th>
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</thead>
<tbody>
<tr>
<td>Opening of department mail</td>
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<td>Cash Receipt Record Log</td>
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<td>Preparation of Deposit</td>
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<tr>
<td>Entering deposit information into CASHNet, if applicable</td>
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<td>Reconciliation of cashiering session, if applicable</td>
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<td>Authorization to process voids within cashiering session</td>
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<td>Authorization to process refunds</td>
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<td>Reconciliation of deposits to GL in Banner</td>
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<td>Overall control of the accuracy, completeness of, and access to data files</td>
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Acceptance of Cash Control Guidelines

The University of Hartford requires all departments accepting cash receipts review and acknowledge receipt of the “Cash Control Guidelines”. See the Cashier Control Guidelines Acknowledgement Form (Attachment A).

A Cashier Control Guidelines Acknowledgement Form should be completely filled out and returned to SASC within five days of receipt.

Questions or Concerns

If you have questions or concerns regarding the Cash Control Guidelines, please contact the SASC Manager or Bursar.