Topics to be covered:

- Purpose of Training
- What is Cash?
- Improper Handling Risks
- Related Policies
- Segregation of Duties
- Cash Handling Procedures
- Change Funds
- Counterfeit Currency
- Reconciliation of Cash
Purpose of Training

- Vulnerability of cash receipts
- Ensure cash receipts are deposited in the appropriate department and account
- Ensure compliance to WSU policies and procedures

It is recommended that all employees authorized to accept funds on behalf of the University or Foundation be trained on Cash Handling procedures every three years.
Cash Handling – It’s your job

Whether you take in lots of money or... you collect “pennies”

........the principles of good cash handling are basically the same.
Principles of Good Cash Handling

- Security
- Reconciliation
- Documentation
- Management Review
- Segregation of Duties
What is “Cash”? 

- U.S. Currency
- U.S. Coins
- Personal Checks
- Electronic Payments
- Bank Drafts, Money Orders, Traveler’s Checks and Cashier’s Checks
- Credit and Debit Cards
- Wire Transfers, Foreign Drafts (but not foreign currency)
Who or what is at risk?
Risk and Controls

Remember that in the cash collecting process, YOU are just as important as the cash. The controls are designed to protect both YOU and the cash you are handling.
Improper Handling Risks

- Misappropriation of assets, lost or stolen cash and checks
- Counterfeit currency
- Unexpected financial shortfall
- Noncompliance with state tax regulations
- Tax liabilities and penalties
- Compromised credit card numbers
Improper Handling Risks

- Noncompliance with Payment Card Industry Data Security Standard (PCI DSS)
- Sales for personal gain and copyright violations
- Finger pointing/Accusations/Disciplinary actions
- Lost job!
Securing the Cash

- Keep it locked up in a secure location and limited to authorized individuals only.
- Deposit within one business day!
- Use locked bags when transporting to Accounts Receivable.
- Ensure cash counting is out of sight!
- Restrict access to cash handling area!
- Change combinations to safes periodically!
Cash Handling - Documentation

- Document cash handling procedures to ensure consistency in the execution of those procedures.

- Provide copy of procedures to individuals handling cash.

- Location procedures should:
  - Ensure that you protect, accurately process and properly report University assets.
  - Follow the internal control practices of separating duties.
  - Obtain appropriate authorizations and approvals.
  - Secure assets and reconcile the cash.
Related Policies
Cash Handling - Policies

Prior to receiving any cash, a WSU department must have approval to accept cash from one or both of the following departments:

- **WSU Accounts Receivable**
  Room 201, Jardine Hall
  978-3070
  Email: [wsuaccountsreceivable@wichita.edu](mailto:wsuaccountsreceivable@wichita.edu)

- **Foundation Office of Finance & Administrative Services**
  Woodman Alumni Center
  978-3040
  Email: [foundation@wichita.edu](mailto:foundation@wichita.edu)
Cash Handling - Policies

- Follow proper cash handling procedures in regard to:
  - Audits
  - Depositing Cash Promptly
  - Following Deposit Instructions
  - Depositing Receipts
  - Refunding of Cash Receipts
  - Safeguarding Handling & Storing of Cash
  - Segregation of Duties (receiving of cash, depositing of cash, reconciliation of cash)

- Remember that the use of outside bank accounts for depositing cash receipts is prohibited.
Purpose: To provide guidance concerning the deposit of University funds. To ensure receipts are deposited in accordance with State of Kansas laws and statutes and to provide an accurate accounting of taxable sales.
13.01 / Deposit of Cash Receipts policy states:

“Foundation accounts should be used only for gifts, certain grants made specifically to the Foundation or other purposes specifically designated by the Foundation.”

- Foundation accounts should not be used for cash receipts in the implementation of University Departmental (restricted fee) Accounts or Student and Faculty Safekeeping Accounts.
The Controls Assessment Tool is intended for the use of Wichita State University departments that want to perform an internal controls self-assessment. The CAT is not all-inclusive, but it can serve as a guide to operations. If questions arise while you are completing the CAT, feel free to contact Chris Cavanaugh, Director of Internal Audit.
One of the most important steps you can take to protect cash – and you – is to segregate cash handling duties among different people.

No single person has control over the entire cash process.
Segregation of Duties

The ABC’s of Segregation of Duties

- A – Asset handling (custody and disposition)
- B – Booking (recording and reporting)
- C – Comparison (review, verification or reconciliation)

At least two people should be involved in segregating duties.
Management Review

- No matter who is collecting, depositing and reconciling the cash, the Budget Officer and Management are . . . .

- Ultimately accountable

- Responsible for conducting regular review to assure timeliness, accuracy and resolution of all outstanding issues.

- Expected to work closely with their administrative staff to ensure an effective internal control system.
Policy & Procedure 13.14 / Security of Credit Card Data

- **Purpose:** To set forth University policy in compliance with the Payment Card Industry (PCI) Data Security Standard (DSS).
- **Objective:** To protect credit cardholder data.
- Annual training required.
- Failure to comply may result in imposition of fines.
Cash Handling Procedures
Cash Handling Procedures

- When handling cash, check for the following:
  - Cash/Coins are of U.S. Currency
  - Counterfeit
  - Cash receipts are deposited in full
  - Cash is grouped by denomination and coins are rolled
Cash Handling Procedures

What is a Change Fund?

- Change Funds are cash funds that are maintained in the form of cash that are established exclusively for the making of change when receiving amounts due to the State.

Guidelines when using a Change Fund:

- ✓ No check cashing
- ✓ No loans
- ✓ No purchasing of office supplies, etc.
- ✓ Subject to audits
CHECKS

- Payable to applicable location: “Wichita State University” or “WSU Foundation”
- Do not keep copies of checks since they contain personal banking data.
- Endorse in first 1-1/2 inches from left end of check
Applies to ALL Cash Receipts

- Subject to periodic and unannounced audits
- Donations and/or Gifts not combined with a silent auction, ticket sales or similar events, must be sent directly to the Foundation.
- All deposits to Accounts Receivable should be processed as a web departmental deposit.
- Retain supporting documentation in your department for three fiscal years.
Cash Handling Procedures

- Sales tax is required anytime a tangible item is sold – deposit to account R80121
- Record all cash immediately
- Contact AR prior to hosting a fundraising event
Counterfeit Currency

- Check the currency – ensure it is **U.S.** currency
  - Use counterfeit pen
  - Look closely for watermarks
  - Look for the bill’s security thread.
- If counterfeit currency:
  - **DO NOT** return to the customer and limit handling of the note.
  - Send note and information to AR.
  - Remember that the department is responsible for collecting alternate payment from original customer.
Utilize the following reports in Reporting Services to reconcile all cash receipts:

- **For Restricted Use Funds:**
  - [Financial Reports - Organization](#)
    - Clicking here provides access to Organization level financial reports in various formats.
  - [FCD00120 - Transaction Detail Report](#)
    - Display detailed financial transactions (budget, actuals, commitments) for a given time period, by fund and organization.

- **For Foundation Gifts:**
  - [Financial Reports - Foundation Budget Reports](#)
    - Clicking here provides access to WSU FOUNDATION reports at a fund level.
  - [Foundation Budget Detail Report Option 2](#)
Cash Handling - Reconciliation

- Frequency and Duration
  - Weekly – against deposit receipts to the internal departmental documentation of transaction.
  - Monthly – reconciled to the departmental financial reports to verify the processing or recording of all transactions.

- Retain reconciliation documentation in the department for a period of three years.
Cash Handling Procedures Guide

Available on the Accounts Receivable website
www.wichita.edu/ar
Cash Receipts include:

a) U.S. Currency  
b) Personal Check  
c) Bank Draft  
d) Credit/Debit Card  
e) All of the above

The correct answer is (E) All of the above. Cash receipts also include U.S. coins, wire transfers, electronic payments, money orders, traveler’s checks, cashier’s checks and foreign drafts (but not foreign currency).
Cash receipt risks include noncompliance with state tax regulations and tax liabilities and penalties.

a) True
b) False

The correct answer is (A) True. Risks also include lost or stolen currency and checks/counterfeit currency as well as budget shortfall.
Within what timeframe should cash receipts be deposited to the Finance department?

a) 5 business days  
b) 1 hour  
c) 3 business days  
d) 1 business day

The correct answer is (D) 1 business day. All cash receipts should be locked in a secured location while in the department’s possession and limited to authorized individuals only until they can be safely delivered to Accounts Receivable or the Foundation.
What is one of the most important controls in the cash collection process?

a) Giving receipt to the customer
b) Management intervention
c) Segregation of duties
d) Collecting the cash

The correct answer is (C) Segregation of duties. A different person should be involved in each step of the process. Remember the ABC’s of segregation of duties: A for asset handling; B for booking; and C for comparison.
Which WSU policy speaks directly about cash receipts?

a) 13.14  
b) 13.01  
c) 20.23  
d) None of the above

The correct answer is (B) 13.01 – Deposit of Cash Receipts.
No matter who is collecting, depositing and reconciling the cash, the budget officer and management are ultimately accountable.

a) True
b) False

The correct answer is (A) True.
What is a change fund?

a) Used for cashing checks.
b) To provide loans to students.
c) Used as cash funds for making change when receiving amounts due to the State.
d) To purchase office supplies for the department.
e) All of the above

The correct answer is (C) Change funds are used as cash funds for making change when receiving amounts due to the State.
AR is here to help!

- **External Billing Authorizations**
  - Accounts Receivable has the ability to bill external customers on behalf of departments.
  - Contact wsu3rdparty@wichita.edu for more information.

- **Departments unable to collect on account receivables can be handled by AR through our collection process.**

- **Web Departmental Deposits**
  - Accounts Receivable can assist departments in setting up their web departmental deposit account in TouchNet. Training will also be provided in a classroom setting.
  - Cashiers in AR can then verify and complete the deposit, eliminating the need for any duplication of keying.

- **Marketplace**
  - Provides campus departments an easy way to create web storefronts where customers can select and pay for items in that store.
  - Great for on-line conference registration.
  - Contact Clarice Maseberg for more information.
QUESTIONS?

For WSU Accounts Receivable call ext. 3070 or email wsuacaccountsreceivable@wichita.edu

For the Foundation, call ext. 3816 or email skip.swearingen@wichita.edu