

CASH HANDLING

POLICY OVERVIEW

All University of Wisconsin Stout's departments that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Supervisors in University Departments are responsible for establishing and maintaining the proper environment of internal controls and review.

Internal controls are necessary to prevent mishandling of funds and to safe guard against loss/theft. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities.

PROCEDURES

A. Before handling cash, all Departments should:

1. First, have the approval of the Cashier's Office. If necessary, departments can request change funds from the Cashier's Office in writing.
2. Obtain a blank receipt book from University Stores unless a cash register is used. **RECEIPT BOOKS MUST BE OBTAINED FROM UNIVERSITY STORES. NO OTHER RECEIPT BOOKS ARE ALLOWED.**
3. Keep cash in locked cash box unless a cash tray or other secured device if available.
4. Have the ability to secure funds in a safe or locking file cabinet when not in use, which is located in a locked office.
5. Have a procedure in place for changing combination/keys of secured devices when there is an employee change.
6. Have at least one locking money bag for transporting money.
7. Designate one person to be responsible for the funds.
8. If deposits total (checks and cash) \$400.00 the Protective Services Department should transport in a locked bag to the Cashier's Office. If less than \$400.00, two people should transport money to the Cashier's Office (one must be a permanent employee). Bags can be obtained through the Cashier's Office or purchased by departments.

B. Cash Handling

1. All transactions must be receipted. This is for your protection as well as the customer. Make sure when making change that you keep the money visible to customer until transaction is complete or verified.

- a. Receipts should be completed immediately when the transaction is made. Receipt numbers should be recorded on each check in the lower right portion above the signature.
 - i. The payer should be given original receipt if a receipt book is used. The carbon copy should be left in the book. If a receipt is voided the original receipt must be attached in the receipt book. Skipped receipts should be voided with the original kept in the receipt book.
 - ii. Cash registers should be placed to enable the payer to see what is being rung up. The machine printed receipt should be given to the payer.
 - iii. For ticket sales, the pre-numbered ticket given to the payer is the receipt and no other receipt is necessary.
 - iv. Concession vending sales are an exception to the rule and receipts are not required. In this case, cash is controlled through tight inventory control. New concession operations should contract the Bursar's Office to set up proper procedures.
2. Checks transacted should be made out to UW-Stout, may be written for amount of purchase only, and should be immediately restrictively endorsed with department's endorsement stamp at follows:

For Deposit Only
 -Department Name-
 University of Wisconsin-Stout

This needs to be stamped within the upper 1 1/2 inches of check. It is advised that you always make certain that the check is signed making sure the preprinted name and signature agree. Verify that the correct amount has been entered in the numerical portion and written portion are the same. Also check that the bank and address are noted on check.

3. Post dated checks should not be accepted for payment. Never agree to hold a check for anyone.
4. IOU's borrowed against starting cash or non-deposited receipts are prohibited.
5. Cash handling accounts are designed for transacting business and should not be used as a check-cashing fund for student or staff. The Service Center (MSC) has a check cashing service. A check cashing service for staff is available through the Cashier's office.
6. Refunds cannot be made out of receipts. If a refund is needed, a refund should be sent to the Account Payable Department indicating the account number, date of receipt, amount of receipt, amount to be refunded, who to refund to and an explanation if necessary.
7. Checks should be written on a US bank drawn on US currency. Foreign checks if accepted, need to be processed in a different process by contacting the Cashier's Office. A process fee maybe charged and/or a different exchange rate could cause a balance due or a refund. Please contact the Cashier's Office with questions.

C. Deposits

1. Receipts should be deposited at least semi-weekly, depending upon volume, and more frequently if volume or safety for storage makes this necessary. The following Wisconsin State Statute relates to the receipt and deposit of monies. You are reminded that this statute must be followed, under penalty of section (4).

S.S. 20.906

"(1) Frequency of Deposits. Unless otherwise provided by law, all monies collected or received by any state agency for or in behalf of the state, or which is required by law to be turned into the state treasury, shall be deposited in or transmitted to the state treasury at least once a week..."

"(4) Penalties. If any state agency neglects or refuses to make such deposits of money or to make such reports as are required by this section, the department of administration, with the approval of the governor, shall withhold all monies due with; and upon such failure to make such deposits of money, the officer or official so failing shall be liable to the state treasurer for an amount equal to the interest upon the monies so withheld from deposit at the same rate as that the period for which such deposit is withheld; and such interest shall be a charge against said officer or official and shall be deducted from his compensation."

Please note that S.S. 20.906 (1) reads "...at least once a week..." Departments, which collect larger sums of money, should deposit them more frequently than once a week.

2. All departments should complete the following standardized deposit form (below are instructions for completing form) when depositing cash with the Cashier's Office. Any variance should be noted as an over/short entry. These are available through University Stores.
3. Deposits should be presented to the Cashier's Office, first floor Administration Building between 8:30 a.m. and 4:00 p.m., Monday through Friday.
 - a. When receipt books are used, they should be dated and stored for audit in the department.
 - b. When a cash register is used, the register taped should be dated and stored for audit in the department.
 - c. When tickets are used, a record of ticket numbers sold for each deposit should be on file in the department. Unused tickets should be stored in a secured cabinet.
 - d. Concession sales/inventory reduction reports for each event should be stored for audit in the department.

DEPOSIT FORM INSTRUCTIONS

When filling out a deposit form make sure information given is complete and accurate. See attachment #1 for example.

1. Department Name
2. Coin/Currency/Check/Credit Card Distribution and Total Deposit.

All entries in this area must equal Total Deposit amount on bottom line of lower half of form.

Currency

Keep currency all facing the same direction.

Paper clip: 1's in \$25.00
 5's in 100.00
 10's in 250.00
 20's in 500.00

Keep the coin separate from currency & checks.

Checks included in deposit must have 2 adding machine/calculator tape attached.

Credit card copies sent with deposit are the two white copies.

3. Account, code, including class code(s).
4. Sales Tax

Class code for State Tax 9990
County Tax 9972

Please enter each tax amount separately. Do Not list Total Tax (State and County combined) as an entry.

To compute Sales Tax on Gross Receipts (Total Deposit)

Take Gross Receipt / 1.055
Take the sum of this * .055 = Total Tax

Take Tax / 11 = County Tax

Take Tax - County Tax = State Tax

Example: total Deposit/Gross Receipts = \$35.00
\$35.00 / 1.055 = 33.18
33.18 * .055 = 1.82 (Total Tax)
1.82 / 11 = .17 (County Tax)
1.82 - .17 = 1.65 (State Tax)

5. Total Deposit
All entries in lower half of deposit form must equal the total amount of money deposited.
6. Sign, fill in building, room number, phone extension number, and date the form.
7. Send White and Yellow copies of deposit form with money to Cashier's office via Protective Services. (Pink copy is for your records.)

ACCOUNTS

University departments cannot possess an outside bank account. All collections must be deposited to official University accounts by departments operating them. Exceptions to this policy are unofficial UW-Stout activities (activities that are in some way connected with Stout, but are not official University functions) such as faculty and student clubs and organizations. These types of activities are encouraged to set up an Agency Funds Account with the Student Business Services Office.

Agency Funds accounts are kept separate from State funds, and thus, are not regulated by State guidelines and restrictions as University accounts are. There is no charge to the organizations, and each account is kept separate internally and accounted for as such. This means that each account essentially receives free checking and "automatic bookkeeping." No interest will be credited to any account deposited within the Agency Funds Account. Deposits to Agency Funds account are made directly to the Student Business Service Office (Room 126, Administration Building), and whenever a check is needed, it will be provided upon request (phone call) with written documentation to follow as protection to the organization. For more information regarding the Agency Funds Account, or to set up such an account, call extension 2347.

SECURITY

Obviously, precautions should be taken when handling cash. If \$400.00 or more cash is handled, it is advisable to utilize the services of the University Police (x2222) to transport money to the Business Office for deposit. There is an after hours depository available on the east side of Administration Building for after-hour deposits. For large deliveries after hours you will need to contact the Cashier's office for a depository key. Cash should be locked in a secure place if not deposited daily and whenever staff members leave the area where cash is kept. (A locked file or cabinet and inside a locked office if not in a safe.)

Any department involved with handling cash is responsible for posting notice of procedures to follow to safeguard cash in the event of robbery, fire, or fire drills. For additional information, please contact the Cashier's Office, the Internal Auditor or the University Police Office.

Some other considerations with regard to security are as follows:

- A minimal number of people should be allowed to have access to cash; however, adequate separation of duties must be insured.
- More than one person should be present when cash is being handled.
- Student "staff" members should be required to report receipts and any resulting variances to the Advisor on a daily or regular basis.
- Employees should be careful to not be lured away from the area where cash is kept.

SALES TAX LIABILITY

The following link is the sales tax web site for the Department of Revenue Tax guide for colleges and Universities <http://www.dor.state.wi.us/pubs/01pb204.pdf>