

Bursar's Office Guidance to Fiscal Officers

Collection and Deposit of Cash, Checks, and Other Receipts

Fiscal Officer Responsibility

Fiscal officers are responsible for all financial activity in their Budget Purpose (account). They must establish procedures to prevent and detect errors or theft. These procedures are often called internal controls.

The Bursar's Office has provided this document as a tool for fiscal officers to design and assess their internal controls for one important activity: the collection and deposit of cash, checks, and other receipts.

As clarification, "receipts" refers to payments received from customers in cash, check or payment (debit/credit) card; "sales receipt" refers to the paper slip given to a customer as evidence of a payment transaction; "deposit receipt" refers to the paper slip given by the Bursar's Office to the individual making a departmental deposit.

Overview of This Guidance

Departments must follow the ***Cash, Payment Card and Gift Card Handling Guidelines*** on the Bursar's Office website.

In addition, fiscal officers must ensure **Segregation of Duties**, as described on page 2 below.

- **Sample Department Receipts Handling Procedures** on page 3 show how duties can be adequately segregated even in small departments.

A department's receipt handling should be documented, then reviewed annually to ensure safeguards remain in place.

- Fiscal officers may use the **Department Receipts Handling Questionnaire** on pages 4 – 7 to document how cash, checks, and other receipts are handled.
- They may use the **Annual Review of Department Receipts Handling** form on page 8 each subsequent year to review procedures for changes. The Department Receipts Handling Questionnaire should be updated for significant changes.

Segregation of Duties

Segregation of duties ensures that no one individual can control a transaction from beginning to end. Involving multiple people helps detect errors and prevent fraud or theft. No single set of procedures for collecting and depositing receipts will fit all departments, but every department must have segregation of duties built into their processes.

There are four basic steps to receipts processing:

1. Collect the payment from the customer
2. Record the collection in department records
3. Prepare the deposit
4. Reconcile department records to AIS

It is preferable that each step be completed by a different individual. But for smaller departments this is not always feasible. At a minimum, steps 1, 2, and 3 may be performed by one person but step 4 (reconciliation) must be done by someone **not** directly involved in collecting, recording or depositing receipts.

Department records (step 2 above) may be:

- cash register tapes
- manual collection logs
- reports from various electronic records or software programs
- accounts receivable records

Whatever their form, these departmental records show what *should have been deposited* into the budget purpose account. AIS reports show what *actually was deposited* into the budget purpose account. A reconciliation of the department records to AIS (step 4 above) could detect:

- mistakes (e.g., the Bursar's Office recording a deposit into the wrong AIS account)
- late deposits (e.g., department records show receipts were held more than a week)
- theft/fraud (e.g., checks and credit card receipts are deposited but cash is withheld)

An individual tempted to steal department receipts may be deterred just by knowing that reconciliations are performed routinely.

Document that the reconciliation was completed, including who, when, issues noted, and how discrepancies were resolved.

Sample Department Receipt Handling Procedures

Department ABC collects payment from individuals who participate in workshops or seminars. Department ABC accepts cash, checks, and credit cards as follows:

- 1. Collect the payment from the customer, issue a sales receipt, and record the collection in department records – Mr. Jones, Department Receptionist**
 - a. Accept cash, checks and credit card payments from customers over-the-counter and by mail. Record payments in daily control log (Excel spreadsheet) and provide customer a sales receipt from pre-numbered duplicate sales receipt book.
 - b. Stamp the back of the check with an endorsement “For Deposit Only: SIUE Department ABC, Budget Purpose 74XXXX”.
 - c. Store cash, checks and credit card slips securely.
 - d. At end of day run calculator tape of checks, cash collected, and credit card slips.
- 2. Prepare the deposit and reconcile department records to AIS – Ms. Anderson, Staff Assistant**
 - a. Count checks, cash collected and credit card slips and ensure they equal the amount recorded in daily control log.
 - b. Prepare collection report and deliver to Bursar’s Office.
 - c. Accept deposit receipt from Bursar’s Office and compare the total on deposit receipt with the collection report. File the Bursar’s Office deposit receipt.
 - d. At end of the month, calculate total receipts for the month in the daily control log.
 - e. At end of the month, calculate total receipts for the month from the pre-numbered duplicate sales receipt book.
 - f. At the end of the month, obtain attendance reports from workshops and seminars; calculate total receipts that should have been paid by participants. Prepare a monthly and year-to-date summary of workshop and seminar fees based on the attendance reports.
 - g. After month-end, obtain the Funds Available-Report of Transactions from AIS for Budget Purpose 74XXXX. Compare the monthly total of receipts on the Funds Available-Report of Transactions to the daily control log monthly total (2d), the sales receipt book monthly total (2e), and the attendance reports monthly totals (2f). If amounts do not agree, check daily amounts to identify differences. Investigate differences by examining Bursar’s Office deposit receipts, credit card closing reports, daily control log, and sales receipt book. Resolve discrepancies; make notes, sign and date reconciliation.
- 3. Review monthly reconciliation and compare actual to expected results – Ms. Smith, Fiscal Officer**
 - a. Review the Staff Assistant’s monthly reconciliation of Funds Available-Report of Transactions to daily control log, to paper receipt book monthly total, and to attendance reports monthly totals. Ensure that differences are explained. Sign and date.
 - b. Compare actual year-to-date receipts to budget. Explain differences.

Department Receipts Handling Questionnaire

Department Name:

Budget Purpose #:

Fiscal Officer:

Questionnaire Completed by:

Date Completed:

Instructions: Receipt handling processes should be documented and reviewed annually. Fiscal officers may use this Questionnaire to document important aspects of their receipt handling.

1. What departmental activities result in collection of receipts? How frequently does your department collect receipts (daily, weekly, quarterly, or annually)?
2. What is the average dollar amount of transactions each day, week, or month (please specify)?
3. For the most recent fiscal year, what dollar amount of receipts was collected (designate year and approximate amount)?
4. Who collects the receipts (list names)?
5. In what form are the payments received? (mark with an "X")

	In Person		By Mail		Online
	Cash		Check		e-Check (or ACH)
	Check				Debit/Credit Card
	Debit/Credit Card				Wire transfer

6. Do you issue sales receipts for payments?
 - ☐ Yes
 - ☐ NoIf yes, how is the sales receipt prepared?
 - ☐ Manually
 - ☐ By machineFor which transactions are sales receipts issued (check all that apply)?

- Payments received in person
- Payments received by mail
- Payments received online

For which transactions are sales receipts issued (check all that apply)?

- Check payments
- Cash payments
- Debit/Credit Card payments
- Other (please specify):

What information is contained on the sales receipt (please specify):

7. If you accept cash, are there instances when your department must make change?
If yes, are you aware that Department Change Funds must be issued by the Bursar's Office?

8. Who opens the incoming mail?

9. Does your department have a control log for checks received by mail?

10. What information is kept on the control log?

- Date Payment was Collected
- Payer Name
- Amount
- Check Number
- Purpose of Payment
- Other – please specify:

11. Upon receipt of a check is it endorsed on the back? If yes, how is it endorsed?

12. Who prepares the deposit and collection report?

13. How frequently are deposits made with the Bursar's Office?

14. Does your department ever refund customers for previous payments?

- ☐ Yes
- ☐ No

If yes, is the customer required to provide the initial sales receipt?

- ☐ Yes
- ☐ No
- ☐ Other – please specify:

Is the customer required to sign for the refund?

- ☐ Yes
- ☐ No

Is supervisor approval required on refunds to customers?

- ☐ Yes
- ☐ No

15. Who reconciles department collection records to the AIS Funds Available-Report of Transactions? How frequently is the reconciliation completed?

16. If the Bursar's Office cashier made a keying error and your deposit was given to the wrong department, how would it be detected? When would it be detected?

17. If a staff member accepts a payment from a customer and does not record it , how would it be detected? When would it be detected?

18. If a staff member voids a transaction and keeps the money, how would it be detected? When would it be detected?

19. If a staff member processes a customer refund on the department records but actually steals the funds, how would it be detected? When would it be detected?

20. If an error or fraud were to occur in your department, does your department retain sufficient records to enable a thorough investigation? How long does your department keep receipt records?
21. Where are funds physically stored during the day?
22. Where are funds physically stored overnight?
23. Have you read the *Cash, Payment Card and Gift Card Handling Guidelines* available at the Bursar's Office website www.siue.edu/bursar?
24. If your department accepts debit/credit card payments, does everyone who handles debit/credit cards complete annual Payment Card Industry-Data Security Standard (PCI-DSS) training?

Annual Review of Department Receipts Handling

Department Name:

Budget Purpose:

Fiscal Officer:

Annual Review Completed by:

Date Completed:

Instructions: After completing the *Department Receipts Handling Questionnaire*, fiscal officers may use this form each year to document changes in department operations that impact receipts handling. The *Department Receipts Handling Questionnaire* should be updated for significant changes.

1. When was the most recent *Department Receipts Handling Questionnaire* completed for your department? What were your annual receipts then and now?
2. Which employees have left the department since the last update of the Department Receipts Handling Questionnaire? (list names) Has their access to systems, lockbox, doors, etc. been removed?
3. Were any of these individuals responsible for collecting and recording receipts, preparing deposits, or reconciling records to AIS? If yes, who is now performing these duties?
4. Have new staff members been adequately trained on their responsibilities for processing or reconciling receipts?
5. Have technology changes altered the processing of cash, check, or credit card receipts? If yes, are safeguards in place to detect errors or fraud in a timely manner?
6. Have any other changes in department operations altered department receipt processing? If yes, have you updated your written department procedures?
7. Since your most recent update of the *Department Receipts Handling Questionnaire*, have you made, or do you intend to make, improvements to internal controls? Please describe.