



UNIVERSITY OF MASSACHUSETTS
TREASURER'S OFFICE

Treasurer's Fiscal Procedure No. 08-02
Effective Date: April 2008

Fiscal Procedure – Cash and Check Handling

General

- Bank Accounts may only be opened by the University Treasurer's Office. Any bank account that has been opened with University/Campus funds and has not been authorized by the University Treasurer's Office must be closed immediately.
- Electronic communications should not include full bank account numbers, only the last four digits of the account number should be visible.

Receipts

- Checks should not be made out to cash.
- Checks should be made out to the exact amount of the purchase.
- The cashing of personnel or personal checks should be prohibited.
- Checks must be endorsed upon receipt as "For Deposit Only" and deposited in a timely manner.
- Deposits must be made daily to the bank and recorded daily in the General Ledger. This includes all cash, checks and credit card activity.
- Deposits held for next day processing should be secured in a locked location with limited access.
- Procedures for access to locked locations, (i.e. safe), and combination changes should be documented and periodically reviewed and updated as needed.
- Foreign Item checks must be separated and manually submitted to the Bank for collection.
- All receipts should be recorded on a control sheet (cash log, ticket sales sheet, cash register tape); control sheet should be reconciled upon shift change and daily to actual results/amounts to be deposited, signed by responsible party and supervisor; and filed with deposit information. Employees collecting revenue should be assigned separate register drawers or access codes.
- Receipts should never be used for purchases or to establish a starting change fund. Petty cash and starting change should be requested from the respective campus Controller's office.
- Access to receipting areas should be restricted to necessary personnel.
- Checks returned for non-sufficient funds (NSF) should be posted to the G/L; Remote area should attempt to recoup funds as soon as possible requesting that replacement funds for NSF checks be in the form of cash, certified check, or money order.

Campus Practices

- Business process at all revenue collecting areas should be documented and updated annually or as needed.
- To ensure adequate segregation of duties, personnel preparing bank deposits should not also prepare the Journal Entry (JE) to record cash to the General Ledger (GL). If this is not practical, adequate segregation should be maintained between cash collection and posting credits to subsidiary accounts, (i.e. student accounts). The subsidiary systems must then be reconciled by personnel other than those collecting cash.

- All cash overages, shortages and/or thefts in an amount exceeding \$50 must be reported to the campus bursar immediately upon discovery. The campus will then follow applicable Chapter 647 Internal Control reporting procedures. These items should be recorded in the GL.
- Deposit correction notices, DCN, should be acted upon immediately.
- Whenever possible, deposits should be centralized.
- Centralized deposits should be verified by the receiving location prior to acceptance.
- Deposits should include a full description of the recording department and appropriate Chartfields.
- Deposits should be transported in a locked bank bag in a method determined by the campus.
- Remote locations depositing directly to the bank should coordinate GL posting with the person responsible for account reconciliation.
- Remote revenue collecting areas should be reconciling centralized revenue postings to the GL on a monthly basis using PeopleSoft reports.
- Any significant accounts receivable (A/R) maintained by remote collection areas needs to be reflected in the GL. These subsidiary A/R listings should be reconciled to the GL monthly/periodically.

General Ledger Posting and Reconciliation

- Each bank account should have a dedicated person and a back-up responsible for reconciliation of bank and GL.
- Cashiering and other interface files should be submitted daily for posting to GL.
- Manual JE's to record cash or deposit corrections should be made in a timely manner.
- Personnel responsible for account reconciliation should download bank data daily.
- Personnel responsible for account reconciliation should complete the Reconciliation Template provided by the University Treasurer's Office and submit it in a secure format by the end of day on the third business day following the end of the month.
- Personnel responsible for account reconciliation should confirm daily GL transactions listed on the University Treasurer's Office report. Any discrepancies should be reported to the University Treasurer's Office immediately.
- Any changes to personnel responsible for account reconciliation should be reported to the University Treasurer's Office.
- Bank access for personnel responsible for account reconciliation is coordinated by the University Treasurer's Office.

Bank Supplies

- Supplies such as deposit bags and deposit slips should be ordered through the University Treasurer's Office.
- Endorsement stamps can be ordered by the campus but should reflect the accurate bank name and account information. Stamps should also have the restrictive endorsement of "For Deposit Only".

NOTE: Failure to follow Treasurer's Policy 08-02 subjects bank accounts and related privileges to forfeiture by the University Treasurer.