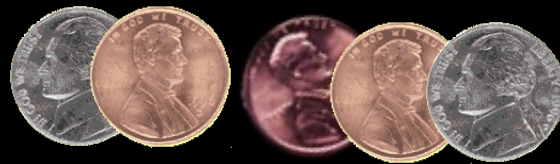




University of Iowa Student Organization Cash Handling Training Presentation



The following presentation has been modified from the official University of Iowa Accounting and Financial Reporting cash handling policy by the Student Organization Business Office (SOBO) exclusively for use by recognized student organizations.

SOBO

Monday-Friday 8:00am-4:30pm

Phone #: 335-3065

E-mail: sobo@uiowa.edu

Website: imu.uiowa.edu/sobo

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.

Segregation of Duties

Security

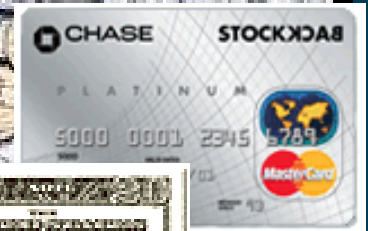
Reconciliation

Documentation

What is included in “Cash Handling” ?

It's not just “cash”. It includes the following:

- Coins
- Currency
- Checks
- Money Orders
- Cash Equivalents
 - Gift Cards
 - Tokens
 - Tickets
 - Stamps



First, lets talk about risk and controls....

Who or what is at risk?



The Money



You

WHY?

Risk?

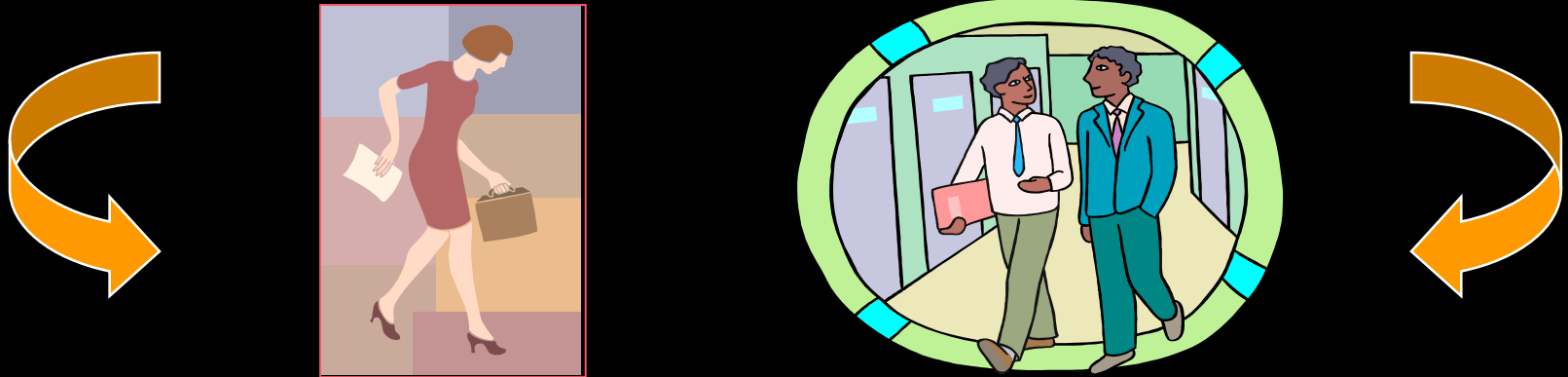


- ❖ Cash is stolen
 - ❖ Cash is lost
 - ❖ Statement doesn't agree with records
-

- ❖ No audit trail
- ❖ Finger pointing/Accusations
- ❖ Lost revenues

Risk and Controls!!

Remember – In the cash collecting process, YOU are just as important as the cash.....



The controls (rules) that we will discuss are designed to protect both YOU and the cash you are handling.

Segregation of Duties



This is the most important control in the cash collection process, and often, the most difficult to manage. A different person should be involved in each step: cash collecting, cash depositing, and reconciliation.

Model – Segregation of the Duties related to cash handling

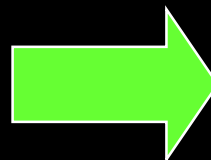


Reconciliation



**Receive
Cash**

Deposit



Before cash collection begins..... “The planning checklist”

“Controls”

Student organization develops a plan:

- ✓ **Is a change fund needed?**
- ✓ **How is cash received? Mail or in person?**
- ✓ **Who is going to collect and record the cash?**
- ✓ **How is the cash going to be secured?**
- ✓ **Who needs training?**



“Making change”

✓ *Is a change fund needed?*

If you are going to make change, then you need a change fund.

- A change fund and cash box (for rent) is available through The IMU Business Office (132 IMU)
- Keep amount at a minimum.
- Keep the cash safe! (More on that later)
- *Never, never make change from your personal cash!*



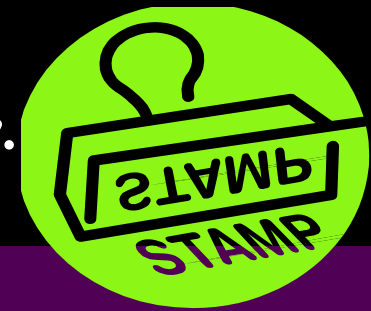
“Collecting the cash”

- ✓ *How is cash received? Mail or in person?*
- ✓ *Who is going to collect and record the cash?*

In person:

- ☆ Enter cash amount on a cash register or prenumbered duplicate receipts.
- ☆ Give one copy of receipt to the customer.
- ☆ **IMMEDIATELY RESTRICTIVELY ENDORSE CHECKS**
“For Deposit Only to the University of Iowa: (your organization name)”

You can use a stamp with this message or just write it on the back of the check – either works fine.



“Collecting the cash”

- ✓ *How is cash received? Mail or in person?*
- ✓ *Who is going to collect and record the cash?*

In person (continued):

- ☆ Only one person should have access to the cash register, receipts book or cash box during any one shift.
- ☆ Total receipts in the cash box at the end of each shift.
- ☆ If there is more than one person receiving cash at the same time, each person must have their own cash register OR cash box and cash receipts book.
- ☆ For proper segregation of duties, the person collecting cash can not have any other responsibilities related to cash handling including issuing refunds.

“Now that we have collected the \$\$\$\$\$\$, what do we do with it?”

- ✓ Secure
- ✓ Balance
- ✓ Deposit
- ✓ Reconcile



*Let's go back to
Our checklist.....*

“Securing the cash”

✓ How is the cash going to be secured?



- You must have a cash box that can be locked. The cash box must be secured and access limited to the person collecting the cash and his/her immediate supervisor.
- A cash box can be rented from The IMU Business Office (132 IMU).



“Securing the cash”

✓ **How is the cash going to be secured?**

It is very important to change the cash box or safe combination on a regular basis, at least once a year and when someone leaves the organization who knows the combination.



If you use keys to access the cash box or safe, then make sure that the keys are kept in a secure place.

“Securing the cash”

✓ **How is the cash going to be secured?**

✓ **WHILE IN USE.....**

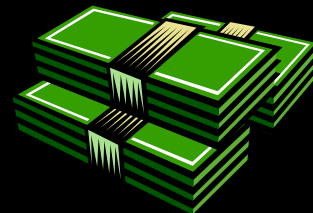
Each person collecting cash should have their own cash box when making change is necessary. While in use, change fund and collected cash must be secured in a cash box.



Balancing



**All cash receipts must be balanced:
Compare the total cash and checks in hand to the
records of cash register totals, pre-numbered
receipts, and money received by mail.**



‘The Drop-off’

- ❖ **After balancing, hand deliver money and completed *Report of Money Received Form* to The IMU Business Office (132 IMU).**
 - ❖ *Report of Money Received Form* is available at both The IMU Business Office and SOBO (159 IMU).
- ❖ **You are strongly encouraged to make these drop-offs daily.**
 - ❖ The IMU Business Office is open 8-5 M-F. After business hours, funds may be dropped at the Iowa House Hotel front desk

‘The Drop-off’

- ❖ **Keep all funds intact.**
- ❖ **The entire amount of cash collected must be deposited so that all receipts are posted as revenue to the organization’s account.**
- ❖ **None of the cash collected by the organization may be used prior to the deposit of the cash.**
 - ❖ **For example, the organization cannot use \$10 of its cash receipts to purchase postage and then reduce the amount of its cash deposit by the \$10 used. To do so would misrepresent the amount of sales receipts and the amount of expenditures incurred by the organization.**

Transporting Cash

When taking cash deposits to The IMU Business Office, please use common sense.

- Secure the cash and checks in a locked cash box.
- Don't be conspicuous.
- Don't take the same route or go at exactly the same time every day – don't be predictable.



Depositing

- **The IMU Business Office is the Deposit Preparer for student organizations**
 - **Money dropped off at the IMU Business Office or Iowa House Hotel is deposited weekly.**



Reconciling

- **The Student Organization Business Office (SOBO) is the Reconciler for student organizations**
 - **All student organization accounts are reconciled monthly.**
 - **Hard copy records are available for review for the past 5 years.**



SOBO Responsibilities



- **Review, revise, and issue this cash handling training presentation**
- **Review and reconcile all deposits on a regular basis**
- **Available during business hours to answer any relevant cash handling questions**

UI Cash Handling Website

Receive additional cash handling details, forms and templates, contacts, and links to other related sites:

<http://afr.fo.uiowa.edu/cash-handling>

