



# University of Iowa Cash Handling Procedures for Student Organizations



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 (by appointment only  
during the Pandemic)

Phone #: 335-3065

E-mail: [sobo@uiowa.edu](mailto:sobo@uiowa.edu)

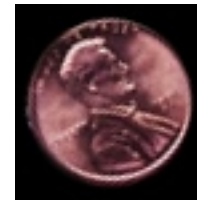
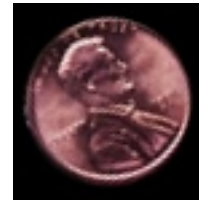
<https://leadandserve.uiowa.edu/student-organizations/sobo/>

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

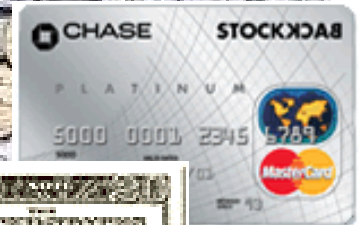
Reconciliation

Documentation

# What is included in “Cash Handling” ?

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

- Coins
- Dollars
- Digital 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

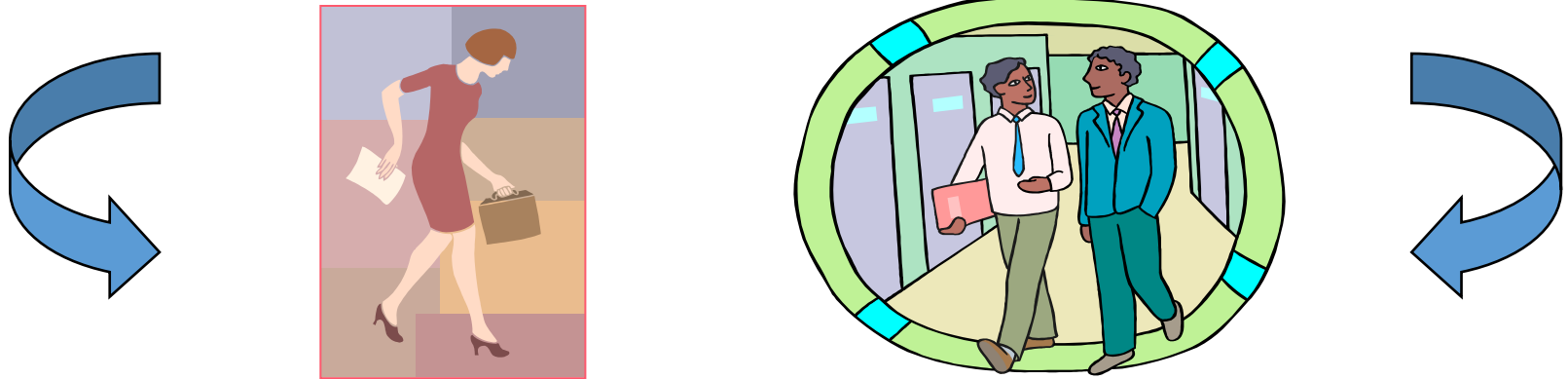


- 
- ❖ No audit trail
  - ❖ Finger pointing/Accusations
  - ❖ Lost revenues

# Risk and Controls!!

---

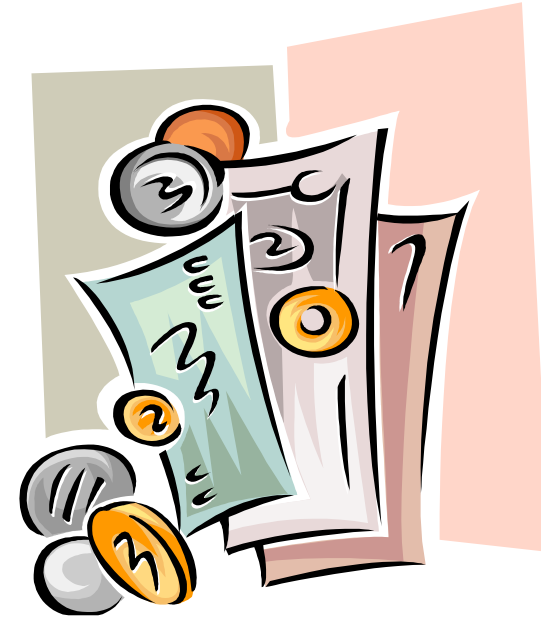
Remember – In the cash collecting process, YOU are just as important as the cash.....



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



## Segregation of Duties

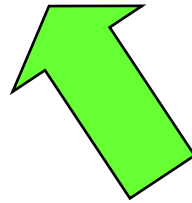


This is the most important control in the cash collection process, and often, the most difficult to manage. A different person should be involved in each step: cash collecting, cash depositing, and reconciliation.

# Model – Segregation of the Duties related to cash handling

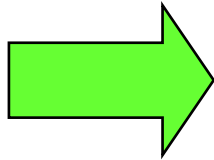


Reconciliation



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 pre-numbered 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.....

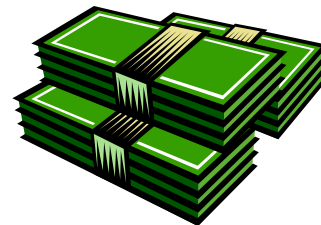
Each person collecting cash should have their own cash box when making change is necessary. While in use, change fund and collected cash must be secured in a cash box.



# 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.



## “Depositing”

---

- ❖ **After balancing, deposit the money and completed *Report of Money Received Form* at The IMU Business Office (132 IMU).**
  - ❖ *Report of Money Received Form* is available in 132 IMU
- ❖ **You are strongly encouraged to make these deposits immediately after collecting the money.**
  - ❖ **The IMU Business Office is open 8-5 M-F (appointment is needed during the Pandemic). After business hours, funds may be dropped at the Iowa House Hotel front desk**

# “Depositing continued”

---

- ❖ **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.



# Reconciling

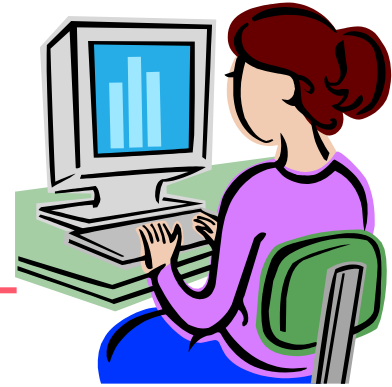
- **One student organization member should be assigned to reconcile deposits**
  - **Should not be involved in the money collection process**
  - **Should match University deposit records with the student organization cash receipts provided by the cash collector**
  - **Discrepancies should be investigated and corrected**





# SOBO Responsibilities

---



- **Review, revise, and make available this cash handling training presentation**
- **Review all University deposits on a monthly basis**
- **Keep copies of University deposits for 5 fiscal years**
- **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>

