

## **BGSU Firelands**

### **Cash Collection & Management Procedures**

The following approved cash collection and handling procedures are to be adhered to in any instance where monies are being collected, deposited, or handled on behalf of the University. Anyone who handles University monies should thoroughly read and understand the information contained herein.

Internal controls are necessary to prevent or detect any possible errors or irregularities involving monies. Internal control requires accountability to be maintained by:

- Limiting access to monies;
- Immediately recording payment transactions;
- Segregating duties;
- Billing on a timely basis; and
- Reconciling accounts.

Members of the faculty, staff, or student body who receive University monies are responsible for the collection, safekeeping, and deposit of all monies entrusted to them and for the safety of employees who handle the monies. For the purpose of Cash management, the term “monies” is defined to include cash, checks, credit card payments, money orders, and other negotiable instruments whether received in person, by mail, by e-mail, or by telephone.

The following is the *Cash Collection and Other Cash Handling Procedures* as found on the BGSU Office of the Treasurer website. It has been modified slightly to reflect the appropriate procedures for the BGSU Firelands campus.

### **Departmental Collection of Cash and Checks**

Cash and checks should not be collected by departments as a routine procedure. The collection of cash and checks is the prime responsibility of the Bursar's Office (Office of Budget & Operations at BGSU Firelands) and should be done at that office when practical. It is appropriate, in limited situations, that monies be collected by departments of the University other than the Bursar's Office or the Office of Budget & Operations. In such cases, prior authorization by the Office of Budget & Operations and the University Treasurer is required.

All cash and checks collected by a departmental/University activity that has used or been supported by University resources must be deposited to a University account. Such University activities where cash and checks may be collected include: performances, competitions, merchandise sales, and social activities.

The following cash and check collection procedures must be followed, if your department has been authorized to accept University monies:

- All cash and checks collected by a department must be deposited on a timely (generally daily) basis in the Office of Budget & Operations, unless prior arrangements have been made to use the night deposit facility at a University-designated bank.
- Checks accepted for payment are to be made payable to BOWLING GREEN STATE UNIVERSITY and immediately stamped "FOR DEPOSIT ONLY--Bowling Green State University" (may include a specifically authorized account). Departments are not authorized to cash checks.

- If possible, a cash register will be used to record the collection of cash and checks. When no cash register is available, pre-numbered receipt forms must be used to record the collection of cash and checks. The procedure to be followed when using the recommended three-part pre-numbered forms is:
  1. A copy of the receipt is to be given to the customer. Receipts must be completed indicating the date, customer's name, services rendered or items purchased, and the amount of sale. A separate line is to be used indicating Ohio sales tax collected (if applicable).
  2. A copy of the receipt is to be transmitted by the department to the Office of Budget & Operations together with the monies collected.
  3. A copy of the receipt must be retained for departmental files.
- Any other method of recording the collection of cash and checks must be approved by the Office of Budget & Operations and reviewed by the Internal Auditing Office prior to implementation.
- No cash collected shall be expended for departmental/University activities or expenses -- (petty cash funds must be established for this purpose). Individuals responsible for accepting cash and checks may be held personally liable for shortages of funds either through theft, loss or improper disbursement.
- Occasionally donors will send contributions to the University that might more appropriately be deposited with the Bowling Green State University Foundation. These contributions can be deposited with the Foundation as long as they do not represent receipts from an activity supported by University resources.

## Deposits

Cash and checks shall be deposited daily unless the amount of collections is small (less than \$50 weekly), in which case deposits may be made weekly.

When a deposit is made at the Office of Budget & Operations, attach an adding machine tape (or other listing) to the copies of the pre-numbered receipts. This tape reflects (a) the total amount of goods or services sold, excluding sales tax, (b) the total amount of sales tax, and (c) the total for the monies being deposited. The Office of Budget & Operations will enter into an income budget (to be identified by the department) the total amount deposited for goods and services. The amount of sales tax collected will be credited to a Balance Sheet Account by the Business Office.

The Office of Budget & Operations will provide the department with a receipt that will reflect the validated total of the deposit. This deposit receipt should be attached to the department's receipt forms (third copy of the pre-numbered receipts) and should be retained in the departmental files.

For units authorized to deposit cash and checks with the bank (currently none at BGSU Firelands), a transmittal sheet must accompany the deposit. Transmittal sheets are picked up at the bank by the Bursar's Office along with the bank's teller deposit receipt and the copy of the BGSU deposit ticket. The Bursar's Office will make the appropriate entries as noted above. The second (yellow) copy of the Bursar's Receipt will be sent to the department for verification of the deposit and its recordings.

## Security of Funds

All undeposited funds must be maintained in a locked cash box and when not in use shall be kept in a secure place, preferably a fireproof safe, to prevent loss. Funds are to be secured only in University buildings. Funds are not to be taken home or stored at a private residence or in a motor vehicle. Funds, even grouped funds, over \$1,000 must be stored in a fireproof safe in an alarmed room. Any further questions regarding security should be directed to the Office of Budget & Operations.

## Audit Procedures

All cash accounts are subject to audit by the Internal Auditing Office and the external auditors--audits may be scheduled or unannounced. If a cash register is used, keep tapes with a copy of the deposit slips from the Office of Budget & Operations. All voided receipts must be retained by the department for reference during audits.

## Loss of University Funds

Cash losses shall be reported by the custodian to the budget administrator and the Office of Budget & Operations (who will contact Internal Auditing) immediately so that a complete investigation and report can be made of the circumstances involved. When the required documentation and security procedures have been in place and a theft or mysterious disappearance of cash/checks occurs, a \$500 deductible per incident will apply. The \$500 deductible or the total loss, whichever is less, will be charged to the departmental budget. The remainder of the loss may be reimbursed to the department by the Risk Management Department upon notification from Internal Auditing.

If one or more of the following conditions are identified during Internal Auditing's review of the cash loss, the custodian may be held personally responsible for the total loss:

The collection activity has not been properly authorized.

The monies collected have been commingled with personal funds, petty cash funds, change funds, and/or BGSU Foundation funds.

Current, complete records of monies collected and deposits have not been maintained.

All monies collected have not been accounted for and reconciled to deposits.

Monies collected have not been deposited with the Office of Budget & Operations or bank on a timely (generally daily) basis.

Undeposited cash and checks have not been secured in a locked cash box and/or fireproof safe.

Expenditures have been made from the monies collected.

## Loss of Personal Funds

Contact the Office of Budget & Operations or the Erie County Sheriff's Office when there is a loss of personal funds so that an investigation and report can be made of the circumstances. However, neither individuals nor departments will be reimbursed for the loss of personal funds. Personal funds include flower funds, coffee funds, and the like. Contact the Office of Budget & Operations (Internal Auditing) for an audit of the loss if there is a question whether the funds are personal or University funds.

Please note that monies received should be deposited at the Office of Budget & Operations intact within *twenty-four (24) hours of receipt*. When less than \$50.00 is involved, monies may be accumulated for up to one week. No checks shall be cashed, no purchases shall be made, and no substitution of cash, checks, or other documents made from the actual monies received. The Office of Budget & Operations is the centralized location responsible for the cashiering, depository, and collection functions on the BGSU Firelands campus. Questions regarding specific procedures for fundraising activities, events, etc. should be directed to the Office of Budget & Operations. The Office of Budget & Operations is located in Room 136, Foundation Hall.