

Complete Policy Title: CASH CONTROL POLICY	Policy Number (if applicable): n/a
Approved by: AVP Administration	Date of Most Recent Approval: March 2009
Date of Original Approval(s): October 16, 1989	Supersedes/Amends Policy dated:
Responsible Executive: Director, Finance	Enquiries: Accounts Receivable Inquiries
<i>DISCLAIMER: If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails</i>	

POLICY

It is University policy ["Policy"] that all deposits must be:

- properly receipted
- promptly and accurately recorded
- promptly and completely deposited to the respective Financial Services offices designated for the particular locations;
- appropriately safeguarded; and,
- promptly reconciled to the accounting ledgers.

Scope

This Policy covers the processing of cash, cheques and electronic payments (Point of Sale ["POS"], Virtual Terminal and E-commerce) and the holding of Key Deposits.

OTHER RELEVANT POLICIES/DOCUMENTS

Petty Cash: <http://www.mcmaster.ca/bms/policy/finance/pettvcash.pdf>

Acceptance of Payment Cards Policy: <http://mcmaster.ca/bms/pdf/PaymentCardPolicy.pdf>

On-Line Cashiering: http://www.mcmaster.ca/bms/BMS_FS_Online_Cashiering.htm

GENERAL AND SPECIFIED GUIDELINES

The following principles, processes and procedures are to be adopted:

General Guideline:

All payer source documents (invoices, registration forms, remittance advices, correspondence, etc) must be (i) maintained by the respective collecting area and (ii) used in the preparation of the deposit.

Specified Guidelines:

- Segregation of incompatible [i.e., cash handling vs. accounting] functions and duties.
- Appropriate written procedures, tailored for each area.
- Prompt depositing of all collections to the designated Financial Services office.
- Restriction on the use of deposit monies [i.e., funds cannot be used to pay other expenses or distributed for any purpose prior to deposit].
- Inclusion of US funds intact in the deposit.
- Only deposits which do not include cash can be left in a drop box, or transmitted through the University's Mail Services.
- Requirement that all cheques be made payable to McMaster University.
- Provision and training of back up employees for deposit preparation.
- Depositing of amounts over \$500 daily; if daily receipts are less than \$500, deposits will be made weekly.
- Storage of non-deposited cash or cheques in a locked and fireproof safe, cabinet or locked box with restricted access.
- Treatment of post-dated cheques in the same manner as regular cheques and cashed on the respective cheques dates.
- Preparation of deposits by a person other than the person collecting the cash.
- Comparison of deposits to the monthly account statements [to ensure that all the funds were (i) deposited to the appropriate accounts and (ii) accounted for].

DEPARTMENTAL DEPOSITS – LESS THAN \$500 DAILY

Typically, these deposits circumstances occur where (i) there is less than one low value deposit per week and (ii) the department does not have E-Commerce and On-Line Cashiering.

The following principles, processes and procedures are to be adopted:

- Opening of cheques received in the mail by a person other than the person preparing the deposit.
- Preparation of a list of the cheques (cheque log) by the person opening the mail.
- Preparation of a list of names of persons paying cash (cash receipt log)
- Preparation of a pre-numbered, duplicate receipt, the original of which is given to the payer; the control (duplicate) copy will be maintained in numerical order by the issuing department; all copies must be kept including voided receipts.

Departmental Deposits – Manual [continued]

- Reconciliation of the deposit to the cheque log, cash receipt log, or cash register tape reading.
- Review of the deposit and agreement to the (i) official cash receipt and (ii) supporting deposit back-up documents (cash register tapes, cheque log, etc.) by a person other than the person preparing the deposit.
- Securing large deposit amounts in a locked bag and having them escorted over to Financial Services with Security staff, or be taken by Security Services that day.

DEPARTMENTAL DEPOSITS – OVER \$500 DAILY

Typically, there is more than one deposit per week including cash, e-commerce and /or cheques.

The following principles, processes and procedures are to be adopted:

- All POS, Virtual Terminal and e-commerce users must be registered to use On-Line Cashiering and to follow the guidelines included in the Acceptance of Payment Cards Policy which can be found at <http://mcmaster.ca/bms/pdf/PaymentCardPolicy.pdf>
- Procedures for processing and balancing On-Line Cashiering deposits can be found at the ‘Student Accounts and Cashiers’ website http://www.mcmaster.ca/bms/BMS_FS_Online_Cashiering.htm

CHARITABLE DONATIONS

All cheques for charitable donations MUST be deposited with the Advancement Services offices.

UNKNOWN PAYMENTS

Payments received without indication of purposes and/or reason must be forwarded to Financial Services. A list will be available for reference on the ‘Student Accounts and Cashiers’ website @

http://www.mcmaster.ca/bms/student/pdf/unknown_pmts.pdf

KEY DEPOSITS

Key deposits are received in areas requiring deposits for keys issued and held for varying lengths of time.

The following principles, processes and procedures are to be adopted:

- Permission to hold deposits must be requested in writing from Financial Services. The request should include:
 - purpose
 - total expected holdings
 - length of time in safekeeping; and,
 - description of the secure location (including access thereto).
- All cash and/or cheques received should be recorded in a list of depositors noting name, amount of deposit, date and reason for the deposit.
- Pre-numbered duplicate receipts should be prepared and the original copy given to the payer; the duplicate (control) copy should be maintained in numerical order by the department.
- The control copy of the receipt should be reconciled to the list of depositors on a regular basis by a person other than the person who maintains the list.
- The cash and cheques should be kept in a locked and secure safe until they are returned to the payer; cash and cheques totaling more than \$100 must be deposited to Financial Services.
- When the cash or cheque is returned to the payer, this refund should be noted on the original listing of depositors.