

Administration Policy

Complete Policy Title: CASH CONTROL POLICY	Policy Number (if applicable): FS-01
Approved by: AVP Administration	Date of Most Recent Approval: March 2016
Date of Original Approval(s): October 16, 1989	Supersedes/Amends Policy dated: March 2009
Responsible Executive: Director of 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>	

SCOPE

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

POLICY

It is University 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.

GENERAL AND SPECIFIED GUIDELINES

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

General Guidelines

- 1) All payer source documents (including 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.
- 2) All cheques must be made payable to McMaster University.
- 3) Foreign exchange funds, including US funds, must be deposited through the Cashiers' Office in the currency received.

Specified Guidelines

Departments must maintain appropriate written procedures, tailored for each area, which will meet or exceed the following standards:

- 1) Segregation of incompatible functions and duties [i.e., cash handling vs. accounting].
- 2) Prompt depositing of all collections to the designated Financial Services office.
- 3) Restriction on the use of deposit monies. In particular, funds cannot be used to pay other expenses or be distributed for any purpose prior to deposit.
- 4) Only deposits which do not include cash may be left in a drop box, or transmitted through the University's Mail Services.
- 5) Departments must have back up employees trained in deposit preparation.
- 6) Amounts over \$500 must be deposited daily. If daily receipts are less than \$500, deposits may be made weekly.
- 7) Non-deposited cash or cheques must be stored in a locked safe, cabinet, or locked box with restricted access.
- 8) Post-dated cheques must be treated in the same manner as regular cheques and cashed on the respective cheque date(s).
- 9) Deposits must be prepared by a person other than the person collecting the cash.
- 10) Deposit documentation must be reconciled to account statements on a monthly basis to ensure that
 - (i) all funds were deposited to the appropriate accounts; and
 - (ii) all funds are accounted for.

DEPARTMENTAL DEPOSITS – E-COMMERCE and VIRTUAL TERMINAL USERS

All POS, Virtual Terminal and e-commerce users must,

- (i) Be registered to use Mosaic Accounts Receivable Module,
- (ii) Receive training from the appropriate Financial Services office, and
- (iii) Follow the guidelines included in the Acceptance of Payment Cards Policy

<http://mcmaster.ca/bms/pdf/PaymentCardPolicy.pdf>

DEPARTMENTAL DEPOSITS – CASH AND CHEQUES

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

- 1) Amounts over \$500 must be deposited daily. If daily receipts are less than \$500, deposits may be made weekly.
- 2) Mail containing cheques is opened by a person other than the person preparing the deposit.
- 3) A cheque log (a list of the cheques received) is prepared by the person opening the mail.
- 4) A cash receipt log (list of names of persons paying cash) is maintained.
- 5) Transactions will use pre-numbered, duplicate receipts. The original receipt is given to the payer and the control (duplicate) copy is maintained in numerical order by the issuing department. All copies must be kept, including voided receipts.

- 6) The deposit must be reconciled to the cheque log, cash receipt log, and/or cash register tape reading.
- 7) Both the deposit and the reconciliation agreement to the (i) official cash receipt and (ii) supporting deposit back-up documents (cash register tapes, cheque log, correspondence, etc.) must be reviewed by a person other than the person preparing the deposit.
- 8) Large deposit amounts should be secured in a locked bag and be escorted over to Financial Services Cashiers Office with the assistance of Security Services.

CHARITABLE DONATIONS

All cheques for charitable donations **MUST** be deposited through Advancement Services offices.

UNKNOWN PAYMENTS

Payments received without indication of purposes and/or reason must be forwarded to Financial Services. A list of previously received Unknown Payments will be available for reference by contacting acctrec@mcmaster.ca or by visiting the Student Accounts and Cashiers' Office (GH 209).

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:

- 1) Permission to hold deposits must be requested in writing from Financial Services. The request should include:
 - i. purpose
 - ii. total expected holdings
 - iii. length of time in safekeeping; and,
 - iv. description of the secure location (including access thereto).
- 2) All cash and/or cheques received should be recorded on a list noting name of the depositor, amount of deposit, date and reason for the deposit.
- 3) 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. All copies, including voided copies, must be maintained.
- 4) The control copies of the receipts should be reconciled to the list of depositors on a regular basis by a person other than the person who maintains the list.
- 5) Cash and cheques should be kept in a locked and secure safe until they are returned to the payer;
- 6) Cash and cheques totaling more than \$100 must be deposited to Financial Services.
- 7) When the cash or cheque is returned to the payer, the refund should be noted on the original listing of depositors.

OTHER RELEVANT POLICIES/DOCUMENTS

- Petty Cash: <http://www.mcmaster.ca/bms/policy/finance/pettycash.pdf>
- Acceptance of Payment Cards Policy: <http://mcmaster.ca/bms/pdf/PaymentCardPolicy.pdf>
- Documentation Guides in Mosaic >Accounts Receivable: Create Deposits and Apply Payments