See Form 207  KGI Cash Deposit Form

POLICY 207    KGI CASH HANDLING

I. Purpose and Scope

To define the appropriate handling of cash receipts received by on or off campus Keck Graduate Institute (KGI) units during the normal course of business.

All KGI units that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Internal controls are necessary to prevent mishandling of funds and to safeguard against loss. Strong internal controls also protect employees from inappropriate charges of mishandling funds by defining responsibilities in the cash handling process.

To enhance the internal control over money, a segregation of duties within the department should be in place so that errors or irregularities are prevented or promptly detected. The duties of one employee should provide a cross-check of the work of one or more other employees. For example, one employee opens the mail and makes a list of the checks and amounts while another employee actually prepares the Deposit Transmittal Form for the deposit.

II. Definitions

Cash includes coin, currency, checks, money orders, and credit card transactions. All units collecting cash must address the following cash receipt controls by developing and implementing procedures in support of these controls.

III. Policy & Procedures

A. Cash Receipts are to be Deposited with the KGI Business Office with 72 Hours of Receipt

1. Every effort should be made to deposit funds on the same business day of receipt. Deposit cash receipts received with the Business Office no later than three business days from receipt of cash.
   i. Deposits should be made in person.
   ii. Deposits should not be delivered through campus mail.

2. Cash receipts should not be utilized to make refunds, pay expenditures, create a change fund, cash checks from employees and customers or any purpose other than for deposit.

3. A completed Campus Deposit Form must accompany all funds deposited.

4. The Business Office will acknowledge all deposits with a deposit receipt. If you do not receive a receipt, please inform the Accounting Manager or AVP, Business and Finance, immediately.

5. Deposits are not to be left unattended and unsecured in mailboxes.
B. KGI Department Responsibilities

1. Account for Cash as it is Received
   a. If received in person, record on a pre-numbered multiple-copy receipt form. Give a copy of the receipt to the customer.
   b. If received by mail, enter the payment immediately into a registration or order system, or cash receipt journal (e.g., a computer application or a payment log). Indicate the type of payment (currency, check, etc.)

2. Separate Individual Cash Handling Duties
   a. Separate the components of cash handling - collecting, depositing, and reconciling - so that one individual does not have responsibility for more than one component.
      i. In small departments separate the handling of the actual cash from the reconciliation.

3. Safeguard the Handling and Storing of Cash
   a. Restrict access to Cash by securing cash in a safe or other locked secure place until they are deposited.

4. Monitor the Cash Receipts Process
   a. Administrators not directly involved with the cash receipt process have the responsibility to periodically:
      i. Review the nature and extent of overages and shortages.
      ii. Compare actual deposits recorded with expected receipts.
      iii. Review daily and monthly cash activity reconciliation.
      iv. Compare the mode of payment (coin/currency or checks) recorded at the time the cash was received with the coin/currency and check totals on the validated deposit document.
      v. Evaluate overall internal controls to ensure that reasonable controls exist to safeguard cash, and that employees understand and follow them.

C. Reporting Lost or Stolen Cash

1. In the event of a loss or theft of funds, immediately notify the KGI Business Office.