


Standard Operating Procedure:	Cash and Check Handling
Division:	Financial Services
Effective Date:	11/29/2022
Executive Director Approval:	
Reference to ASC or State Policy:	CSU Policy on Security of Cash and Cash Equivalents
Revisions:	

- I. PURPOSE:** To establish internal controls for processing cash receipts and ensure that payments are deposited into CSU Fullerton Auxiliary Services Corporation (ASC) bank accounts in a timely manner and recorded into the appropriate project accounts.
- II. SCOPE:** This procedure applies to all CSUF and ASC employees who handle cash and cash equivalents activities from various types of operations. The term of cash and cash equivalents includes currency, coin, checks, and money orders.
- III. OBJECTIVE:** To maintain adequate separation of duties for cash handling and ensure the physical security of cash and cash equivalents are deposited into ASC bank accounts and recorded in a timely manner.
- IV. PROCEDURE:**

Unit Depositing: All units must document deposits of cash by obtaining a receipt or copy of a deposit slip (<https://www.fullerton.edu/asc/finance/forms.php>) indicating the date, amount, and initials of the individual making the deposit. It is the responsibility of the unit giving up possession of the deposit to ensure that a receipt is obtained. Units are also responsible for the security of cash on hand. Enterprise deposits presented to the vault by units are documented in the cashier's deposit log by both the depositor and the cashier.

All checks are endorsed immediately upon receipt. Counted deposits are those counted by the depositing unit prior to presenting to the ASC cashier and/or vault. The cash bag must be sealed when the units are ready to deposit. All deposits are verified to ensure the deposit transmittals or deposit slips have a signature, sales date, project number, amount, and the cash bags are sealed when received from the units by the ASC cashier and/or vault. Deposits are typically receipts from cash register sales and/or program income consisting of cash, checks, and credit card sales. The register tape or point-of-sales (POS) report are initiated by the unit manager or designee. Voids are made on the register with use of a register key by the unit manager or designee.

ASC cashier prepares the deposit bags before depositing the endorsed checks to the bank remotely. The deposit bags are picked up by a third-party vendor and deposited to ASC bank

accounts. The third-party vendor signs the log when the deposit bags are picked up. ASC cashier sends a copy of the cash receipt to the depositing unit.

1. Cash deposits to the ASC cashier are counted by the cashier, supervisor, or appointed administrative employee. Any corrections to the deposit transmittal and/or deposit slip is noted/documentated with notification to the unit manager or designee.
2. Cash bags from ASC auxiliary/enterprise businesses (Titan Shops and Campus Dining) located on the CSUF campus must be counted by full-time vault staff and compared with the amount reported by the POS system.
 - a. All discrepancies between the cash count and amount on the POS system are recorded daily by full-time vault staff to cash short/over spreadsheet for each division director's monthly review.
 - b. For any net daily cash overages/shortages of more than \$10 per business location/store, the following procedures must be followed:
 - Titan Shops: a notification email is sent to the customer service desk titanshops@fullerton.edu and the customer service manager.
 - Campus Dining: a notification email is sent to the manager of the business/store location.
 - A notification email is sent by full-time vault staff to inform each manager of the cash discrepancy. A notification email includes register number, transaction date, and the amount of discrepancy.
 - Each division manager reviews sales transactions to identify the discrepancy as soon as notified by full-time vault staff. A response detailing the investigation/resolution is required to the full-time vault staff within 24 hours.
 - It is the responsibility of each division manager to audit/locate the source of errors. If the audit of the cash register drawer results in a cash loss, each division director is notified immediately. If the overage/shortage is not reconciled, the details of investigation including the name of the employee(s) who had access to the register is provided to the full-time vault staff.
 - The detail of investigation/resolution is documented on a separate worksheet in the cash short/over workbook (refers to 2.a.) for each division director's monthly review.
 - If the net daily cash overage/shortage exceeds \$25, each division director is included in the email notification.
 - A copy of the required email notification for all net daily cash overages/shortages of more than \$10 must be attached to the daily cash receipt. The daily cash receipt will be uploaded to the system and retained for four (4) years.
3. The cash short/over spreadsheet is sent monthly to each division's director by full-time vault staff. Each division director is responsible to determine whether the

overage/shortage might reasonably be expected in the regular course of business and not due to an employee's dishonesty, carelessness, or negligence.

4. If, each division director, upon review of monthly cash short/over spreadsheet, determines there was an employee infraction, the documentation may be forwarded to Human Resources to be included in the employee's permanent personnel file and/or may result in termination.

Timely Deposits: The ASC cashier receives deposits several different ways depending on the type of unit operation. In each case, accountability and documentation must be maintained. All departments collecting monies on behalf of ASC must deposit the funds timely. The appropriate method in which deposits are received and the corresponding cashier procedures are as follows:

1. Projects deposit to the ASC cashier when the accumulated amount of cash and cash equivalents becomes \$500.00 or weekly, whichever occurs first.
2. There is an exception to the weekly deposit requirement applicable to the following business units, except for ASC auxiliary/enterprise deposits (Titan Shops and Campus Dining). If a project meets any of the one (1) following criteria and has appropriate safeguards, deposits to the ASC cashier can be made monthly:
 - A business unit is located outside (off-site) of the campus;
 - A business unit collects monthly rent or fees; or
 - A business unit has its own accounting system to track their deposits on the report.
3. If staff fails to meet any of the above criteria, the ASC cashier notifies the project's manager via email with a copy to the ASC Controller. If the late deposit pattern continues, the project director is notified, with a copy to the ASC Executive Director and College Dean. If the pattern of late deposits continues, a meeting is held with the project director(s), College Dean, and Executive Director to resolve the issue.
4. A representative making a deposit should always receive a cash receipt from the ASC cashier to verify that funds were deposited.
5. Under no circumstances are deposits to be forwarded to the ASC cashier's office through campus mail or placed in the ASC mailbox and/or front desk inbox.

Recording to the General Ledger: Bank deposit must be reviewed, approved, and posted to the general ledger in a timely manner. All bank deposits must be accounted for in the general ledger during the appropriate month.

The cashier with cash handling responsibilities cannot prepare and post the same journal entry. The accountant is responsible for preparing journal entries. All journal entries must be reviewed, approved by ASC controller, and posted by financial services staff or designee. The preparer and reviewer/approver must be different individuals.

Physical Security and Safekeeping of Deposits: Cash and cash equivalents in the custody of the cash handling unit must be protected from theft or loss. Cash and cash equivalents

should be physically protected through security systems, lockable receptacles, vaults, and/or safes. Each unit is responsible to make necessary provisions to properly safeguard cash and employees in their respective area.

In the event of theft, Campus Police and the Executive Director are notified immediately.

V. APPROVALS: Executive Director or designee.

VI. CONTROL & COMPLIANCE: Bank deposits are reviewed by an accountant and the bank reconciliation reviewed by ASC Controller and the Executive Director.

Cash overages/shortages for ASC operated businesses on the CSUF campus: full-time vault staff send monthly cash short/over reports (IV. Unit Depositing 2.a) to each ASC operated division director. Each division director is responsible to perform necessary corrective actions upon review of monthly cash short/over spreadsheet.