

# THAT United International Finance Department

## Cash Handling Procedures Training Presentation



# Cash Handling – It's my job

Whether you take in lots of money or..  
you collect “pennies”



# Cash Handling Procedures

## OBJECTIVES

- Understand the principles of good cash handling
- Know the types of deposits
- Follow the Finance Department's cash handling policies and procedures

# Cash Handling Procedures

## A SERIOUS ISSUE

1. If you are **responsible** for handling cash you are **accountable** for that cash.
2. You must **comply** with **the Finance Department's Policy and Procedures**.

# Cash Handling Procedures

What is included in “Cash handling”?

It includes the following:

➤ Coins



➤ Currency



➤ Checks (Cashier Checks, Travelers Checks)

➤ Money Orders



# Cash Handling Procedures

## Principles Of Good Cash Handling Five Basic Principles

- Segregation of Duties
- Security
- Reconciliation
- Management Review
- Documentation

# Cash Handling Procedures

## Segregation of Duties

*Is an important aspect of proper handling.*

1. *Opening the mail,*
2. *processing deposits, and*
3. *reconciling accounts*

*should each be done by different individuals.*

# Cash Handling Procedures

## Segregation of Duties

- This is the most important control in the cash collection process, and often, the most difficult to manage.
- A different person should be involved in each step: recording of charges/billing, cash receipting, cash depositing, and reconciliation.



# Cash Handling Procedures

## Risk and Controls

**Who or what is at risk?**

**The money**



**You**

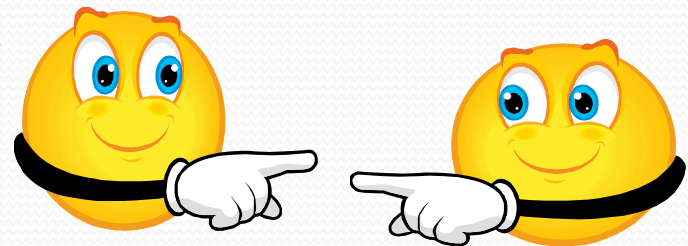


# Cash Handling Procedures

## Risk and Controls

What are the risks?

- Cash is stolen
- Cash is lost
- Documentation does not agree with records
  - No audit trail
  - Finger pointing and accusations
  - Loss of revenue



# Cash Handling Procedures

## Risks and Controls

- In the cash collecting process, YOU are just as important as the cash...
- Controls (rules) are designed to protect both YOU and the cash you are handling.

# Cash Handling Procedures

## Risk and Controls

Before cash counting begins... A procedure is established by the Accounting Assistant for Deposits.

- How are cash and checks received?
  - Mail or in person? Who opens the mail?
- Who is going to collect the cash?
  - Record the cash?
- How is the cash going to be secured?
- Who is going to prepare the deposit?
  - How?
- When to deposit at the Bank?
  - Reconciliation? Management Review?
- Who needs training?



# Cash Handling Procedures

## “Collecting the cash”

- How are cash and checks received?
  - Mail or from Collection Officers?
- Who is going to collect the cash?
  - Who will record the cash?



# Cash Handling Procedures

## Collecting the Cash In Person

- The cash collection point must maintain a clear separation of duties.

An individual should not have responsibility for more than one of the cash handling components:

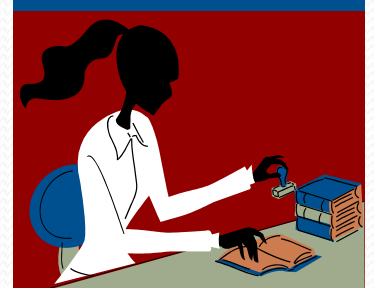
- Collecting/Depositing
- Reconciling



# Cash Handling Procedures

## By Mail:

- One person should open the mail and you should immediately RESTRICTIVELY ENDORSE CHECKS



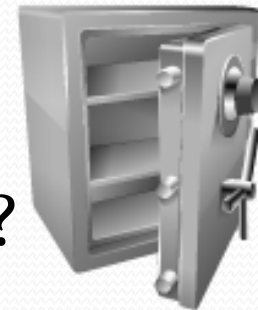
## “For Deposit Only”

- Each Account must have a stamp for endorsing checks.
- Enter each check into an accounts receivable system if you are using one. If not, then prepare a daily list of the checks. Provide the receipt #, Payer Name, Date Received, Check Amount, and Received by.

# Cash Handling Procedures

## “Securing the cash”

- How is the cash going to be secured?
  - Overnight storage
  - -Ideally there is a safe close to the area where cash is collected. All collected cash must be kept in safe at all times until deposited. Access should be limited to supervisory and authorized personnel.





# Cash Handling Procedures



## “Securing the Cash”

- Whether a safe or a locked cashbox is used, it is very important to change the combination on a regular basis. Change the combination at least once a year or when someone leaves the Finance Department.
- If you use keys to access the safe, cashbox, or a locked drawer, then make sure that the key is kept in a secure, secret place.

# Cash Handling Procedures

## “The Deposit”

- Who is going to prepare the deposit?
  - Deposit must be prepared by someone who didn't collect the cash or open the mail. If that is not possible then it must be reviewed by someone other than the preparer.
- Deposits should never be held longer than one day.
  - Document reason for delay.



# Cash Handling Procedures

## “The Deposit”

- Preparing the deposit

- All deposits must be separated by Cash, and Checks,
- Two adding machine tapes must accompany each form of currency.
- All checks and money orders must be stamped “for deposit only”
- Sign and Date the deposit
- Put loose change in an envelope
- Make sure you keep a copy of transactions



# Cash Handling Procedures

## Reconciling

- Verify the processing or recording of transactions to ensure that all transactions are complete, authorized, recorded, and deposited timely.
- Please resolve all discrepancies, sign and date reconciled records.
- The person who reconciles, should not receive cash or make deposit. (If that is not possible the Accounting Assistant must review all deposits.)

# Cash Handling Procedures

## Management Responsibilities for the Accounting Assistant for Deposits

- Establish an effective internal control system
- Delegate responsibility for cash handling duties, maintain proper segregation of duties
- Require that staff handling cash be properly trained & follow all the Finance Department's policies and procedures
- Review receipts and reconciliations on a regular basis, then initial (or sign) and date documentation reviewed



# Cash Handling Procedures

## Management Review

- No matter who is collecting, depositing, and reconciling, Management is ultimately accountable
- It is management's responsibility to regularly review the reconciliation process to assure timeliness, accuracy and resolution of all outstanding issues.

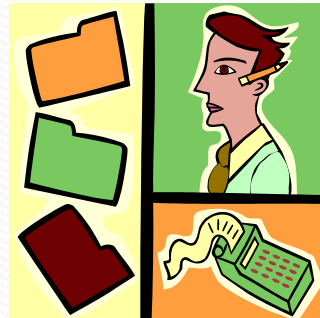


# Cash Handling Procedures

## Keeping Records and Record Retention

THAT United Finance Department policy states that the following documents must be kept in the department for the current year plus three more:

- Carbon copy of a pre-numbered receipt
- Deposit receipts



# Cash Handling Procedures

## Transporting Cash

If you have the responsibility for taking the cash deposits to the Bank, please use good common sense.

- Secure the cash and checks in a cash pouch or envelope
- Don't be conspicuous, don't be predictable
- Two or more people should accompany the deposit.





# Cash Handling Procedures

## The Finance Department Policies & Procedures

- Review the Finance Department Policy and Procedures Manual on the Leadership Web site at

<http://trueholinessassemblies.org/2011/09/17/adm-policy-and-procedure-manuals/>

