CASH HANDLING
Whether you take in a lot of money…

Or you collect pennies…
it is important to maintain *good cash handling* procedures including:

- Segregation of Duties
- Security of Cash
- Reconciliations
- Management Review
- Documentation
The term ‘cash’ includes all the following:

- Coins
- Currency
- Checks
- Money Orders
- Cash Equivalents:
  - Stamps
  - Gift Card
  - Parking passes
  - Etc.
What and Who are at Risk?

The Money

You
Risk and Controls

• Remember – In the Cash handling process, YOU are just as important as the cash….

Good controls and procedures protect YOU and the CASH you are handling.
What are the Risks?

- Cash is lost
- Cash is Stolen
- Reputations are damaged
- People are hurt
So how do we keep you and the money SAFE?

We can start with segregating some of the important processes. This helps ensure accuracy and honesty.

Adequate segregation of duties requires that different people be involved in each part of the cash handling process: billing, receipting, depositing, and reconciling.

When this is not possible compensating controls must be added, i.e. management reviews.
Issues to consider when collecting cash in person:

• Each person authorized to receive cash should have a separate and secured cash draw, register or login.

• All sales/cash received must be entered either in a cash register or recorded on a pre-numbered duplicate receipt.

• All checks should be restrictively endorsed immediately upon receipt.
Issues to consider when accepting cash through the mail:

- Two people should open the mail together if checks are received regularly through the mail.
- Immediately restrictively endorse each check.
- Enter each check into a cashiering system or prepare a daily list/log of the checks received.
- Reconcile this log or the cashiering system to the deposit report.
Now the cash is collected—what next?

- Balance the cash to sales
- Secure it in a safe or deposit it daily
- Reconcile it to the Accounting System
The Deposit should be prepared by someone who did not collect the cash.

When transporting deposits be sure to use a locked bag.

Deposits should be made at the end of the day or within 24 hours.

When the deposit is over $500 two people should go together to the cashier’s office.
Management's Role:

It is management’s responsibility to regularly review the cash handling and reconciliation process to assure timeliness, accuracy and resolution of all outstanding issues.

No Matter Who Collect, Deposits or Reconciles Ultimately Management is Accountable
In a nutshell...

Good processes help us keep both employees and money safe
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