PROCEDURES FOR HANDLING CASH RECEIPTS

These procedures provide guidance on how to handle cash receipts (cash) to protect the payor, the recipient and Rice. All faculty, staff, students, organizations and individuals who handle cash receipts at Rice must follow the procedures described below. The University Cashier is available to answer questions or to provide assistance.

Definition: Cash receipts include checks (personal checks, cashiers checks, money orders, travelers checks, and other similar items) and currency (bills and coins) received in payment of amounts owed to Rice University.

Responsibility: The University Cashier has primary responsibility for collecting and depositing all cash receipts at Rice University and for providing guidance on handling cash receipts. Written approval from the Controller is required for any other department to deposit cash receipts for the university.

EXCEPTION: Donations to the university (gifts) are collected and deposited by Gift Processing. These procedures apply specifically to gifts:

1. Send gifts in the form of checks directly to Gift Processing with all related donor correspondence attached. When the University deposits a gift check and acknowledges the gift promptly, it demonstrates to the donor both that the University appreciates and values the donation and that the University operates efficiently. Keep a copy of the check and correspondence for your records.

2. Deliver gifts of currency to the Cashier’s Office with all related donor correspondence attached. Keep a copy of the correspondence for your records. The Cashier’s Office will issue a cash receipt, deposit the currency and send the donor documentation and a copy of the Deposit Voucher to Gift Processing. The documents are normally available to Gift Processing on the next business day.

Each department that receives cash has a responsibility to establish appropriate controls to insure that cash is deposited properly and promptly. These responsibilities include monitoring cash handling, reconciling amounts received to amounts deposited, and segregating these duties effectively.

The department chair/head or student organization sponsor insures that:

1. Cash handling procedures are established that comply with these guidelines;
2. Receipts are deposited promptly into the correct university accounts;
3. The amount recorded in the university’s financial accounting system agrees with the amount received;
4. No one individual can receive cash, make deposits, and reconcile the actual receipts to the deposits in the financial accounting system;
5. New staff who handle cash are trained properly; and
6. Established procedures continue to function effectively via periodic reviews.
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Detailed procedures applicable to all departments (see attached flowchart):

1. Send or deliver all cash receipts to the University Cashier promptly; promptly is normally no later than the business day after the cash is received. Checks deposited promptly are less likely to be returned due to insufficient funds or because the issuer’s bank account has been closed. Attach a Deposit Voucher form signed by the individual who prepared the deposit; this provides the Cashier with information needed to credit the receipts to the correct fund/org/account. Also attach a copy of all checks or an approved check detail report. If your deposit includes currency (bills or coins), see item 6 below. Blank Deposit Vouchers are available from the Cashier’s Office. The Cashier’s Office will assign a number to the Deposit Voucher and return a copy of the form to the department.

2. Encourage payors to make checks payable to Rice University; Rice University/Department is also acceptable. Do not ask that a check be made payable to a department or to an individual. If a check is erroneously made payable to an individual, either return it to the issuer and ask that it be reissued to Rice or ask the individual payee to endorse it over to Rice University. Note: Checks issued by Rice University may not be deposited in Rice accounts; contact the Disbursements Group in the Controller’s Office for instructions if you are asked to deposit a check issued by Rice.

3. Endorse all checks immediately upon receipt in the appropriate area on the back of the check:

   FOR DEPOSIT ONLY
   William Marsh Rice University
   Department Name (optional)
   ACCOUNT # (contact Cashier’s Office for bank account number)

   Note: the bank account number is not included in these procedures as it should not be published on the Internet.

4. Deliver all cash receipts to the Cashier’s Office no later than 3 pm. If you receive a large check or a large amount of currency late in the day, call the Cashier’s Office for instructions. If the Cashier’s Office is closed, secure the receipts as described in item 6 and deposit them the next business day.

5. If you have checks or currency on hand overnight, you must set up procedures to make sure the funds are stored safely and are available for deposit the following day. Designate one individual as the cash custodian, who will:
   a. Remove all funds from the cash register or money tray;
   b. Place the funds in a locked bank bag or locked metal container; and
   c. Secure the bag or box in a locked cabinet or desk that can only be accessed by the cash custodian.
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Note: If the department receives currency, the cash custodian may not be the person who prepares the Deposit Vouchers. The next item provides more details on how to handle currency.

6. Accept currency rather than a check only when absolutely necessary, as currency requires special handling. These additional requirements include:

   a. Always provide the payor with a pre-numbered receipt for currency. Pre-numbered duplicate receipt books are available from office supply vendors. Maintain the duplicate receipts in the receipt book or in a numerical file. Include originals of voided or damaged receipts in the file. If any duplicate receipts are missing, include a note in the file explaining what happened to them.

   b. Involve at least two people. While one person may issue the receipt to the payor and reconcile the receipts to the amounts shown as deposits in Banner, a second person should prepare the Deposit Voucher and deliver it to the Cashier’s Office.

   c. When currency is transferred from one individual to another, each individual should count the currency and initial that the amount shown on the Deposit Voucher is correct. This is to protect each individual as well as Rice.

   d. Hand deliver the currency and Deposit Voucher to the Cashier’s Office. NEVER send currency in Campus Mail. NEVER copy currency.

   e. Give the copy of the Deposit Voucher provided by the Cashier’s Office to the person who reconciles the receipts to Banner. That person should immediately verify that the amount deposited agrees with the amount transmitted.

   f. NEVER make disbursements from cash received. Deposit the cash with the Cashier’s Office and request a disbursement through normal payment processes.

NOTE: Small departments may find it difficult to establish consistent segregation of duties, especially when vacancies or absences occur. If you find yourself in this situation, contact the Controller’s Office for assistance.

If your department receives cash daily:

1. Establish a cutoff time for processing receipts.

2. Process all receipts received prior to the cutoff time and deliver them to the Cashier’s Office on the first floor of Allen Center by 3:00 pm.

3. Include checks received after the cutoff time in the next day’s deposits.
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4. Secure cash receipts held pending deposit as described in item 6 above.

If your department does not receive cash on a regular basis:

1. You may make daily deposits of small amounts or you may accumulate small amounts for a short time.

2. You must make a deposit if total cash and checks on hand reach $200.00 or if you have had ANY of the cash receipts for more than three business days.

3. After you process your receipts, deliver them to the Cashier’s Office on the first floor of Allen Center.

4. Secure cash receipts held pending deposit as described in item 6 above.

Checks that require special handling:

If you receive a check payable to Rice University that does not belong to your department and you are unable to easily identify where it should have gone, endorse it:

FOR DEPOSIT ONLY
William Marsh Rice University
ACCOUNT # (contact Cashier’s Office for bank account number)

and send it to the Cashier’s Office immediately. Include a note containing your name and extension and any information you have about the check. Attach any correspondence enclosed with the check and the envelope, if it is available.

If you receive a check related to a vendor credit memorandum or a vendor refund, contact the Disbursements Group in the Controller’s Office (disbmt@rice.edu) to determine the correct account number to use on the Deposit Voucher.

If you receive a check that should be recorded to an R fund, either as revenue or as a credit to expense, contact Research Accounting (rchacctg@rice.edu) for assistance.

Reviews: Internal auditors may include a review of cash handling procedures and practices in any departmental audit. Transaction analysts from the Controller’s Office may also inquire about cash handling procedures and review practices in the course of their transaction reviews.

Additional assistance: If you have questions, concerns or need help to address an unusual situation, contact the Cashier’s Office (x 4946), the Controller’s Office (x 2478) or the Internal Audit Office (x 6312).