



Cash Count Training

University Risk and Compliance

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Cash Counting Goals

- Increase knowledge of cash handling and keep above suspicion.
- Ensure that cash is protected, handled, secured, and processed properly.
- Understand the risks and controls, impact and consequences, of mishandling funds
 - financial loss
 - extra personnel time spent
 - damages reputation and credibility of the department and University
- Deter incidents (perception of detection)



Definition

- Cash - cash and cash equivalents include currency (dollars and coins), checks, money orders, cashiers/travelers checks
- Other - stamps, tokens, ACH transactions, EFTs, credit card recordings



Cash Handling

- Cashiers— persons routinely handling cash and those who process funds in preparation for deposits directly to the bank
- Departmental Handler – persons who periodically handle cash and are custodians for departmental working/petty cash funds



What to look for

- Accountability and Authorization
- Access to funds – separation of duties
- Physical Security of Funds
- Documentation and Reconciliations



Accountability

- Accountability includes the authority to carry out the task (documented in job descriptions and/or custodial forms)
- **Individual Accountability** involves delegation of authority-knowing **who** has access to cash and why they have access to cash
- **Cash Accountability** involves security-knowing **where** an asset is at all times
- **Process Accountability** requires documentation-knowing **what** has occurred from the beginning to the end of the process



Accountability cont'd

- Assuring every sale/collection is accounted for
 - Background checks are performed
 - Certain duties are segregated
 - Receipts given to customers
 - Funds and transactions identified to one person
 - Transfers are documented
 - Funds are secured
 - Passwords and safe combinations are not shared and keys are secured



Segregating Duties

- Access and custody of funds
- Authorization and approval of transactions
- Creating and maintaining transaction documents, record keeping
- Reconciling records.



Cash Handling Roles

- **Handling cash:** Individual who accepts cash payments, endorses checks and issues a receipt, transports cash, and may prepare the IDT/deposit. These individuals have direct access to cash.
- **Record keeping:** Individual who records receipts into department records, processes receipts, posts accounts receivable payments and charges, etc. These individuals do not have access to cash.
- **Reconciling receipts to FAMIS and departmental reports:** Individual comparing amount of cash collected based upon cash register tape totals, manual receipts/book, receipt or admission number sequences, number of participants, etc. to the amount deposited and recorded in FAMIS. These individuals do not have access to cash.



Securing Funds

- Physical security of funds
 - Storage and temporary placement
- Safety of personnel working with funds
 - Layout of work area
 - Transportation and transfers



Securing Funds cont'd

- Assuring effective security:
 - Shortages are reported, overages are deposited, and trends of the overages and shortages are reviewed
 - Keys kept in secure location
 - Safe combinations are changed
 - Two employees participate in count
 - Alarms/monitoring systems are operational/able to alert UPD



Reconciliations

- Reconciling – assuring transactions are complete and accurate with appropriate supporting documentation
- Reconciliations are done by someone without access to funds and reviewed by manager/supervisor
- Daily receipts are verified with cash register totals, receipts issued, e-reports
- Numerical order is reviewed for z-tapes, deposit slip numbers, timely deposits, voids and refunds.



Independent Cash Counts

- Someone other than the custodian, performs a count of the fund. These periodic independent counts can either be announced or unannounced surprise counts.
- The perception of detection can deter improper acts.



Cash Count

- Review and approve all forms related to the operation of the fund.
 - Includes verifying the accuracy and appropriateness of supporting documentation and arithmetic totals, etc.
 - Ensures that the fund custodian manages the fund in accordance with established policies, rules, and procedures.



Cash Count Checklist

- Count all funds including deposits in transit, change funds, working funds, daily receipts
 - Ask about any other funds
- Observe where and how funds are secured
 - Include temporary storage locations, transfers, and deposits in transit
- Inquire whether file cabinets and desk locks and keys are not common standard University or department issued
- Observe that funds are maintained and stored separately (i.e., use of separate cash drawers, bank bags, cash boxes, etc.)



Cash Count Checklist cont'd

- Inquire and observe that overages are deposited
- Ensure that deposits are made timely
 - Review check dates
 - Checks are made payable to TAMU
 - Checks are restrictively endorsed
- Ensure that all voids are approved by authorized (non-custodian) supervisor/manager
- Verify beginning and ending numbers (z-tape totals, receipt numbers, IDTs)



Cash Count Checklist cont'd

- Inquire that fund custodian information and job descriptions are current
- Inquire if losses and shortages are reported
- Be safe
 - Count with two people in location that is out-of-site of customers and others
 - Inquire if departmental staff are trained on what to do in the event of a campus emergency and procedures are included in the unit's disaster recovery plan.
 - Know what you would do in the event of an emergency.



Completing the Cash Count

- Fill out the cash count form
 - Return funds to fund custodian
 - Have fund custodian and person counting sign and date form
- Prepare summary of count for supervisor
 - Include recommendations for enhanced accountability, security, segregation of duties, and/or documentation/reconciliations
 - For permanent working funds, assess the amount of the working fund by documenting how frequently the fund is replenished



Resources

- System Regulation 21.01.02
 - <http://tamus.edu/offices/policy/policies/pdf/21-01-02.pdf>
- Guidelines for Cash Handling Procedures
 - <http://finance.tamu.edu/fmo/sales/docs/cash-handling-procedures.pdf>
- Preparing a bank deposit
 - <http://finance.tamu.edu/fmo/sales/docs/cash-deposits-preparing-the-bank-deposit.pdf>
- Preparing a cash deposit (FD-150)
 - <http://finance.tamu.edu/fmo/sales/docs/cash-deposits-instructions-for-completing-fd150.pdf>
- Check Endorsement Requirements (SAP 21.01.02.M0.02)
- Cash Handling and Other Related Topics
 - by Stacie Sodolak, May 2007
 - <http://finance.tamu.edu/fmo/sales/training/cash-handling-csba.ppt>



Questions

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Webpage: <http://urc.tamu.edu>

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