



<b>Policy Number:</b>	<b>CS-1008-2014</b>
<b>Policy Title:</b>	<b>Cash Handling Policy</b>
<b>Policy Owner:</b>	<b>Chief Financial Officer</b>
<b>Effective Date:</b>	<b>June 2014</b>
<b>Last Revised:</b>	<b>November 21, 2018</b>

### 1. Purpose

The purpose of Mohawk College's Cash Handling Policy ("policy") is to:

- Outline the responsibilities of individuals who handle cash and cash equivalents.
- Ensure cash and cash equivalents are handled in a secure manner.
- Ensure cash and cash equivalents are deposited on a timely basis.

### 2. Application and Scope

This policy applies to all Mohawk College employees who are responsible for handling cash and cash equivalents received on behalf of the College.

### 3. Definitions

**"Cash and cash equivalents"** includes cash currency, cheques, money orders, bank drafts, debit cards and credit cards.

**"Cash handling department"** means any Mohawk College organizational unit that handles cash and cash equivalents.

**"Cashiering system"** means the payment processing system used by the College in its cash handling departments to collect and record cash and equivalent transactions.

**"Internal control"** means the systematic measures instituted by the College to safeguard its assets and deter and detect errors, fraud, and theft.

**"Segregation of duties"** means the process of safeguarding assets by assigning the acceptance of cash, the responsibility for recording cash receipts, and the reconciling of transactions to different individuals.

### 4. Principles

**A. Strong Internal Controls** – College departments that handle cash must have both an awareness of and show a commitment to strong internal controls for cash receipts. Managers in cash handling departments are responsible for establishing and maintaining the proper environment of internal controls.

**B. Secure Handling of Cash** - Cash handling departments are responsible to ensure that all cash received is handled in a secure manner and is securely delivered to the Accounting Services department for deposit on a timely basis; or securely delivered to an authorized College bank account in accordance with appropriate internal controls as set forth in the procedures below. All cash received and deposited to a College bank account is the property of Mohawk College.

## **5. Accountability and Compliance**

### **5.1 Accountability Framework**

This policy has been approved by the Senior Leadership Team.

### **5.2 Compliance**

The Chief Financial Officer is authorized to ensure that information within this policy is applied.

## **6. Rules**

### **6.1 Receipt and processing of cash and cash equivalents**

All cash and cash equivalents collected on behalf of the College must be:

- Processed by a department pre-authorized by Accounting Services to perform this function.
- Recorded in the College's cashing system to facilitate record keeping, monitoring and planning. The receipt issued by the cashing system should be given to the payer to provide evidence of the funds received.
- Deposited at the gross amount and not be used to pay for cash expenses or for other purposes (e.g. to replenish petty cash or to cash personal cheques).
- Handled in a secure manner. Cash handling departments must establish procedures to obtain, secure, store, and restrict access to debit and credit card information in accordance with Mohawk College's Acceptance of Payment Cards Policy.
- Supported by backup which details the source of the cash and cash equivalents, such as:
  - Student Fee Statement
  - Cheque remittance advice
  - Departmental Deposit Form (see Attachment A—also available on My Mohawk under Employee, Financial Services tab)
  - Cashier Log sheet (Attachment B - used for funds deposited without any other backup)

### **6.2 Reconciling of cash and cash equivalents**

Funds received must be reconciled daily. Persons other than the person receiving the money must perform the reconciliation. To reconcile funds received, staff must follow

procedure P.1 in Appendix A.

### **6.3 Safeguarding of cash and cash equivalents**

- An individual in a cash handling department should not have responsibility for more than one of the cash handling components: collecting, depositing and reconciling cash unless approval has been received from Accounting Services.
- Cash and cash equivalents received on behalf of the College must be stored in a secure location or locked cash box during working hours and placed in a locked vault, safe or locked cabinet for overnight safekeeping. When funds kept overnight regularly exceed \$200 the funds should be kept in a safe. Employees assigned to cash collection duties are responsible for ensuring that funds received are stored in the appropriate location.
- Petty cash funds must be stored in a locked cash box during working hours and placed in a locked cabinet, vault or safe for overnight safekeeping (refer to Mohawk College Petty Cash Fund Policy CS-1001-2013).
- Cash and cash equivalents received by cash handling departments must be securely delivered for deposit to Accounting Services by the College's security services, or if approved by Accounting Services, delivered securely to a designated College bank by the authorized security company.
- College funds should not be sent by mail or inter-office mail.
- Cheques and money orders received on behalf of the College are to be made payable to Mohawk College. For additional security, all cheques received are to be endorsed "For Deposit Only to the Credit of Mohawk College" upon receipt.

### **6.4 Deposit of Cash and Cash Equivalents**

All funds collected must be submitted to Accounting Services or, if directed by Accounting Services, deposited in the College bank account no later than:

- The following business day if the amount exceeds \$500, otherwise weekly.
- The following business day regardless of the amount, when the cash cannot be appropriately stored in a secure location.

### **6.5 Other**

- Each cash handling department should have written cash handling procedures in accordance with this policy.
- Each cash handling department must have a provision and training in place for back-up employees for all cash handling activities.
- Employee positions that require duties encompassing cash handling are required to provide a police check prior to the commencement of employment.

## **6.6 Violation of policy**

If a person suspects or becomes aware of a violation of this policy, the person shall report the violation to the Manager, Accounting Services.

## **7. Policy Revision Date**

### **7.1 Revision Date**

This policy is to be reviewed by November 2023.

### **7.2 Responsibility**

The Chief Financial Officer is responsible for reviewing this policy every five years or earlier when required.

## **8. Attachments**

Appendix A – Cash Handling Procedures  
Attachment A – Departmental Deposit Form  
Attachment B – Cashier Report Log Sheet

## **9. Specific Links**

CS-1001-2013 Petty Cash Fund Policy  
CS-1009-2014 Acceptance of Payment Cards Policy



## **Appendix A Cash Handling Procedures**

### **P.1. Reconciliation of Funds Received**

#### **Cash Handling Department**

- 1.1 One person counts and records the amount of the cash and cash equivalents received. This person must be different than the person who collects the cash from College customers.
- 1.2 Another person, different than the person collecting cash or counting the cash, reviews and approves the backup reports that support the total amount of cash and cash equivalents deposited via the College cashiering system.
- 1.3 The total of cash counted from step #1 is compared to the total dollar amount deposited per systems reports from step #2.
- 1.4 If the comparison identifies an overage or shortage, the transaction records are re-examined to identify the discrepancy.
- 1.5 Report any differences in the cash reconciliation to their supervisor.

#### **Accounting Services Department**

- 1.6 Reviews deposit slips and supporting cash receipt documentation from all cash handling departments to confirm that the funds deposited reconcile to the cash receipt transaction records.
- 1.7 Deposit funds, or assist other departments to ensure deposits are delivered securely to a designated College bank by the authorized security company on a timely basis.
- 1.8 Perform monthly bank account reconciliations on a timely basis for all bank accounts.
- 1.9 Record personal cheques returned from the bank for non-sufficient funds (NSF) as an Accounts Receivable, add an NSF fee to the amount owing, and contact the payer to arrange payment of the NSF amount and the NSF fee.



Departmental Deposit Form

Name of Department:

Name of depositor:

Employee ID (9-digits):

Date:

Total deposit:

Index Code*	Fund	Org	Acct	Program	Activity	Location	Item description	Amount

SUB-TOTAL	
HST (13% )	
<b>TOTAL</b>	

**DEPOSIT:**

1 X \_\_\_\_\_ = \_\_\_\_\_

2 X \_\_\_\_\_ = \_\_\_\_\_

5 X \_\_\_\_\_ = \_\_\_\_\_

10 X \_\_\_\_\_ = \_\_\_\_\_

20 X \_\_\_\_\_ = \_\_\_\_\_

50 X \_\_\_\_\_ = \_\_\_\_\_

100 X \_\_\_\_\_ = \_\_\_\_\_

Loose coin \_\_\_\_\_ = \_\_\_\_\_

**TOTAL CDN CASH** = \_\_\_\_\_

US Cash = \_\_\_\_\_

CDN Cheques = \_\_\_\_\_

US Cheques = \_\_\_\_\_

**TOTAL DEPOSIT** = \_\_\_\_\_

Reason for Deposit: \_\_\_\_\_

Cashier Name (print): \_\_\_\_\_

Cashier Signature: \_\_\_\_\_

Date: \_\_\_\_\_

