BEST PRACTICES, Controller's Office - Cashiers

Title: Cash Management **#** 76

Source: Book by Steven M. Bragg ***Co Area:***

Addl Info: Check local library for book

Abstract: When there is a sudden influx of checks, the accounting staff may require an extra day to post them all against the accounts receivable database. This delay can also occur when the payments being made are slightly different from the invoices that they are paying, which requires some delay while the differences are reconciled. Though these problems can create a real bottleneck in the accounting department, they also result in a lengthening of the time interval before the checks are deposited at the bank, which in turn results in lost investment income.

To avoid this problem, the accounting staff can photocopy checks as they arrive, so that postings can be done from the copies, rather than the original checks. This allows the deposit to be made at once, rather than later. The main problem with this approach is the danger that a check will not be copied or that the copy will be lost,. This problem can be avoided through proper reconciliation procedures that match the total number of copied checks to the total number of actual checks, as well as the total amount posted to the total amount on the copied checks.

Title: Controls To Minimize Fraud in a Cash Receipts Environment **#** 429

Source: University of Rochester ***Co Area:***

Addl Info: http://www.rochester.edu/adminfinance/audit/fraudcontrols.html

Abstract: Fraud Controls
Are internal controls in your area sufficient enough to minimize the potential for fraud? Or are controls weak enough that if a loss occurred, someone could say...."the writing was on the wall."

Safeguarding cash or checks received involves proper internal controls surrounding the receipt process. Lack of any of the controls below may be an indication of weaknesses in the control structure that could allow fraud to occur.

Websites lists several procedures to help prevent fraud.

BEST PRACTICES, Controller's Office - Cashiers

Title: Notification to All Cash Management Personnel **#** 663

Source: University of California San Francisco ***Co Area:***

Addl Info: http://www.ucsf.edu/its/listserv/cash_handlers/0003.html

Abstract: The Controller's Office is now offering classroom training covering how to prepare a deposit and various related cash policies and procedures including credit card compliance and petty cash accounts. This training will satisfy the requirement for the annual mandatory cash training for Cash Handlers.

Best Practice:
Cash Handlers are required to take the online course "UCSF Cash Policy Highlights" or in-classroom training "Cash Deposit Basics". Petty Cash Handlers should take the online course "Policies for Petty Cash Handlers".

Title: Accounting Control Best Practices - Cash Handling **#** 685

Source: Book by Steven M. Bragg ***Co Area:***

Addl Info: Check local library for book

Abstract: Excellent Resource
Chapter 6 covers Cash Handling Controls and each section is presented as a Policy, Procedure or Form. See #714-726.

Check Handling Environment
Lock Box Receipts (Tried in past - problematic)
Lockbox Truncation
Cash Receipt Controls
Credit Card Receipts
Petty Cash Controls
Investment Control
Cash Handling Policies

Title: Immediately Review Unapplied Cash **#** 714

Source: Book by Steven M. Bragg, Accounting Control Best Practices ***Co Area:***

Addl Info: Check local library for book

Abstract: P 166-167. Unapplied cash is an opportunity for fraud. When possible, all cash should be applied within one day of receipt. Any cash that is currently unapplied should be cleared up as soon as possible.

BEST PRACTICES, Controller's Office - Cashiers

Title:	Post Checks Within One Day of Receipt	**#**	715
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	**Co Area:**	
Addl Info:	Check local library for book		
Abstract:	P 195. Checks should be posted within 24 hours of receipt. Current practice is within 48 hours (if not during peak times).		

Title:	Only One Person has Access to Register During a Shift	**#**	716
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	**Co Area:**	
Addl Info:	Check local library for book		
Abstract:	P 180. If multiple employees have access to a drawer during a shift, responsibility is difficult to assign should there be a shortage.		

Title:	Change Safe Combination Periodically	**#**	717
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	**Co Area:**	
Addl Info:	Check local library for book		
Abstract:	P 180. Over a period of time a safe's combination can become more public. Should be changed periodically whether or not there's a change in personnel.		

Title:	Monitor Metrics Associated with Cash Removal	**#**	718
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	**Co Area:**	
Addl Info:	Check local library for book		
Abstract:	P 180. Concerns recording cash refunds while pocketing the amount.		

Title:	Separate Account for Credit Card Receipts	**#**	719
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	**Co Area:**	
Addl Info:	Check local library for book		
Abstract:	P 181. Set up a separate account for credit card receipts to facilitate reconciliation. Proper control over credit card transactions begins with a clear knowledge of exactly which credit card payments have resulted in cash actually reaching the bank account. It is much easier to ascertain this information if all such payments are made into a separate account, so there is no risk of other transactions interfering with the available information.		

BEST PRACTICES, Controller's Office - Cashiers

Title: Petty Cash Controls **#** 720

Source: Book by Steven M. Bragg, Accounting Control Best Practices ***Co Area:***

Addl Info: Check local library for book

Abstract: P 184 - 189 This section was reviewed and the comment was the FAU's petty cash is not like the traditional petty cash fund. The Cashier's Office has a $1,500 till that is utilized for change and is generally not used for cash payouts. The till is periodically replenished in terms of the monetary denominations and is done under tight security. It was stated that they would consider restricting the dollar amount per transaction

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Title: Investments - Create a Cash Forecast **#** 721

Source: Book by Steven M. Bragg, Accounting Control Best Practices ***Co Area:***

Addl Info: Check local library for book

Abstract: Page 189 - Create a cash forecast. There must be some basis for both the size and duration of an investment. Otherwise, a mismatch can develop between the need for cash and its availability, resulting in liquidity problems or an excessive amount of underutilized cash. By requiring that a cash forecast be completed and approved by an authorized person, there is less
risk of these problems occurring.

Title: Record Proposed investment and Duration on Cash Forecast **#** 722

Source: Book by Steven M. Bragg, Accounting Control Best Practices ***Co Area:***

Addl Info: Check local library for book

Abstract: Page 189 - Record proposed investment and duration on cash forecast. Though the cash forecast alone should be a sufficient control over the determination of the correct size and duration of an investment, it helps to also formally write this information directly on the cash forecast, so there is no question about the details of the proposed investment.

Title: Obtain Investment Quotes **#** 723

Source: Book by Steven M. Bragg, Accounting Control Best Practices ***Co Area:***

Addl Info: Check local library for book

Abstract: Page 191 - Obtain investment quotes. An investment officer may have a favorite bank and will continue to invest with it, even if its rates are not competitive. It is also common for the investment staff to not want to go to the effort of obtaining multiple quotes on a regular basis. By requiring people to complete a quotation sheet, this control ensures that the best investment rate is obtained.

BEST PRACTICES, Controller's Office - Cashiers

Title:	Match Investment Transactions	**#**	724
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	***Co Area:***	
Addl Info:	Check local library for book		
Abstract:	Page 191 - Periodically match the approved cash forecast, quote sheets, and investment authorization to actual investments completed. Though all the supporting paperwork may be in order, it is still possible for an investment officer to shift funds to some other, unauthorized form of investment. To detect such transactions, the internal audit department should match all supporting documents to the actual investments made periodically, as reported by the issuing entities.		

Title:	Investment Policy	**#**	726
Source:	Book by Steven M. Bragg, Accounting Control Best Practices	***Co Area:***	
Addl Info:	Check local library for book		
Abstract:	Establish an investment policy to include guidelines on how much should be in overnight investments, average maturity of investments, required debt ratings, restricted investments.		