

Cash Receipts System

Since cash is the most liquid of assets, strong controls over the collection of cash receipts are vital to a sound accounting system. Cash receipts are defined as currency, coin, checks, money orders and other negotiable instruments easily converted to cash. Cash receipts must be deposited at the SBI Accounting Office promptly (daily, if possible) after collection to secure them against the possibility of loss or misappropriation, and to insure that interest revenue on cash deposits is maximized. Access to cash receipts should be limited to as few individuals as possible, preferably only to officers and other responsible personnel. All individuals who handle cash must be adequately bonded. **It is strongly recommended that you contact the SBI Accounting Office BEFORE you begin collecting cash for any activity, event, or program so that revenue controls can be established for your specific needs.**

I. COLLECTION OF CASH RECEIPTS

1. Whenever possible, the use of a cash register for the collection of cash receipts is encouraged. A cash register can be used to help reconcile daily cash collections with what was sold.
2. Unless a cash register is used to record the receipt of cash, a triplicate cash receipt form must be prepared each time a receipt of cash is made. Cash receipt forms must be press-numbered and controlled. One copy of the cash receipt form is given to the payer or customer, the Student Government/Client retains one copy, and one copy is delivered to the SBI Accounting Office with the cash. Books of blank, press-numbered customer receipt forms may be obtained through the SBI Accounting Office.
3. Student Government organizations which sell tickets or charge admission for events must do so through the Sub-Board I Ticket Office. The Ticket Office will provide revenue controls, which include pre-numbered tickets, reconciliation of ticket sales, and oversight of consignment sales. Sale of merchandise must also be co-ordinated through the Ticket Office. You must contact the SBI Ticket Office manager at 645-2353 at least **ten days in advance** to make arrangements for selling tickets or merchandise.

4. Organizations that collect cash on a regular basis must use locked security bags. These bags may be purchased through the SBI Accounting Office.
5. Sub-Board I provides a "lock box" service for organizations that have a large volume of receipts collected through the mail. Under this system, checks are mailed directly to the bank for deposit into the main checking account. In certain situations (see Accounts Receivable), organizations will be **required** to use the lock box service.
6. Cash receipts **MUST BE DEPOSITED INTACT**. Never, under any circumstances should cash disbursements or payments be made from undeposited cash receipts; cash disbursements are made through the R.E.P. process by Sub-Board I checks **only**, or through petty cash, if the disbursement is less than fifty (\$50) dollars. Since making cash payments out of undeposited cash receipts represents a serious weakness in controls over cash receipts and cash disbursements, Sub-Board I reserves the right to assess a penalty or surcharge to any organization which violates this rule.
7. Paychecks, personal checks, or business checks, may not be cashed out of undeposited cash receipts.
8. Undeposited cash receipts must be safe-guarded, preferably in a combination safe that has been bolted to the floor or is otherwise immovable. Use of locked strongboxes, while less expensive and more convenient, are less secure than money safes, and their use to store cash is discouraged.
9. Organizations will be held directly responsible for any unexplained loss of cash receipts. Legal action will be taken if circumstances warrant. Losses or thefts of cash must be reported **immediately** to Public Safety and to Sub-Board I for insurance purposes.
10. Any check drawn against an organization's budget which is payable to another student organization will be deposited directly by the SBI Accounting Office and entered against the receiving organization's budgetary revenue account(s).

II. DEPOSITING CASH RECEIPTS

1. An organization that receives cash must verify and reconcile the amount collected against whatever goods or services have been sold, on a daily basis. The reconciliation must be in writing and signed by the individual performing the reconciliation. The reconciliation must include the

appropriate revenue budgetary account number(s) against which the cash receipts are to be recorded. Cash returns such as refunds or unused portions of cash advances must be fully explained and referenced to the expenditures to which they pertain.

2. After reconciling the cash receipts, the organization should attach the cash register tape (if a cash register was used to record the sales), or copies of the triplicate cash receipt forms, to the written reconciliation, and submit them, together with the cash, to the SBI Accounting Office. For organizations, which are located outside of the Student Union, various drop-off sites may be used throughout the North and South campuses for your personal safety. Armed security will pick up your deposit at one of the drop-off sites and deliver it to the SBI Accounting Office. If the volume of cash collected is large and frequent, we will arrange for armed security to pick up your deposit directly at the site of your cash collection or at a location that is convenient for you.
3. Your cash receipts must be delivered to the SBI Accounting Office **intact**. We will count and verify the deposit against your written reconciliation. Any difference between the SBI Accounting Office total and the organization total will be reported to the organization for resolution.
4. The SBI Accounting Office will prepare a "**General Receipts Daily Receipt**" form (see **Illustration 12**) which is a number-controlled form verifying that the deposit has been received and recorded by Sub-Board I. One copy of this daily receipt form will be returned to the organization, which submitted the cash. The daily receipt form provides the following information: date received, from whom received, amount received, organization name, budgetary revenue account number, and description of the nature or source of the cash received. Organizations should retain these daily receipt forms and check them for accuracy and proper recording to the organization revenue accounts.