



Cash Handling Policy

Category: Financial;

Jurisdiction: Vice-President, Administration and Finance;

Approval Authority: Executive Team;

Established on: April 5, 2017;

Amendments: None.

1. Rationale

This Policy sets out good business practices for handling cash and cash receipts and all University departments that handle cash must have both an awareness of, and show a commitment to, strong internal controls for cash receipts. Managers in University departments are responsible for establishing and maintaining the proper environment of internal controls. All departments requiring cash handling must have prior approval from their respective Dean or Director by documenting the necessity and specific purpose for such cash handling activity.

"Cash" includes cash currency, cheques, money orders, bank drafts, as well as debit card and credit card slips.

University departments are responsible to ensure that all cash received is handled in a secure manner and is given to the Accounts Receivable Office for deposit on a timely basis to an authorized University bank account in accordance with appropriate internal controls as set forth in the procedures below. All cash received and deposited to a University bank account is the property of Lakehead University.

2. The Policy

All University departments collecting cash must address the following cash receipt controls by developing and implementing procedures in support of these controls. Campus units with occasional cash receipts must follow the same minimum operating procedures that apply to units handling cash on a regular basis

Review

The Vice-President (Administration & Finance) will review this policy within five years to ascertain if any amendments are necessary.

Appendix A – Procedures

Departments are responsible for maintaining the custody and safekeeping of cash until deposited to an authorized University bank account through the Accounts Receivable Office. Deposits should be made regularly in the interest of:

Security - cash on the premises carries with it a risk of loss or theft.

Financial - maximize the positive impact of interest on bank account balances.

Efficiency - to ensure timely processing and reconciliation of deposited cheques and contributions.

Privacy - Personal information associated with deposits of cash (i.e. credit card receipts) must be secured to protect privacy. To support effective cash management practices, all cash must to be deposited as soon as possible following receipt. At a minimum, cash should be deposited:

Daily, if the amount for deposit exceeds \$100

At least once a week regardless of the amount

(It is preferable that amounts in excess of \$100 not be held over a weekend)

All cash forwarded to Accounts Receivable must be enclosed in a pre-numbered sealed deposit bag noting the total deposit amount, and the name of the department. Sealed deposit bags are available by contacting the Accounts Receivable Clerk-Specialist at (807)343-8428. The bags must be delivered in person or by security staff. When the bags are received they may be opened by Accounts Receivable Staff to ensure that the serial number is recorded, and that the contents agree with the deposit total. Any discrepancy will be reported to the depositor immediately.

The following guidelines and procedures must be implemented in all departments receiving cash:

1. Cash must be safeguarded at all times in a locked safe or other secure location, e.g. locked file cabinet or drawer. Cash must not be sent by mail. Debit and credit card transactions must be treated with the same level of security.

Absolutely no credit card numbers are to be written on paper, or collected by e-mail, for processing on a later date. For direct credit card payment by phone, please contact the Accounts Receivable Clerk-Specialist at (807)343-8428.
2. All copies of credit card receipts must be given to the Accounts Receivable Office and stored in a secure location until the documents are destroyed. All records must be kept for six years and the current year.
3. Cash must be deposited in its entirety and appropriately recorded. Under no circumstances can it be disbursed directly (e.g. to fund purchases or to cash personal cheques).
4. University funds must be deposited into an authorized University bank account administered by Financial Services.
5. Remittances to the University in the form of cheques and bank drafts must be payable to Lakehead University.
6. Departments must ensure that deposits are correctly coded to the appropriate accounts as established by Financial Services.
7. Manual receipts must identify Lakehead University as the receipting agency and contain the following baseline information:

- Date
 - Amount
 - Payer Name
 - Method of Payment
 - Purpose/nature of goods or services received
 - Budget code
 - Name of person receipting the payment
8. Segregation of duties and restricted access to cash must be implemented to ensure adequate custody and safekeeping. At a minimum this includes the separation of the cash handling from the control and reconciliation of the receipts, and also a separation of cash register operation from approval of the cash deposit. Ideally, only one person should be responsible for the safekeeping of cash. In those limited situations where it is not practical to meet these minimum standards please contact the Associate Vice-President, Financial Services, to establish alternative procedures.
 9. Point-of-sale (POS) Terminals should be safeguarded at all times, and treated with the same duty of care as cash. This includes the wireless point-of-sale terminal, booked via the Accounts Receivable Office, as well as departmental POS terminals.
 10. Departments are responsible for reconciling deposits to financial reports on a timely basis to ensure that all cash is deposited and posted to the correct accounts. Additionally, account code adjustments to ledgers must be made on a timely basis.
 11. The Associate Vice-President, Financial Services, must be contacted immediately if a clarification of procedures is required or any irregularities are identified.

Near-Cash (Gift Card) Payment Procedure

As of February 2020

These guidelines establish the proper procedures used for the administration of near-cash payment (for e.g. gift card/certificate) in place of other forms of payment, is of nominal value (for e.g. token or "thank you"), and **NOT** for professional services rendered.

Gift cards should be treated like cash; as such, the maintenance of gift cards should follow the *Cash Handling Policy*. Specifically, segregation of duties must be implemented: the supervisor of the department should maintain control of the gift card until distributed, and the person who purchased the gift card/certificate should maintain distribution details (see below).

One person with authority for spending university (non-research) funds via a University-issued Purchasing Card is responsible for obtaining and storing gift cards in a locked and secure place, and for tracking gift card/certificate purchases as well as their distribution.

Departments issuing gift cards/certificates are required to provide a summary report, containing the following information:

- state the purpose of the gift
- state the date of engagement
- state the recipient's full name and date of receipt
- obtain the recipient's signature to acknowledge receipt of the gift card.

The summary report listing must be sent with the Purchasing Card statement, to which the gift cards were purchased, to Financial Services per the normal Purchasing Card statement submission dates.

Any unissued gift cards should also be noted on the summary report; once distributed, an updated report should be sent to Finance.

Gift cards should be purchased as close to the time of distribution as possible. New gift cards should not be purchased if past purchased gift cards are still unissued.

If a single recipient receives over \$500 in payments, including gift cards/certificates, in any one taxation year (January to December) and Financial Services does not have their SIN, the issuing department will make all efforts to get the SIN for the purposes of issuing the T4A.

NOTE: For gift cards purchased with research funds for participant incentives, please see the [Participant Incentive Procedures Guide](#) (found on the Research and Trust Accounting webpage).

Review Period: Every 5 years;

Date for Next Review: 2022;

Related Policies and Procedures: None;

Policy Superseded by this Policy: None

The University Secretariat manages the development of policies through an impartial, fair governance process, and in accordance with the Policy Governance Framework. Please contact the University Secretariat for additional information on University policies and procedures and/or if you require this information in another format:

Open: Monday through Friday from 8:30am to 4:30pm;

Location: University Centre, Thunder Bay Campus, Room UC2002;

Phone: 807-346-7929 or Email: univsec@lakeheadu.ca.