

College of Agriculture and Life Sciences (CAL S) Business Operations

Cash and Check Handling Standard Operating Procedure



Table of Contents

Cash and Check Handling Standard Operating Procedure.....	1
1. PURPOSE	3
2. CBO GUIDELINES.....	3
3. ASSOCIATED SYSTEMS/FORMS	3
4. ROLES AND RESPONSIBILITIES	5
5. PROCEDURE	6
5.1. Establishing Department/Unit Internal Controls for Cash and Check Handling.....	6
5.2. Depositing Department/Unit Funds with the CBO.....	6
5.3. Preparing Cash Deposits.....	7
5.4. Submitting Deposits	7
5.5. Departmental Deposit Tracking.....	8
6. REFERENCES.....	8
7. REVISION LOG	9

Contact: CALS Business Operations – Accounts Receivable Supervisor, Missy Grissom
Director CALS Business Services, Tiffany Bryant

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1. PURPOSE

- 1.1. This SOP describes the process by which cash and checks are to be handled from the point of collection to drop off in CALS Business Services.
 1. Cash is a liquid asset and has the highest risk of loss if not properly controlled. Checks are also vulnerable to loss.
 2. Having effective internal controls and practices for safeguarding cash and checks at the department/unit level until deposited with the college reduces the risk of loss and fraud.
 3. The State of North Carolina and the University have statutes and policies that require appropriate handling of cash and checks.

2. CBO GUIDELINES

- 2.1. The college expects each department or unit to have documented and implemented effective internal controls for collecting, tracking, storing, and reconciling cash and check deposits until the custody of funds is transferred to the CALS Business Operations.
- 2.2. Only employees of NC State University should collect funds on behalf of a department or unit.
- 2.3. Adhere to the specific deposit requirement threshold for the type of funds.
 1. University receipts must be deposited in compliance with [REG 07.30.02- Receipt Centers- Deposit Funds](#), which requires that all revenues and receipts collected by a state agency shall be deposited no later than the next business day following the date of collection unless the amount of the receipts is less than \$250.
 2. [Daily Deposits of Funds to Credit of Treasurer](#), must be deposited when total of funds is at least \$5,000.
 3. Per the gift acceptance policy: The development office that receives the gift is responsible for preparing the gift transmittal form and submitting it to GRM within 24 hours of receipt along with either the original or copies of all supporting documentation for the gift.
 - a) Gifts should be submitted within 24 hours of departments receiving.
 4. CBO Recommendation is to make a deposit weekly as funds are accumulated at least, regardless of the amount to ensure timely processing of checks.

3. ASSOCIATED SYSTEMS/FORMS

- 3.1. Systems
 1. PeopleSoft Financials
 2. Advance
- 3.2. Forms

1. University Deposit Slip
2. Form [BA-151](#): Notification of Gift
3. [CBO Gift Deposit Form](#)
4. [Check Inventory Log](#)
5. Supplemental forms/gift back up or letter
6. WRS report highlighting the expenditure must be included (if the deposit is a refund of expenditure)

4. ROLES AND RESPONSIBILITIES

Relevant Parties	Roles and Responsibilities
<i>Department</i>	
Department/Unit Head	<p>Responsible for ensuring the department or unit has documented and implemented proper internal control procedures for handling, controlling, and accounting.</p> <p>Responsible to designate at least one Business Point of Contact for department/unit cash and check handling management.</p>
Business Points of Contact (POCs)	<p>Responsible to communicate and oversee the department/unit's cash handling internal control expectations.</p> <p>Responsible to serve as primary contact between the department/unit and the CBO Accounts Receivable office.</p> <p>Responsible for tabulating checks, currency and coins. Serve as the point of contact when cash or checks have been received. They will assist to ensure the deposit is prepared for deposit and/or secure funds for the next deposit.</p> <p>Responsible to reconcile and safeguard cash and checks at the department/unit level until custody of the funds is transferred to the CBO.</p>
Cash/Check Handler (any employee handling cash/checks)	Responsible for the safekeeping of University/Foundation funds until deposited with an individual who is next in the chain of custody (e.g., department POC or the CBO Accounts Receivable unit)
<i>CALS CBO</i>	
CBO Accounts Receivable Staff	Responsible for depositing checks and cash received by a department/program for sales, services, registration fees, reimbursement of expenses, or any other reason.
<i>CALS Advancement</i>	
<i>NC Agricultural Foundation/NC Tobacco Foundation, Inc. business team</i>	Responsible for depositing checks and cash received to be deposited to a gift account (ledger 6 projects). Responsible to facilitate accurate accounting for CALS deposits to ledger 7 projects. Contact cals_advancement_business@ncsu.edu for questions.
<i>University</i>	
NCSU Cashier's Office Staff	Responsible for posting checks and cash received by a department/program for sales, services, registration fees, reimbursement of expenses, or any other reason.

5. PROCEDURE

5.1. Establishing Department/Unit Internal Controls for Cash and Check Handling

1. Each department/unit will maintain written procedures for the effective control of cash and checks within their department that adhere to state and university expectations.
2. The procedures should address the following:
 - a) Use of sequentially numbered receipt books
 - b) Logs for tracking custody of the cash and checks
 - c) Procedures for securing cash and checks until deposit
 - d) Reconciliation procedures
 - e) Consistent segregation of duties
 - f) Clear roles and responsibilities
3. Departments should use the [CALS Guide and Template for Department/Unit Level Internal Controls for Cash and Check Handling](#) for documenting their internal control procedures.
 - a) For departmental cash and check(s) handling, departments may use a [Check Inventory Log](#) to track funds movement within the department.

5.2. Depositing Department/Unit Funds with the CBO and/or Foundation

1. Preparation of Departmental/Unit Deposits
 - a) Every deposit must include the cash/check, University Deposit Slip, BA151, CBO Deposit Form, Supplemental forms and/or gift letter. If the deposit is a refund of expenditure, the WRS report highlighting the expenditure must be included.
 - b) Each form must be completed to include the project/phase, account code and amount.
 - c) Based on the intended ledger of deposit, the following is needed documentation:
 - Ledger 2, 3, 4, 9 - University Deposit Slip. Check(s) must be payable to “North Carolina State University”
 - Ledger 6 - CBO Deposit form and back up documentation showing donor intent (solicitation materials, an invoice asking for support, an email asking for support, a letter/note from the donor etc.). Check(s) must be payable to “North Carolina Agricultural Foundation.”
 - Ledger 7 - University Deposit Slip, BA 151, and letter from Donor. Check(s) must be payable to “North Carolina State University”
 - Ledger 5 - University Deposit Slip (to be directed to University Contracts & Grants for deposit). Check(s) must be payable to “North Carolina State University”
 - d) Each deposit should include ONE copy of all documentation provided. For the check copy, redact (or otherwise conceal) the account and routing number.
2. Preparing Check Deposits
 - a) The Department must ensure checks are filled out correctly and completely, to include the: 1) Payee/Made Payable information, 2) Date (current), 3) payment

numerical and written amounts match, and 3) signature on the check by the account holder.

5.3. Preparing Cash Deposits

1. The Department must have a separate deposit process for cash as cash must be counted and double checked to confirm the amounts for deposit prior to each change in custody.
2. Two departmental employees should separately verify and initial the deposit slip prior to submitting ANY cash deposits to the CBO.
3. One of the employees that verified the deposit must deliver the cash deposit to the CBO Accounts Receivable Office and transfer custody of the cash in-person to a member of the CBO Accounts Receivable team.
4. CBO Accounts Receive staff, A/R Supervisor or the Director of Business Services will count the cash in the presence of the departmental employee and will immediately provide the receipt to the employee in that moment a receipt of the verified amount.

5.4. Submitting Deposits

1. The CBO Accounts Receivable Office is located on the ground floor of Patterson Hall. A drop box for check (non-cash) deposits is located outside of office G11. For PCard reimbursements (checks only), a drop box is located outside of office G12.
2. All deposits must have completed documentation for accurate depositing based on the Ledger for the deposit.
 - a) Deposits for ledger 3, 4, 5 and 9 must include the cash/check, University Deposit Slip, and Supplemental forms.
 - b) Deposits for ledger 7 must include the check/cash, University Deposit Slip and BA151 and/or gift letter.
 - c) Deposits for Ledger 6 must include the checks/ cash, CBO Deposit Form, Supplemental forms/gift back up - documentation showing donor intent (solicitation materials, an invoice asking for support, an email asking for support, a letter/note from the donor etc.).
3. If the deposit is a refund of expenditure, the WRS report highlighting the expenditure must be included.
4. A single copy of each form for the deposit should be included with the deposit documentation for record keeping with CBO.
 - a) It is the responsibility of the department to keep track of all AR receipts that are not handed to them directly. AR will interoffice mail handwritten receipts when deposits are received. Departments should supply a self-addressed envelope with the name and campus box number of the department on its front for the return of receipt.
 - b) Departments should not rely only on AR handwritten receipts, especially if the deposits are dropped off in the Lockbox.
5. If the deposit is payment for a NC State University issued invoice:

- a) CBO Accounts Receivable will direct the deposit to the University Accounts Receivable team to ensure payment is attached to the outstanding NCSU invoice by the University and appropriately accounted for.
- b) The deposit documentation must include the invoice number to ensure the payment can be matched to the outstanding invoice to ensure delinquent collection activity does not occur.
- c) University Accounts Receivable office is located in the Admin Services II, Campus Box 7203.

5.5. Departmental Deposit Tracking

1. Each CALS Department is expected to maintain a check and cash inventory log to track all deposits within the department.
 - a) CALS suggests departments create a shared Google Folder with a Google sheet to track all deposits in the department. Each person that brings a deposit to the CBO Accounts Receivable team should log the deposit and associated information (See Check Inventory Log).
2. The Departmental Designee(s) should:
 - a) Review the Check Inventory Log at least weekly to be aware of funds flow.
 - b) Review the WRS report to confirm deposit are processed.
 - c) Order and maintain University Deposit Slip.
 - d) Maintain receipt book if appropriate.
 - e) Conduct a monthly audit of deposits for the department.
 - f) Confirm retention of copies of all deposits submitted by the Department.
 - 5.5.2.a.f.1. When securing copies, ensure sensitive donor information is not being stored in a common location (i.e. locked in a desk drawer). Some gifts may be anonymous.
3. Departments are expected to maintain and file deposit copies of checks, deposit slips, gift letters, etc...) for at least twelve months for tracking/auditing purposes.
 - a) All copies of deposit documentation should have account and routing numbers redacted prior to making copies.
 - b) It is in the department's best interest to maintain a filing system in house with regards to any financial transactions between the department and the CBO (this can be an electronic deposit folder (i.e. Google Drive)).

6. REFERENCES

1. Abbreviations and Definitions- <https://cals.ncsu.edu/intranet/cals-business-operations/abbreviations-and-definitions/>
2. CALS Guide and Template for Department/Unit Level Internal Controls for Cash and Check

Handling - <https://cals.ncsu.edu/intranet/wp-content/uploads/sites/15/2021/05/CBO-Guide-Template-Internal-Controls-Funds-Handling.docx>

3. North Carolina General Statute 147-77-
https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_147/GS_147-77.html
4. Receipt Center-Deposit of Funds- <https://policies.ncsu.edu/regulation/reg-07-30-02/>
5. Cash Management- https://controller.ofa.ncsu.edu/cash-services/#accordian_item_423
6. Standard Operating Procedures for Accepting Gifts- <https://policies.ncsu.edu/wordpress/wp-content/uploads/2016/11/SOPforGiftAcceptanceSeptember2010.pdf>

7. REVISION LOG

Date	Version	Nature Of Change	Author
05/05/2021	1.0	Initial Document	Tiffany Bryant, CALS Director of Business Services