Purpose and Source: All College of Agriculture and Life Science employees involved in receiving, depositing, recording, reconciling, reviewing, or otherwise handling cash and check transactions for the University, Foundation, and associated entities are required to follow these procedures. The intent of these procedures is to protect University and Foundation assets by promoting appropriate security and stewardship of funds and ensuring accurate financial accounting and reporting. (Reference: NC State Receipt Centers- Deposit of Funds, Foundation SOP for Accepting Gifts, and the CALS SOP Cash and Check Handling).

Internal controls are necessary to prevent the mishandling of funds to safeguard against loss. Strong internal controls also protect employees from inappropriate accusations or charges of mishandling funds by defining responsibilities in the cash handling process.

Segregation of duties is the act of ensuring at least two individuals are responsible for the separate parts of any task. Segregation of duties is essential with respect to cash and check handling to prevent one individual from having responsibility for more than one component. Components of cash handling are collecting, depositing, and reconciling.

When developing funds handling procedures, departments should always consider:

1) The importance of internal controls
2) Segregation of duties to implement the two concepts into funds handling procedures

Procedures should be detailed steps of departmental processes. These detailed steps should map out the course of action so that persons not familiar with the process can follow them to perform the duties when necessary.

The procedures should touch on the following topics:

1. Segregation of Duties
2. Depositing of Funds
3. Safekeeping
4. Reconciliation
5. Identification of Departmental Cash Handling Employees

The following provides definitions and descriptions of the information these sections should cover.

Segregation of Duties: Under no circumstances should one employee be responsible for all aspects of cash handling (Collections / Deposits / Reconciliations). Ideally, one employee is responsible for collections w, another is responsible for deposit and preparation, and a third is
responsible for reconciliations. Under certain circumstances where a department does not have the requisite personnel, one employee is responsible for collections and deposit preparation, while the other employee is responsible for reconciliations. Additionally, employees who handle cash should not be assigned duties for creating invoices or updating account receivable records or general ledger records.

**Depositing of Funds:** This section provides your departmental guidance for receiving and logging funds that must be deposited.

**Safekeeping:** If a dual control safe is in use, access to one of the controls should be limited to a maximum of two people. For single lock safes, file cabinets, drawers and lock-boxes, no more than two or three employees should have access to the key or combination.

**Reconciliation:** Performed on a monthly basis

1. *(Employee Position Title)* retrieves check log, receipt book, and all Departmental Deposit Forms and supporting documentation for the month.

2. Departmental Deposit Forms and supporting documentation are reconciled to check log and receipt book.

3. Departmental Deposit Forms and supporting documentation are reconciled to the departmental ledgers to verify all receipts were correctly deposited.

4. Business Services Coordinator or other Departmental Supervisor/Administrative lead reviews all reconciliations.

(Procedures should be adjusted or added to meet needs specific to the department)

**Identification of Departmental Cash Handling Employees:** The department is expected to maintain an updated list of named Departmental Contacts that are involved in Cash Handling processes that are updated/verified annually identifying the receipt center or activity they are responsible for on behalf of the Department/Center.
Purpose and Source: Funds handled by College of Agriculture and Life Science employees who receive, deposit, record, reconcile, review or otherwise handle cash and check(s) transactions for the University are required to follow these procedures. The intent of these procedures is to protect University assets by promoting appropriate security and stewardship of funds and ensuring accurate financial accounting and reporting.

Internal controls are necessary to prevent the mishandling of funds to safeguard against loss. Strong internal controls also protect employees from inappropriate accusations or charges of mishandling funds by defining responsibilities in the cash handling process.

Segregation of duties is the act of ensuring at least two individuals are responsible for the separate parts of any task. Segregation of duties is essential with respect to cash and check handling to prevent one individual from having responsibility for more than one component. Components of cash handling are collecting, depositing, and reconciling.

Anyone in a department or unit with cash handling responsibilities must comply with State, University, Foundation, and College expectations for cash and check handling and should be familiar with all related statutes, policies, and standard operating procedures.
Reason(s) for Collecting Funds and Types of Funds Accepted:

**Within this box replace this text and describe:**

1) Your department’s reasons for collecting funds
2) The approximate amount of funds collected each fiscal year
3) The types of funds accepted (cash, check)

Departments are not permitted to accept credit/debit cards for donations. Donors can call **919.515.7827** or be directed to online giving give.ncsu.edu/cals

If your department accepts checks to the University, please read the university’s **REG 07.55.04- Returned Checks** policy.

Segregation of Duties & Depositing of Funds:

**Within this box replace this text and describe:**

1) Your department’s daily internal controls and processes for each step in the department’s collecting and depositing processes.
2) List the names of the persons and/or positions who handle each responsibility in the acceptance of funds. For example, describe who:
   - Accepts funds
   - Enters each check received via mail in a daily control log
   - Issues a numbered/dated receipt for each in-person payment received
   - Properly endorses the back of each check received
   - Counts and prepares the funds for deposit at the end of the shift or day. (Make sure to include the following language in this section of your procedures: “Deposits are counted by two individuals prior to transferring custody of the funds.”)
   - Prepares the approved department deposit form and deposit based on the sales records
3) Describe how the unit’s department deposit is delivered to the CBO Accounts Receivable Office (or approved University Deposit Office).
Safekeeping:

Within this box replace this text and describe:

1) Where and how funds are kept for safekeeping within your department
2) Who has access to the secure location(s)/safe(s)
3) Fire/water/security or surveillance tools or technologies in use in the area, if any

Reconciliation:

Within this box replace this text and describe the departmental process to reconcile receipts from the point of direct payment through the final deposit. This description should illustrate how the department reconciles details from the expected activity (e.g., cashier receipt) with the details from the submitted activity to confirm amounts.

This section should include the following statement:

“The department’s ____name of position____ _ performs a monthly reconciliation of all departmental receipts.”

Identification of Departmental Cash Handling Employees:

The below table summarizes respective cash handling roles that are applicable in our department and demonstrates adequate internal controls through the appropriate segregation of duties:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Position Title(s) and Names (as appropriate)</th>
<th>Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Collection Point</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Collection Point Supervisor/Coordinator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit Preparer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Reconciler</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>