Oregon State University
Cash Handling Training

Cover your assets!
Why training on Cash Handling?

- Each year OSU processes over $700 million to help fulfill its teaching, research, and public service mission.
- OSU continues to grow, leading to an increasing level of cashiering activities along with increased risk.
- Business Affairs is committed to provide cash handling training to strengthen controls and reduce risk.
What should you leave with?

- An understanding of OSU Cash Handling Policies
- An understanding of the key controls in the cash handling process
- An understanding of what information needs to be protected
What is the most important asset?

- The employee!!
  - By clearly outlining tasks and responsibilities;
  - By providing checks and balances; and,
  - From being accused of misappropriations, errors or irregularities.
Now for some definitions. . .

- What is “cash”?
- When we talk of “cash”, we are including cash equivalents also.
  - Currency
  - Coin
  - Checks
  - Traveler’s checks
  - Cashier’s checks
Cash con’t

- Credit card records
- Electronic payments: ACH and wire transfers
- Items of cash value:
  - Stamps
  - Gift cards/certificates
  - Event tickets
Best Practices:

- For handling currency & coin:
  - Not allowing distractions when counting coin & currency
  - Being watchful for counterfeit bills
  - Counting cash out of public view
  - Counting cash in double custody
  - Always giving a receipt
  - Storing cash in a secured, locked receptacle
  - Depositing in person at Cashiers so in dual custody at all times.
Best Practices:

- For accepting checks, traveler’s checks, cashier’s checks & money orders:
  - Endorsing all items promptly upon receipt
  - Storing in a secured, locked receptacle
  - Not exchanging item for cash
  - Examining the legal line
  - Depositing daily. Late deposits increase the risk of NSF or stop payment checks.
Best Practices:

- For storing/protecting credit card information:
  - Handling credit card info in a secure manner, as a breach of credit card information has significant consequences
  - Not recording or storing credit card information in spreadsheets, email correspondence, or other electronic applications
  - Securing credit card info in paper form and disposing of it properly
What role do you play?
Cash Handling Roles

- Individual who accepts cash payments; endorses checks; initiates credit card payment; and issues receipts.
Cash Handling Roles

- Individual who counts the cash and prepares the cash receipt deposit slip or the bank deposit slip.
Cash Handling Roles

- Individual who compares deposits to postings in the general ledger.
Good Internal Controls Help to Ensure:

- Effective and Efficient Operations
- Reliable Financial Reports
- Compliance with Laws and Regulations
Internal Controls

- Accountability
- Separation of Duties
- Physical Security
- Reconciliation
Accountability

- Know who has access to cash and why they have access to cash.
- Know where an asset is at all times.
- Know what has occurred from the beginning to the end of the process.
How do you know you have accountability?

- Funds are secure
- Keys are secure
- Passwords are not shared
- Safe combination is not shared
- Transfers are documented
- All transactions can be traced to a person
How do you know you have accountability?

- A receipt is given to each customer
- Background checks are performed
- Cash drawer for each cashier
- Key for each cash drawer
Separation of Duties

- There are FOUR functions that need to be separated:
  - Record keeping
  - Authorization
  - Asset Custody
  - Reconciliation
Record Keeping Duties

- Record keeping is performed by individuals assigned the roles of:
  - The individual who accepts the payments by writing pre-numbered receipts and recording log of checks received.
  - The individual who prepares the deposit by keeping a copy of the cash receipt slip or bank deposit slip. If cash taken to Cashiers Office, department is given back pink copy of cash received at Cashiers.
  - The individual who is comparing deposits to Banner.
Authorization Duties

Examples of authorization duties:

◦ Approving voids, refunds, & over/shorts
◦ Approving departmental deposits
◦ Approving movement of cash & cash equivalents
◦ Approving anything unusual
Asset Custody Duties

- Access to cash, checks, or credit card information
- Access to cash drawers, safes, or file cabinets where assets are stored
- Access to keys
- Access to credit card data and processing
Physical Security

- Deposits are made daily
- Assets are properly stored
- Over/Shorts are reported
- Keys are secured
- Cash counting is not visible
- Cash counting performed in double custody
- Access to cash handling area restricted
Reconciliation

- Level 1
  - Cashier
    - Reconciles daily cash receipts to the receipts issued and deposit slips

- Level 2
  - Manager/Supervisor
    - Deposits to Banner
      - If a credit card merchant, can reconcile deposits to monthly merchant bank statement.
    - Over/shorts
    - Performs surprise cash counts

- Level 3
  - Cashiers Office
    - Banner to Bank
Evaluate

When to Evaluate:
- Processes are revised or
- Functions reassigned or
- Employee joins or leaves or
- Department restructured
Evaluate

What to Evaluate:
- Written Control Procedures
- Staff training
  - Cash Handling Handbook *required reading*
- Position descriptions
Let’s do our own evaluation...

- Jane Doe handling cash and cash equivalents on behalf of the Vanderlay Remarkable Student Program...
Personal information needs security too.

- Checks contain banking info as well as account holder name, address, and telephone.
- Know what your department is storing both on paper and electronically. Are you storing SSN or credit card information?
What is PII?
What is PII?

“Any personal information data element or any combination of the personal information data elements if the information would be sufficient to permit an individual to fraudulently assume the identity of the consumer whose information was compromised.”

http://oregonstate.edu/net/security/personal-information.php
Examples of PII

• Social Security number
• Driver license number or state ID number
• State or any government (even foreign gov’t) issued ID#
• Passport number
• Financial account number, bank account, credit or debit card number
Goals of PII Security

- **Trust**
  - Engender confidence between OSU and its students, faculty, customers, research partners, and the citizens of Oregon.

- **Integrity**
  - Establish practices commensurate with sensitivity and value.

- **Accountability**
  - Ensure reliability of users and maintain reliable records.
OSU “Acceptable Use” Policy

- Information for your use in your official role at OSU only
- Removal of the official record from the office is permissible only when authorized and in the performance of official duties
- Keep all passwords and access codes confidential and out of sight of others
- Keep all confidential information and records, however maintained or stored, safeguarded against inappropriate use or access by others
- Report any infractions in the use or release of information to the appropriate records custodian

http://oregonstate.edu/dept/budgets/genupol/gupaccep2.htm
Best Practices

- Take Stock
- Scale Down
- Lock It
- Pitch It
- Plan Ahead
Best Practices

- Know what PII you have in your office and on your computers.
- Keep only what you need for business.
- Protect the information that you keep.
- Properly dispose of what you no longer need.
- Know how respond to security incidents.

http://oregonstate.edu/fa/businessaffairs/oregon-state-university-ecommerce-policy
Thank You.

Questions