



Administrative Policies and Procedures

| Procedure Number | Subject | Effective Date | Revised Date |
|------------------|-----------------|----------------|--------------|
| BU-1.1.04 | Cash Management | 07/01/2007 | |

I. Overview

The goals of the cash management policy are to ensure that cash receipts are properly collected, managed, and safeguarded. Proper management of cash flow allows for maximum use of temporarily available cash for short-term investment.

Many College units provide goods and services which require funds to be collected by these units. All funds collected must be transmitted intact and in a timely manner to the Accounting Office. It is mandatory that all funds collected be properly safeguarded and that the unit's recording and transmittal practices provide an unbroken audit trail which reflects where funds were initially collected, recorded, and deposited into an official College account.

II. Cash Receipts

Receipts

There should be a dated, chronological record of original entry prepared for each individual payment. Receipts may either be in the form of cash register receipts produced in duplicate or hand written receipts prepared in triplicate.

Most departments will use a three-part numbered receipt book. These books are issued and controlled by the Accounting Office. The original receipt is to be issued to the payer and the first copy is to be attached to the cash receipt transmittal form send to the Accounting Office with the deposit. The second copy is to be retained in the receipt book for audit. If a receipt must be voided, submit the original and first copy along with other receipts and reports, retaining the second copy in the receipt book. Receipt books, when completed, are to be returned to the Accounting Office for audit. Deposits should be sent to the Accounting Office daily.

Security

All cash receipts should be stored in a secure location until transported to the Accounting Office. Checks should be stamped with a restrictive



endorsement (use the “for deposit only” stamp issued by the Accounting Office). Departments/Units may not establish a cash fund or make cash refunds from cash collected. Use of cash receipts to cash personal checks or to make loans (I.O.U.’s) is prohibited.

Minimum Information

The following information is required on all cash receipts:

- Date
- Received from (source)
- Type of payment (cash, check, money order, etc.)
- For (account distribution)
- Total amount received
- Received by (cashier’s name)

Receiving Checks

Because of a Federal Reserve Bank directive and refusal by some banks to process counter checks and drafts, Bainbridge College departments may not accept counter checks or drafts. All checks must bear the routing symbol-transit number of the paying bank pre-printed in magnetic ink. All checks received must be payable to the order of Bainbridge College.

Endorsement

The restrictive (“for deposit only”) endorsement must be placed within 1” of the trailing edge of the check. The trailing edge is the left edge as you look at the front of the check.

Cash Receipts Summary and Transmittal

Summarizing receipts on a timely basis provides information necessary for posting to the Cash Receipts Journal. Prepare the Cash Receipts Transmittal form in duplicate, deliver the first copy with receipts and funds to be deposited to the Cashier, and retain the duplicate copy in receipt book for departmental record keeping.

Minimum Information

- Date
- Transmitting Department’s name



- Receipt numbers from _____ to _____
- Account distribution and amounts
- Total amount of deposit (cash and checks)
- Name of depositor

Sample Cash Receipt Transmittal forms may be obtained from the Accounting Office.

III. Petty Cash

All Petty Cash accounts are to be established through the Bainbridge College Accounting Office and recorded on the College's General Ledger. Petty Cash funds may be authorized for College departments where there is a respective requirement for small dollar value transactions. These funds will be issued by the Accounting Office only upon receipt of written authorization from the Department Chair/Director. Petty Cash requests are written up on a Requisition form with clear designation made on the form that Petty Cash is being requested.

Authorized Purchases

Expenditures from Petty Cash funds are subject to College purchasing regulations. It is the responsibility of the authorizing purchaser to ensure that expenditures made from an account are made in a legally authorized manner.

Procedures

Persons who wish to make petty cash purchases should present a Requisitions form signed by the department head to the Cashier Office. The maximum amount advanced is \$100.00. Most merchants will waive sales tax if presented with the College's tax exempt form. After completing the purchase, return the original receipt and any change to the Cashier within two working days.

Standard verifiable evidence for reimbursement is an original itemized invoice marked paid and initiated by the vendor or improved cash register receipt showing the vendor's name and date of purchase.