

University of Hawai'i at Hilo
Cash and Check Handling Self-Assessment

INTRODUCTION

Because of the relatively high risk associated with transactions involving cash and checks, University departments need to have a cash management program to safeguard cash and ensure accurate reporting of this asset. An essential element of control over cash is segregating the duties of handling payments, depositing, reconciling and maintaining accounting records among employees.

Proper cash and check handling procedures can help assure that:

- All the money due the University is received;
- All money collected is properly recorded in the financial system;
- All money collected is properly and deposited in a timely manner;
- Reconciliations and management oversights are conducted to confirm the above.

The list of questions below is designed to help you assess the state of your departmental cash handling procedures and practices. Additionally, these are the types of practices that an auditor will look for when reviewing your operation. The optimal answer to each of the questions below is "Yes".

If you have any "No" responses, now is the time to make a few changes. It may be easier than you think! If you need help working through process improvements and thinking through alternatives, please feel free to contact the UH Treasury Office.

	Yes	No	N/A	Comments
Cash and Check Receipt Handling – RECEIVED THROUGH THE MAIL				
1. For payments received by mail, is a mail log (written in ink to prevent alteration), maintained that lists the date of receipt, amount of check, payer, etc.?				
2. Is the mail log prepared by someone independent of the person who receipts the cash/check?				
3. Are checks endorsed immediately upon receipt by the person who receipts the transaction?				
Cash and Check Receipt Handling – RECEIVED USING CASH REGISTERS				
1. Are checks endorsed immediately upon receipt by the cashier before putting the check in the cash register drawer?				
2. Is a change fund issued by the Treasury office used to make change for transactions?				
3. Is cash counted and verified when cashiers receive their drawers?				

University of Hawai'i at Hilo
Cash and Check Handling Self-Assessment

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4. Is only one cashier able to access each cash drawer at any given time so that cash will at all times be in the possession and control of only one person?				
5. Are cash drawers assigned to one person and not shared across employees?				
6. Is a cash register receipt given for all transactions?				
7. Are duplicate copies of receipts retained? (e.g. cash register tape).				
8. Are cash receipt summary reports reconciled to the cash count at end of the day?				
9. Are the following cash register controls used:				
a. Cash register generated totals?				
b. Refunds, over- or under- rings approved by a supervisor?				
c. Voided receipts retained for audit purposes?				
d. Do cash register procedures reflect proper daily checkout and documentation?				
e. Are cash register generated audit copies of receipts used where appropriate?				
f. Are cashiers provided separate cash drawers to establish accountability?				
g. Are cash drawers locked during a cashier's absence?				
RECEIVED IN PERSON - MANUAL RECEIPTS (no cash register)				
1. Are checks endorsed immediately upon receipt by the cashier?				
2. Are manual receipts issued from a bound book that has pre-numbered slips?				
3. Are receipts issued in sequence?				

University of Hawai'i at Hilo
Cash and Check Handling Self-Assessment

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4. Is the original receipt given to the payor for all transactions that are conducted in person?				
5. Are receipt books regularly reviewed for missing receipt numbers by someone other than a cashier?				
6. Are all copies of the voided pre-numbered manual receipts kept in the bound receipt book?				
Cash and Check Deposits				
1. Are receipts deposited to the bank and recorded in KFS daily?				
2. Are all funds received deposited with no funds retained for change?				
3. Are deposit slips prepared in duplicate form?				
4. Are funds put in a tamper evident plastic bag for transmittal to the bank?				
5. Does armored car or campus security pick up the money bag?				
Credit Card Deposits				
1. Are terminals settled and deposits recorded in KFS daily?				
2. For mail and telephone (MOTO) orders, is card holder data securely stored?				
University and Departmental Policies and Procedures				
1. Are all personnel who handle cash knowledgeable of the applicable university policies?				
2. Are departmental policies and procedures current and in writing regarding how employees are to comply with University requirements regarding the receipt, recording, safeguarding, deposit, and				

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reconciliation of receipts?				
Management Oversight and Reconciliation				
1. Are change funds counted on a surprise basis by the Fiscal Administrator or designate?				
2. Are change funds counted periodically by the Custodian and Alternate Custodian?				
3. Are cash overages and shortages reported to the UH Treasury Office?				
4. Are cash overages and shortages recorded in KFS?				
5. Do the supervisor and/or FA investigate variances such as cash register voids, no sales, refunds, errors, revenue levels, etc.?				
6. Does someone independent of the cash receipts process reconcile payment receipts to receipt records (receipts, mail log, cash register) on a daily basis?				
7. Does someone independent of the cash receipts process reconcile receipts and prepare the bank deposit?				
8. Are the cash receipts and bank deposit reconciliation regularly reviewed by management?				
9. Does the reviewer initial and date the reconciliations and other reports?				
Safeguarding of Assets				
1. Are adequate physical facilities such as a safe or locking drawer provided for safeguarding cash?				
2. Are cash and checks always safeguarded when unattended – including the end of shift, lunch breaks, etc.?				
3. Are receipt books safeguarded when unattended including at night, away from any funds awaiting deposit?				

University of Hawai'i at Hilo
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4. Are safe combinations and keys to lockboxes restricted to a minimum number of employees?				
5. Are safe combinations and keys to lockboxes changed when there is employee turnover?				