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| Policy Name: | Cash Handling Policy | | |
| Policy No: | 4.1 | Approval Authority: | Board of Governors |
| Volume | 4, Office of Finance and Administration | Responsible Party: | Controller |
| Chapter | 1, Cash Handling Policy | Responsible Office: | Office of Finance and Administration |
| Originally issued: | October 2015 | Revisions: | |

Policy Statement

NSCAD strives for professionalism and integrity in all of its financial systems. All those involved in cash transactions related to NSCAD University must abide by this policy.

Reason for Policy

This policy manages many of the risks associated with distributed responsibility for cash management, protecting the University, its employees and those from whom we accept cash. It addresses the custody, safe keeping and accounting of funds received by NSCAD University. Ensure that proper receipts are provided for all cash received by the University. Centralize cash to ensure accurate processing and safe keeping.

Policy Applies to

- All Departments and Divisions of the University

Who Should Read this Policy

- Office of Finance and Administration staff
- Department chairs, faculty, technicians and staff members involved in the collection or handling of cash for the University including the sale of materials and services to students.

Contacts

Approval authority: Board of Governors, Finance and Physical Resources Committee c/o Governance Office, 902-494-8114, governance@nscad.ca, nscad.ca/policy

Detail on policy meanings and application: Office of Finance and Administration, 902-494-8219

Definitions

Cash: Cash currency, money orders or bank drafts.

Debit/Credit: Payments made using Debit or Credit cards terminal through the NSCAD Network or through other electronic payment systems (ie Interac Online, PayPal).

The Policy

1. Principles

1.1. Only specific departments as outlined below should accept cash directly and all others must send students to the Office of Finance and Administration to make cash payments. Those approved units and departments include:

- 1.1.1. University Relations
- 1.1.2. Art School Store
- 1.1.3. Service Center
- 1.1.4. Photo Services
- 1.1.5. Library

1.2. All other units and departments presented with cash are not to accept it but, rather, follow the processes contained herein.

2. Responsibilities

2.1. Office of Finance and Administration

2.1.1. To ensure that the policy requirements for cash handling are clearly documented and current.

2.2. Individual departments

2.2.1. To implement adequate procedures to ensure adherence to the policy requirements. Please consult with the Controller as needed.

2.2.2. To ensure that all cash received is handled in a secure manner while in their custody.

2.2.3. Cash received is to be given to the Office of Finance and Administration on a timely basis for deposit to an authorized University bank account in accordance with internal controls.

3. General

3.1. The full amount of cash received should be deposited directly into a University account administered by the Office of Finance and Administration. Cash receipts shall not be used for any type of purchases, such as the purchase of materials or supplies.

3.2. Cash and cheques must be safeguarded at all times in a locked safe or other secure location until it is transferred to the Office of Finance and Administration. Cash must not be sent by mail including internal mail.

3.3. Cash and cheques must be deposited on a daily basis. Where this is not possible and providing amounts are minimal (under \$100.00), funds must not be held for longer than 3 days.

- 3.4. Adequate segregation of duties and restricted access to cash handling areas must be implemented, to the extent possible, to ensure the safeguarding of cash as such:
 - 3.4.1. Daily cash receipts and daily sales reports from the departments must be reviewed and reconciled by the Financial Services Officer to the bank deposit slips on a timely basis to ensure they have been correctly recorded.
 - 3.4.2. For cash received in the Office of Finance and Administration, each Financial Service Officer should have their own cash receipt sessions and the other Financial Services Officer or the Controller should review and reconcile the daily cash receipt reports to the bank deposit slips.
- 3.5. Bank reconciliations should be performed monthly to ensure the general ledger agrees to the bank deposit reports from the system. Accounting adjustments to ledgers must also be made on a timely basis. To ensure proper segregation of duties, bank reconciliations should be performed by someone separate from the cash handling process and that has no access to issue cash receipts.
- 3.6. Any cash shortages must be reported immediately to the Controller.
- 3.7. Cash receipting
 - 3.7.1. A receipt should always be provided for each and every cash payment received. This can be done by issuing a cash register receipt, Colleague receipt, or by using a manual pre-numbered receipt.
 - 3.7.2. Receipts issued to customers should include the following:
 - 3.7.2.1. The name/logo of the University;
 - 3.7.2.2. The amount received should be clearly visible;
 - 3.7.2.3. Any voids, cancellations or other alterations of receipts need to be documented and sent to the Office of Finance and Administration.
 - 3.7.3. Signage should be located throughout areas that accept cash reminding payers that they should obtain a receipt for their payments.
- 3.8. Sale of course material and supplies
 - 3.8.1. It is the responsibility of faculty, technicians and staff who handle funds from the sale of course material and supplies to implement adequate procedures (with the assistance of the Controller) to ensure adherence to these policy requirements.
 - 3.8.2. A detailed inventory must be maintained at all times of all course material and/or supplies being sold.
 - 3.8.3. All course material and supplies must be kept in a secure, locked place under the control of the responsible person.
 - 3.8.4. Appropriate HST must be collected on all sales of course material and supplies.
 - 3.8.5. A reconciliation of inventory to the cash receipts by an employee who does not handle the cash must be done on a regular basis.
 - 3.8.6. A copy of this reconciliation must be submitted to the Controller at the end of each academic term.
- 3.9. Cash handling by approved departments
 - 3.9.1. Departments must ensure that cash receipts are correctly coded to departmental accounts.
 - 3.9.2. If a department expects to receive a substantial amount (amount greater than \$100 in one day) of cash, the department should contact the Controller to set up proper procedures and alternative method of payment.

- 3.9.3. Where possible, a department will be provided with a debit/credit terminal to provide alternative payment method. Students should be encouraged to pay using electronic means wherever it is an available option.
 - 3.9.4. Strict supervisory approval should be required for all voids, cancellations or other alterations of sales processed through electronic mechanisms.
- 3.10. Exceptional cash handling by other departments
- 3.10.1. All divisions or departments not on the approved list for accepting cash in section 1.1 that wish to sell goods or supplies must direct individuals with their sales voucher to Student Accounts (Office of Finance and Administration) to have cash payment processed. Once the individual has made payment and obtained a receipt they can return to the department to obtain their goods / supplies.
 - 3.10.2. For any sale of goods and supplies, appropriate HST must be collected and the impact on inventory levels must be recorded. Reports of material and supplies inventory counts must be reported to the Controller on a monthly basis.
 - 3.10.3. If Student Accounts is not open or not available and cash must be received, the department should follow the process found under cash receipting and forward the cash to Office of Finance Administration the next business day. This should be done on an exceptional basis only and only under advisement by the Controller. The department should ensure to safeguard the cash until it can be sent to Office of Finance and Administration.
4. Materials and supplies inventory count process
- 4.1. The expected revenues for goods and services should be calculated on a quarterly basis and agreed to the amount of revenues actually recorded in the University's general ledger by the Controller.
 - 4.2. Where there are items for sales, proper inventory control over these items should be established; the amount of inventory on hand should be counted on a regular basis and agreed to records.
 - 4.3. In situations where it is easy for sales not to be recorded, spot checks will be performed by the Controller to compare the expected level of inventory in relation to the recorded sales in the general ledger. This can be summarized as (Starting inventory – sales = ending inventory). If the ending inventory is substantially different than expected then this should be addressed with the individual responsible for the sales and inventory. These checks should be unannounced and periodic.
5. Use of Petty Cash/Floats
- 5.1. To save costs related to cheque generation, petty cash should be used for small dollar purchases (\$50.00 and under) for which a University credit card could not be used. The amount of the Petty Cash Fund should not exceed \$100. Where there is a need for a limited time increase, a written request should be made to the Controller.
 - 5.2. Each petty cash purchase should not exceed \$50.00.
 - 5.3. Funds derived from any other source shall not be added to the Petty Cash Fund.
 - 5.3.1. The Petty Cash fund at all times contained the authorized amount in cash and/or receipt vouchers.

- 5.4. The fund shall not be used for any other purpose including but not limited to personal loans.
 - 5.5. Purchases with the Petty Cash Fund should not involve items which are needed frequently.
 - 5.6. When Petty Cash Fund needs to be replenished, a Cheque Request Form should be completed and sent to Accounts Payable for processing. All detailed receipts and vouchers should be included with the form.
 - 5.7. Any Petty Cash Fund or Float shortages should be reported immediately to the Controller
6. Daily Sales and Bank Deposits
- 6.1. At the end of each day, daily sales reports including cash receipts and debit/credit reports should be sent to the Office of Finance and Administration.
 - 6.2. All appropriate sales taxes should be collected and reported to the Office of Finance and Administration. If there are questions about HST they should be directed to the Controller.
 - 6.3. Calculations on the daily deposit summary should be physically double checked. The total receipts and sales reports provided should match to the physical bank deposits.
 - 6.4. Bank deposits of cash should be prepared and sent to the bank daily for deposit into the University's authorized bank account. Where cash receipts cannot be sent immediately to the bank, physical security will be ensured.
7. Physical Security
- 7.1. When cash is collected, physical security will be maintained. Cash drawers should be closed when not in use and locked when unattended. Any cash that cannot be deposited immediately should be kept in a locked safe or other secure location.
 - 7.2. Debit and credit card reports and information should be treated with the same level of security.
 - 7.3. Privacy and record keeping
 - 7.3.1. As required by CRA, source documents including cash receipts, sales summary reports, debit/credit card reports and receipts need to be kept for a period of at least 6 years.
 - 7.3.2. Under no circumstance should the University collect and store credit/debit card information other than for the purpose of processing sales transactions. Once payment has been received and receipted, credit/debit card information should be destroyed.
 - 7.3.3. Departments should ensure that any personal information associated with deposits of cash is handled to protect privacy.

8. Non Compliance

- 8.1. Failure to comply with this policy may result in disciplinary action, up to and including termination, in accordance with the relevant collective agreement or employment guidelines. NSCAD also retains the right to pursue any action, including criminal prosecution and civil remedies, when misuse of its information or resources is suspected either during the course of employment or after the termination of employment.

- 8.2. This policy is intended to be complementary to other policies and collective agreements governing the conduct of faculty and staff. In situations where this policy may be in conflict with Collective Agreements, the Collective Agreements shall prevail.

Forms and Tools

Pre-numbered cash receipt Available from Office of Finance and Administration (see Appendix)

Student charge form Available from Office of Finance and Administration (See Appendix)

Appendix

1. Pre-numbered cash receipt
2. Student charge form



5163 Duke Street
Halifax, Nova Scotia, Canada B3J 3J6
902 494-8222 tel, www.nscad.ca

DATE _____

RECEIVED FROM _____

SUM OF _____ 100

CUSTOMER/STUDENT ACCOUNT NUMBER: _____ \$ _____

G/L ACCT NO. _____

CASH CHEQUE VISA MASTERCARD AMEX INTERAC

DESCRIPTION _____

H69007

THIS IS NOT AN OFFICIAL TAX RECEIPT

RECEIVED FROM - SIGNATURE _____



STUDENT CHARGE FORM

Section to be completed instructor

| | | | | |
|--|-------------|-------|-------------|-------|
| Name | | | | |
| ID # | | | | |
| Purchase of | | | | |
| Amount | | | | |
| Dept: please pick one to determine the GL that is charged: | Sculpture | DRSSC | Painting | DRSPT |
| | Textiles | DRSTX | Jewellery | DRSJW |
| | Printmaking | DRSPR | Film | DRSFM |
| | Gallery | DRSGL | Multi-Media | DRMM |

Take this form filled out to the Business office to pay for the materials.

Return to the technician with the receipt from the Finance office to receive the material

Date _____ Technician Signature _____



STUDENT CHARGE FORM

Section to be completed instructor

| | | | | |
|--|-------------|-------|-------------|-------|
| Name | | | | |
| ID # | | | | |
| Purchase of | | | | |
| Amount | | | | |
| Dept: please pick one to determine the GL that is charged: | Sculpture | DRSSC | Painting | DRSPT |
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Take this form filled out to the Business office to pay for the materials.

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Date _____ Technician Signature _____