University of Missouri System
Accounting Policies and Procedures

Policy Number: APM-2.10.15

Policy Name: <u>Cash Receipt Reports</u>

General Policy and Procedure Overview:

All University funds must be deposited into an official University bank account. Each deposit is recorded in the accounting system (PS) by using the appropriate form. (Some transactions, such as lockbox and credit cards, are automatically entered into PS via feeders.) The CRR provides detail on deposits of cash receipts (checks, currency and coin). It is the data source for a process that electronically enters cash receipt transactions into PS. Cash/transfers received that can be matched to a PS invoice should be entered into the ARR system instead of the CRR system.

Definition of Key Terms:

CRR – Cash Receipt Report – An entry by a department to prove the money coming in or going out of the bank that allows the correct account and mocode that should be credited or debited.

ARR – Account Receivable Receipt – An entry by a department to prove the money coming in or going out of the bank that allows the correct invoice information that should be credited or debited. Used in conjunction with an accounts receivable transaction.

Detail Policy and Procedure:

Entering a CRR/ARR

There should be a one for one relationship between the cash receipt and the ARR/CRR. There should be 1 ARR/CRR for each wire transfer. If a wire pays for multiple receivable Items, enter all on one ARR to correspond to the amount of the wire transfer. The total of the ARR must equal the wire transfer total.

There are five deposit options when entering a CRR. The method of deposit chosen will depend on how the cash is deposited (cashier or direct deposit) and whether the cash is a gift or not. Most departments have a regular method for depositing funds.

- **Cashier Deposit**
  The most common CRR is a deposit to the Cashier's Office. A department that sends their deposit to the Cashier's Office should use a Cashier Deposit Form. Note: A CRR must be prepared in advance of depositing funds with the campus Cashier's Office.

- **Cashier Deposit with Gift Money**
  If a department directly receives a gift and that department normally makes cashier deposits, select Cashier Deposit with Gift Money. The credit account will be a gift clearing account for your campus. The MoCode/PS Account combination is entered automatically.

- **Direct Deposit**
  Any department that is authorized to send money directly to the bank should use the Direct Deposit CRR form. Normally, these deposits are picked up by an armored car escort (e.g. Brinks), but may also be made in person by employees. This deposit type requires the use of a personal template in order to indicate deposit location.

- **Direct Deposit with Gift Money**
  If a department directly receives a gift and that department normally makes direct deposits, select Direct Deposit with Gift Money. The credit account will be a gift clearing account for your campus. The MoCode/PS Account combination is entered automatically.

- **ACH/Wire**
  In order to receive an Automated Clearinghouse (ACH) transfer from an external organization, a department must complete the required Electronic Funds Transfer (EFT) form to enroll in direct deposit with that organization. In order to receive a Wire Transfer, a department must notify the Treasurer's office for bank instructions.

  Upon request of funds from the external organization, the invoice number and campus department name must be included in the remittance instructions for easy identification of payment.

Access Restrictions:

Access to ARR/CRR should be restricted with attention to segregation of duties. Persons in a position to control cash accounts or cash reconciliations should not have the ability to Create ARRs/CRRs.

CRR/ARR Practices Particular to Sponsored Programs:
- If the sponsor pays an amount other than the amount due, enter the difference on the ARR, and the system will automatically enter an open item in PeopleSoft Accounts Receivable.
- An ARR should be done when the Line of Credit or receivable is created in PeopleSoft. Doing this will ensure that there are ARRs/CRRs in the system to match when they are wired.
- Please Note: Within Sponsored Programs, there should be no CRR's. All items will be (should be) generated in the billing system, thus ARRs are correct.

Controls:

The person preparing the CRR/ARR cannot also approve it. This provides a review to assure accuracy and authorization of the transaction. CRRs/ARRs are matched with deposits to bank accounts by the Controller's Office. This review process ensures the accuracy of the transaction and that all cash deposits are accounted for fulfilling the completeness objective. Any differences are researched and resolved.   In the Daily and monthly reconciliations APM 15.05 and APM 15.10 details are provided of this process and the processes to ensure timely entries and corrections.   These policies also explain the managerial controls within the process.

RESPONSIBILITY

Campus Departments:
- Adequately segregate duties between preparation and approval of CRRs and reconcilement of cash accounts and preparation of CRRs.
- Clear discrepancies between cash transactions and CRRS timely.

Controller's Office:
- Reconcile bank accounts to ARRs/CRRs.
- Follow up on discrepancies between CRRs and Bank Accounts

Effective Date: July 1, 2006
Revised Date: July 6, 2007

Questions and Comments?
Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.