

University of Missouri System

Accounting Policies and Procedures



Policy Number: APM-25.10

Policy Name: General Cash Transaction Guidelines

General Policy and Procedure Overview:

This policy provides guidance to the University in depositing, recording and accounting for cash and cash equivalents. Its purpose is to ensure that these important University assets are protected, accurately processed, and properly reported.

Detail Policy and Procedure:

The handling of cash represents an area of high risk to the University. All University units that handle cash must have both an awareness of and show a commitment to strong internal controls for cash handling. By doing so, the potential for mishandling funds can be minimized. The [Cash Receipts Manual](#) discusses the University's policies regarding the handling and control requirements concerning cash transactions. Additional topics are covered in the Business Policy Manual as noted below:

- [202 Disposition of Checks](#)
- [206 Petty Cash Funds](#)
- [208 Cash Receipts](#)

Additional guidance is provided concerning reconcilements and segregation of duties.

RECONCILING DAILY AND MONTHLY ACTIVITY

- Daily reconciliation compares the cash receipts records (cash register or mail receipt log) with the day's receipts. This reconciliation should be reviewed and approved by supervisory personnel with no responsibilities for the actual receipt and handling of cash.
- Every bank account must be reconciled to the general ledger on a monthly basis. The Controller's office will notify the Cashier's Office via e-mail if the amount recorded for a cash receipt in the accounting system differs from the amount deposited per the bank's records. The Cashier's Office will prepare a correcting entry to the accounting system within two working days to bring the bank and accounting records into balance;
- All differences are documented and resolved promptly. If the specific account(s) can not be determined within the required period, the correcting entry will be made to the first accounting distribution line on the CRR being corrected.

SEPARATING DUTIES

Cash handling operations must be subject to daily supervisory review and management. To minimize the potential for mistakes or misappropriation of cash, the segregation of cash handling duties is recommended. The duties of collecting cash, maintaining documentation, preparing deposits, and reconciling records should be separated among different individuals. In departments where the separation of duties is not feasible, strict individual accountability and thorough management supervision and review is required.

Effective Date: July 1, 2006

Revised Date: July 8, 2011

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.