



Cash Management Standard Operating Procedure

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1 Purpose

To define rules and guidelines that will;

Provide a full understanding of the related cash handling responsibilities and accountabilities to the units conducting cash sales.

Create strong internal controls to ensure cash sale proceeds are appropriately safeguarded, deposited, and accurately reflected in the University's General Ledger.

Ensure appropriate record keeping to maintain the integrity of the University's accounting strategy.

2 Definitions

"Cash" refers to all forms of monetary transactions including but not limited to cash (bank notes and coin), cheques, debit card, credit card, money orders, and bank drafts.

"Cash Sales" are the sale of goods and services where the monies are collected at the time the good or service is supplied. They do not include donations or payment of University invoices.

"Accounts Receivable" or "AR" is a unit within University's Finance department. It is responsible for developing, maintaining, and executing institutional procedures for billing and AR business processes.

3 Practices and Parameters

3.1 *Rules and Responsibilities for the Decision to Accept Payments*

Any department accepting cash payments must adhere to the rules set forth in the Cash Management and Billing Policy as well as this procedures document. Departments not willing to comply with these rules are not authorized to accept cash on behalf of the University.



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3.2.4 Manual Receipts

If a department does not use a cash register or computerized point of sale system, a manual receipt must be completed for each transaction or payment received. Only official pre-numbered triplicate University of Calgary receipts may be issued.

The receipt must not be altered after being issued. If an error is made while processing a transaction all copies of the incorrect receipt must be marked "void". Both original and yellow copies must be attached to deposit slip; the pink copy should be kept by the department/faculty. A replacement receipt is to be issued.

3.3 *Float Management*

- To request a new float or increase the amount of a float a Cash Float Request Form must be completed and e-mailed to finance@ucalgary.ca. EMC G 5.EMC mxec07TdUr741xFS.-9



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Immediately upon receipt, cheques must be restrictively endorsed to show "For deposit to the credit of University of Calgary". The department must include the department name and department ID on the back of the cheque.

3.4.2 Canadian Currency Cheques

The following types of Canadian currency cheques are acceptable for regular deposit:

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To be considered for collection, a cheque must be greater than \$100 CAD, otherwise the collection fee will exceed the value of the item. Each item should include the following:

- Account information
- Location of the financial institution (if unavailable, contact the Royal Direct Centre at 1-800-769-2520 for assistance in determining the origin of the item)

The cost of sending a cheque to collection is between \$100 and \$160, these fees will be charged to the department depositing the funds. The time required for a foreign cheque to come back from collections can take over six months. AR will not record the deposit until the funds have come back from collection. It is strongly suggested that all payments are requested in Canadian dollars.

The following forms of payment are NOT accepted:

- Travelers cheques
- Money orders and bank drafts from any foreign bank

3.4.4 Dishonored Cheques (NSF)

- If the returned payment relates to payment on a University invoice, the payment will be reversed from the customer account and a \$25 service charge will be added to the receivable. The billing department is required to obtain a replacement cheque and AR will provide further information to assist with this process.
- In the event the department is successful in collecting the dishonored funds from a University invoice payment, the cheque must be forwarded to AR for proper processing.
- If a cheque from a cash sale is returned as dishonored by the bank, AR will prepare a journal entry to debit the department's bad debt account. This will include a \$25.00 service charge. A copy of the journal entry along with the dishonored item will be forwarded to the department/faculty. It is the department/faculty's responsibility to collect the funds from the customer.
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to the bad debt account. The cheque number and an explanation indicating the cheque is a repayment of a dishonored item should be recorded in the line description.

3.5 *Deposits*



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- Every section of the deposit sheet must be completed and should include the following information:
 - ✓ All receipts are to be recorded in Section A or B of the deposit sheet.
 - ✓ All refunds are to be recorded in Section C of the deposit sheet.
 - ✓ All IVR (credit card telephone authorization) and Moneris totals are to be recorded in Section C of the deposit sheet.
 - ✓ A Cash and Coin Listing in section D Over/short information is to be recorded in Section E
 - ✓ Complete cheque listing
 - ✓ Accurate and complete accounting distribution
 - ✓ Period covered by (

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in PeopleSoft. If a unit sends cash/cheques to Accounts Receivable to deposit, the documentation must be sent along with the funds.

3.5.3 Moneris

Where payment has been made or a refund has been given using a Moneris machine (Visa, MasterCard, Amex, Debit) a Moneris batch report is to be printed for each Moneris machine used and must be printed every time a Moneris machine is closed. A copy of all End of Batch Reports (including batch reports with a zero total) must also be retained in the unit and reconciled to ensure that all batch information has been included in the deposits (see section 3.6 – Reconciliation)



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Manual

Refunds for transactions originally recorded using manual receipts must be handled by completing an official University of Calgary triplicate manual refund slip. Refund books must be obtained at AR. All refund slips must be authorized and signed by the Units' signing authority as well as the customer. Refund books must be stored in a secure location. Every refund slip must record:

- "University of Calgary" is clearly imprinted on the refund slip
- Each receipt is uniquely numbered
- Date of transaction is displayed
- Description of good or service provided
- Original receipt number is recorded
- Department is displayed

Any unused refund books are to be returned to AR. Each refund slip must be used in sequential order. The refund slip must not be altered after being issued.

If an error is made while processing a refund, all copies of the incorrect refund slip must be marked "void". Both original and yellow copies must be attached to depon (o)2.1 (k)10 (s)6 (a)-be
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originally used for payment is in direct breach of our contractual obligations to our credit card processing provider.

3.6.3 Cash Debit and Cheque Refunds

Cash, cheque and debit card refunds may be provided for payments originally made by debit, cash, cheque or guaranteed funds.

Where the original payment method was by cheque, a refund may not be processed until 3 weeks after the cheque was deposited, as per the 22 Td13 (b)4 e kssd rywas not p kknh e14 (s)6 ()10I (y