

Best practice receipting procedures

[FIN 305: Deposits at University Cashiering Services policy](#) was revised on July 1, 2022.

The best practice procedures guide instructs departments on establishing a stable internal control environment for cash and check receipting.

These procedures provide hiring, training, receipting, depositing, balancing and reconciliation guidance to departments for employees involved in departmental cash handling and depositing. Steps to ensure proper separation of duties, the concept of having more than one person required to complete a task, are also included. Separation of duties is a critical internal control for preventing fraud and errors.

Separation of duties — cash handling

Following are examples of how departments may divide duties:

Responsibility	Duty category	Ideal four-person environment	Good three-person environment	Minimal two-person environment
Cash receiving and counting cash as part of the cash drawer closing process.	Asset handling.	Coworker one.	Coworker one.	Joint coworkers one and two.*
Deposit preparation and recording cash receipts on the departmental receipt in PeopleSoft.	Booking and recording.	Coworker two.	Coworker two.	Joint coworkers one and two.*
Depositing at the campus cashier's office.	Asset handling.	Coworker three.	Coworker one.	Coworker one.
Comparing deposits recorded in the general ledger to deposit amounts appearing on the departmental and cashier receipt copies.	Comparison and review.	Coworker four.	Coworker three.	Coworker two.**

*Closing the cash drawer is performed jointly with coworkers witnessing count and certifying the deposit amount appearing on the departmental receipt. Coworker two retains and secures the copy of the miscellaneous receipts form for ledger review purposes.

**Ideally, the fund custodian or their authorized designee, who should be someone other than coworkers one or two, should review and certify the ledger transaction review.

Each department should document its procedures in a desk manual or similar document, with a level of detail commensurate with the volume of payments being processed. The following checklist is provided to assess the adequacy of departmental internal controls and compliance with university policies for depositing and receipting cash and check payments.

The checklist below outlines suggested departmental best practice cash and check receipting procedures. Note that “cash” refers only to coins and currency under the sales and service column. The term “check” refers to checks and credit cards, and “gifts” covers all payment types. Departmental procedures should be implemented based on the volume and type of payments being processed.



Checklist of departmental cash and check receipting procedures

Sales and service		Gifts	Best practice	Compliance
Cash	Check			
X	X	X	<p>Hiring and training</p> <p>1. Perform a background check for all non-student hires per ACD 126.</p> <p>All non-student staff hires who handle cash and checks on an ongoing basis are designated as “security or safety-sensitive” positions and require a fingerprint check.</p> <p>A background check is required for all student staff hires who handle cash and checks on an ongoing basis. Student staff hired for only a specific event held once or twice a year and not for cash and check handling on an ongoing basis are exempt from a background check. The hiring department may also designate the student position as a “security or safety-sensitive” position requiring a fingerprint check.</p>	
X	X	X	<p>2. Provide new employees training covering all university and departmental cash handling procedures and the importance of following proper payment procedures within three months of their hire date. At the end of the training, the employee must provide certificate of completion to their department acknowledging training was completed. Training is available on the Financial Controls webpage.</p>	
X	X	X	<p>3. All employees responsible for payment handling should complete the cash handling training.</p> <p>Every department meeting the criteria for adherence to this procedure must have supervisors complete the training program within three months of their hire date and every five years. This includes current employees who have not previously attended and new employees.</p>	



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Cash	Check			
X	X	X	<p>4. Annually review payment handling procedures with each employee with cash-and check-handling responsibility. The annual review must be acknowledged in writing. Visit the Employee Annual Review Cash and Check Handling Procedures form.</p>	
X	X	X	<p>Receipting</p> <p>5. Ensure staff responsible for department cash and check receipting are knowledgeable and comply with the following:</p> <ul style="list-style-type: none"> • FIN 301-01. • FIN 301-02. <p>Strict adherence to these policies is imperative as ARS §35-301 provides criminal penalties for knowingly depositing public funds into a non-public funds bank account.</p> <p>All gifts must be forwarded immediately to the ASU Foundation per FIN 303, which operates the financial management aspects of development at ASU and therefore is responsible for processing all gifts to ASU. The ASU Foundation then deposits all gifts given to ASU with Cashiering Services and issues an official university gift receipt. The ASU Foundation deposits all gifts given for the benefit of ASU but given to the foundation to the foundation's bank account(s) and issues an official ASU Foundation gift receipt.</p>	
X			<p>6. If average cash payments of at least \$2,000 per month are received, it is recommended that a sign is posted in the area stating, "For any cash payments, do not leave without a receipt."</p>	
X			<p>7. Issue a receipt for all cash payments. The receipt may be pre-numbered or computer-generated, a pre-numbered ticket, a register receipt or a computerized system that details the payment receipt. Keep the original for the department records and give a copy to the payer.</p>	



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X			<p>8. Keep all copies of voided or canceled cash receipts. Run register voids through the register and list them manually on a log sheet kept at the register. Record any sales or services and types of voids or cancelations in a computerized system maintained by the department detailing the voids or cancelations. These will be used when accounting for receipts in step 14.</p>	
X	X	X	<p>Physical security</p> <p>9. Keep a minimal amount of cash on hand to be used for making change. No more than \$500 in cash or \$2,500 in checks may be kept overnight without approval from Financial Services and the ASU Police Department. Refer to FIN 301-01 for more information.</p>	
X	X	X	<p>10. Place cash and checks in a safe or secure it in a solid lockable cash box placed in a locking desk or cabinet with restricted access to as few staff as possible, in almost all cases, to a maximum of five. Keep a log of anyone issued a key or given the combination. Also, limit access to the area where payments are received to as few employees as possible.</p> <p>Departments accepting credit card payments, are subject to, and must understand and comply with, all rules, regulations and contractual provisions regarding the handling of payment cards including Payment Card Industry Data Security Standard and Merchant Responsibilities Acknowledgement and Payment Card Processing Best Practices. University merchants are required to comply with these regulations and requirements to continue to accept payment cards. Please contact Merchant Services for additional information.</p>	



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X	X	X	<p>Depositing</p> <p>11. Deposit all receipts at Cashiering Services on the Tempe, West, Downtown Phoenix or Polytechnic campus. You can also deposit to the university's bank account via armored transport service if Financial Services have established such arrangements. Follow the above steps unless the deposit represents the following:</p> <ul style="list-style-type: none"> • An externally sponsored grant or contract where the funds must be sent directly to the Office for Research and Sponsored Projects Administration and not to Cashiering Services. Refer to FIN 211 for more information. • Any federal scholarship funds are only to be deposited with the ASU Office of Student Financial Assistance. • A gift, where the funds must be sent directly to the ASU Foundation. Refer to FIN 303 for more information. 	
X	X		<p>12. Deposit monies received daily, or by the next business day for a weekend activity, at Cashiering Services or to the university's bank account via armored transport if Financial Services have planned unless receipts are under \$500 in cash or \$2,500 in checks. If so, deposit at least weekly. Refer to FIN 301-01 and FIN 305 for more information.</p> <p>To deposit gifts, deliver them to the ASU Foundation according to the above-noted frequency.</p> <p>For departments with more significant deposit amounts, use a locked deposit bag or transport bag approved by the armored transport services. All gifts should be delivered in the same manner to the ASU Foundation.</p>	
X	X		<p>13. Verify the validated information on a copy of the ASU cashier receipt, especially if the deposit was made by delivery of a locked deposit bag or by courier. Refer to FIN 305 for more information.</p>	



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X	X		<p>Balancing and reconciling</p> <p>14. For cash register transactions:</p> <ul style="list-style-type: none"> • Balance daily. • Balance the register after each employee's shift. Each employee should have their own cash drawer. • Keep records of employees working specific days or shifts compared to cash balancing and receipt. • Reconcile cash drawers to the pre-numbered receipt or cash register tape. • Require independent departmental review of detailed balancing records. Refer to the Cash Verification Form. 	
X			<p>15. If pre-numbered receipts are used, the supervisor or designated employee should account for all receipts and file them numerically with balancing reports.</p>	
X	X		<p>16. Keep a log by employee and cashier of any unexplained overages and shortages found when balancing. A small overage or shortage is defined as the greater of \$20 or ½ of one percent of total receipts up to \$10,000 and ¼ of one percent of total receipts over \$10,000. Refer to the Cash Verification Form for more information.</p>	
X	X		<p>17. Notify Financial Services — a supervisory or higher-level position in Cashiering Services — immediately of shortages greater than the limits set above. Financial Services will decide whether the ASU Police Department should investigate.</p>	
X	X		<p>18. Review monthly computer reports verifying the proper posting of deposit amounts and refunds, including credit card refunds. To the extent practical, persons verifying the proper postings should not also be involved with the actual handling of the receipts. Each college or division's chief business or financial manager is responsible for ensuring that the appropriate employees perform and review monthly reconciliations of deposits and refunds, including credit card refunds.</p>	
X	X		<p>19. Keep records of balancing and supporting receipts for three years from the date prepared in a secure and restricted area as described in step 10. Refer to FIN 103 for more information. ASU University Audit or Financial Services may conduct periodic audits.</p>	



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X	X		<p>Separation of duties</p> <p>20. As is practical for the department, keep employees receiving payment from adjusting account records like reversals and credits. Refunds, including credit card refunds, should be independently reviewed for appropriateness and accuracy.</p>	
X	X		<p>21. Someone not responsible for receiving payments or processing refunds, including credit card refunds, should review the balancing records in detail.</p>	
X			<p>22. Keep spend authorization — cash advances formerly petty cash separate from cash receipting operations. Refer to FIN 403 for more information.</p>	
X			<p>23. For coin-operated machines, consideration should be given to using an outside contractor rather than self-operation by an ASU department.</p> <p>Another option is to use two locks: one that opens the machine and only maintenance individuals have the key, and a lock inside the machine to the cashbox, to which the cash collector has the key. Accordingly, a maintenance person and cash collector would have to be present to collect and verify the cash.</p>	
X			<p>Other control considerations</p> <p>24. All cash receipts must be deposited and not used for small miscellaneous purchases.</p>	
X			<p>25. Departments are not allowed to cash personal checks from cash receipts.</p>	
X	X	X	<p>26. Complete ASU Information Security Training annually and review the Get Protected policy and practices.</p>	